

Young workers in crisis: social partner responses around the European Union

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The work opportunities of young people (defined for the purpose of this paper as people between the ages of 15 and 25) around the EU have been particularly badly hit by the economic and fiscal crisis those countries have been experiencing since 2008. In most EU countries unemployment levels among young workers are significantly higher and have risen faster than for other age groups. Notably, in Spain, for example, unemployment amongst young workers has hit 40%. Further, in many countries – Greece, France amongst others – young workers are far more likely than other age groups to find themselves in precarious employment in part as a consequence of structural aspects of the labour markets and employer behaviour in response to economic difficulties (EIRO 2006). The phenomenon of young people's unemployment and precarious employment is increasingly a matter of legislative and policy concern by social partners, governments, and the EU (EIRO 2010).

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 the Europe 2020 strategy, the European Commission emphasises the challenge of improving skills levels through reducing early school leaving and encouraging at least 40% of young people to study to at least tertiary degree level and in tackling high unemployment rates. Specific initiatives are highlighted such as developing work opportunities and policies aimed at increasing young people's entry to the labour markets. These recommendations seek to achieve the headline targets and implement flagship initiatives such as 'Youth on the move', which aims to increase young people's chances of finding a job by enhancing students and trainees mobility. However, in relation to work opportunities and conditions of work, young people are in a particularly challenging position. 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 often referred to as "scarring" (Scarpetta *et al* 2010). Furthermore, unemployment and precarious work bring with them the absence of financial autonomy which may constrain opportunities to live independently, start a relationship and begin a family (Carle 2003).

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. We also know that unemployment is not the only challenge facing young workers. Even prior to 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 to 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 previous [Eurofound](#) (Biletta and Eisner 2007), [ILO](#) (2010) and other research show, 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. As we shall see in the following sections of this paper, an obvious manifestation of the vulnerability of young workers has been seen in a steep increase in youth unemployment rates across EU member states during 2009 and 2010, with rates often three times higher than average unemployment. Further, in some member states, there is some evidence that the rate of precarious employment for this group of workers has increased since 2008.

Governance of uncertainty: young people in a wider social policy context

Crouch (2010: 2) has argued that in supply-side economic policy, there is a tendency to draw attention away from the fundamental fact that an economy needs both supply and demand. Specifically, consumer confidence is a function on workers' confidence that their incomes will continue. As such, he rightly focuses our attention on the fact that flexibility of labour and consumer confidence are deeply intertwined. This is important because recent social policy attention at EU level has largely focused on efforts to foster a compromise between flexible labour markets and welfare state provision. Specifically, the attention paid to *flexicurity* debates and policy over in years immediately prior to the financial crisis of 2008 emphasise this approach of trying to develop policy mechanisms that provide a constructive compromise between the two (see European Commission 2007b, Jorgensen and Madsen 2007, Muffels et al 2008 amongst many others). What Crouch proposes is an alternative analysis that the tension between developing confidence consumers at the same time as flexible workers may not only be a tension between markets and welfare states. He argues that it is a condition of the operation of markets themselves.

Crouch argues that the state is not necessarily the primary locus of protection against the market. So, for example, in the UK we can understand the development of what he calls *privatised Keynesianism* as a mechanism for protecting workers against the threat of future periods without income (unemployment, retraining, retirement) by promoting home ownership which has provided the vast majority of households with a financial 'buffer' in the form of equity. Dramatic house price rises, facilitated by government policy, have helped increase this equity so that it is now the main form of wealth for the majority of UK households. In other EU member states, we see different patterns emerging; some of which rely far more heavily on labour market institutions to regulate this uncertainty, others of which rely on other social institutions. For example, in Southern European countries (Italy, Greece, Spain, Portugal, etc.) the model has been to facilitate dependence on family networks to share wealth and income within family units (Ginsborg 2003). Denmark developed the above-mentioned notion of *flexicurity* through state support of for retraining and redeploying labour in periods of downsizing or restructuring. Northern European countries have relied more heavily on forms of collective insurance

and collective bargaining. Many New Member States have largely avoided the need to consider the issue in much detail because of the significant outward migration they have experienced since their transitions to capitalism, although it should be noted that inward flows of remittances from expatriates contribute to those economies (Mansoor and Quillin 2007).

Crouch's analysis has a number of points of relevance to our discussion of young workers. It forces us to consider the ways in which labour market policies intersect with other social policies such as housing, education, training, etc. But more importantly, and a point not made explicitly by Crouch, is that young workers are, by definition, the next generation of workers. Early experiences of work 'matter' as there is good evidence that they influence patterns of work and worklessness later in life (Gangle 2006). 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 policy makers 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. Further, 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 postponement of starting a family (birth of first child).

Causal evidence of this is, of course, difficult to establish. But when we combine this broader understanding of the impact of early experiences of work with Crouch's analytical framework, we start to see why it is important to look a broad range of social policies when we discuss the challenges facing young workers. We need to understand not only what labour market policies are being targeted to assist this group, but what other mechanisms are operating to support them. As we shall see, young workers face particular challenges as a consequence of the economic crisis which, I argue in this paper, present considerable difficulties for some of the established policy mechanisms for governing uncertainty in all EU countries. Before we examine the data about what has been happening to young people since the crisis of 2008, it is important to be precise about what is meant by 'young'.

What do we mean by 'young people' and 'young workers'?

Internationally agreed definitions of 'youth' typically refer to those in the age group 15 to 24 years. This is the definition adopted by the International Labour Organisation (ILO 2010) and will be used throughout this report unless otherwise stated. However, in some cases, social partners, public authorities, member states, specific initiatives, national statistics, active labour market policies (ALMP) or specifically targeted programmes may define 'youth' differently. This is particularly relevant within the EU because there are established trends of young people delaying their transitions into the labour market, often as a

consequence of the extension of the provision of post-compulsory education. This trend is particularly notable in developed economies and is an important feature of the experiences of young people across the EU. As a result, it is important to raise questions about the extent to which the commonly accepted and international definition of youth still appropriate to capture the European youth – particularly in relation to questions about employment.

The evidence presented in this paper uses the standard definition of ‘youth’ being those under-25s for the majority of the discussion because there is considerable variation between member states in education and training policies, participation rates in post-compulsory education and young people’s labour market experiences. Nonetheless, it should be noted that in countries with very high rates of participation in post-compulsory education, young people may only have been actively involved in work, or looking for work, for a few years. As a consequence, some member states have particular initiatives to target a wider age range and where these are reported and discussed, this is noted. It remains for future discussions to establish whether researchers in the EU are happy to retain the under-25 definition of youth in further research.

The research

The evidence presented in this paper reports responses of social partners (trade unions and employer associations) and governments 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. This focus allowed us to develop a qualitative survey designed to capture variation in national debates and policy initiatives whilst retaining a common understanding of the phenomenon.

The survey was distributed to correspondents of the European Industrial Relations Observatory (EIRO) in all EU27 member states (with the exception of Latvia where no correspondent is in place) plus Norway. EIRO correspondents are based in national centres that regularly receive such requests and which are staffed by employment relations experts. The EIRO regularly facilitates discussion and networking between national centres which allows for a common understanding of the research process and focus to build up over time. National correspondents are expected to submit a qualitative report of approximately 2000 words on the situation in their country. These reports are edited and verified by a co-ordinator based at the EIRO in Dublin. National reports are then passed on to the lead author whose job it is to produce a comparative analytical report. All national reports and the comparative report will be available online at the EIRO’s website some time in 2011.

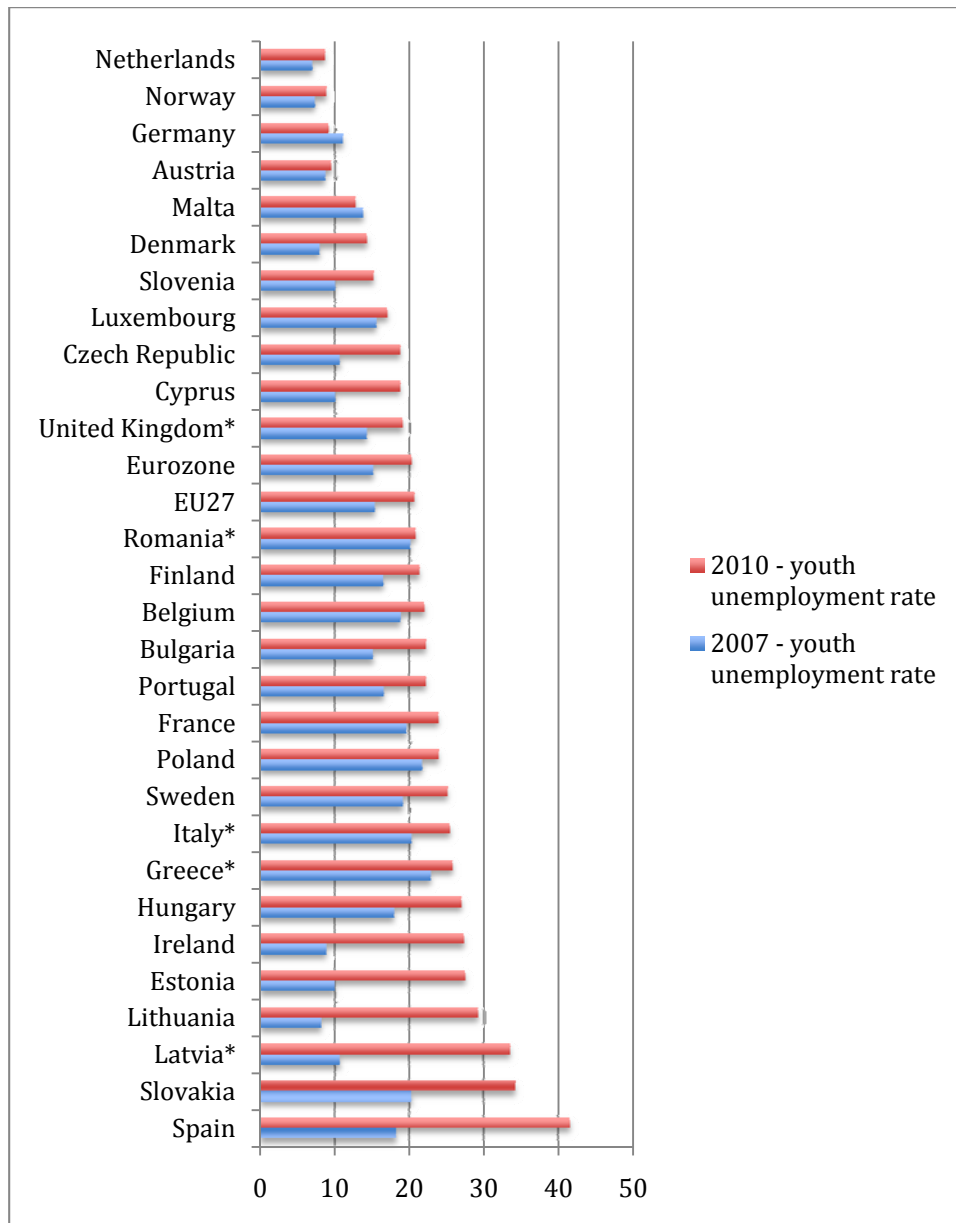
National reports were obtained in December 2010. The questionnaire asked for a narrative report on four main issues: 1) the general debate and trends relating to young people and work since 2008, 2) the ways in which collective bargaining and social dialogue mechanisms have responded to the particular challenges facing young workers during the crisis, 3) attitudes and policies of social partners towards young workers, and 4) government responses to helping young workers. National correspondents were also asked to provide a general

overview commentary on the debates, evidence, and evaluation of these issues. Correspondents were asked to provide details and evidence in relation to national developments in these areas. They were briefed to comment particularly on any evidence of innovation in these areas, and to locate their analysis within a broader understanding of policy debates. The national reports were they collated into a comparative report written by the author of this paper and completed in March 2011. This paper summarises the key findings of that report and locates them in an academic framework.

Recent developments in the labour market situation of young people in Europe

It is important to note that prior to the financial crisis of 2008, youth unemployment was already a significant issue in all member states. Chart One shows the unemployment rate for those under the age of 25 in 2007 (i.e. the last full year before the financial crisis of September 2008) as compared to the rate in 2010. Chart One shows the wide divergence of youth unemployment rates in 2007. Across the EU27 in 2007 the rate was 15.4%. Chart One shows that the rates of youth unemployment ranged from 7% in the Netherlands to 22.9% in Greece. What is striking from Chart One is the jump in youth unemployment evident since 2007. 2010 average unemployment rates show the EU27 rate growing by 5.3 percentage points to 20.7%. The economic crisis of 2008-9 has had a dramatic impact on young people's labour market position across the European Union. Of particular concern is the growth in youth unemployment and there is evidence that the economic and financial situation has significantly worsened the prospects of this already vulnerable group by reducing employment opportunities and encouraging greater use of flexible contracts.

Youth Unemployment Rates: 2007 and 2010 compared



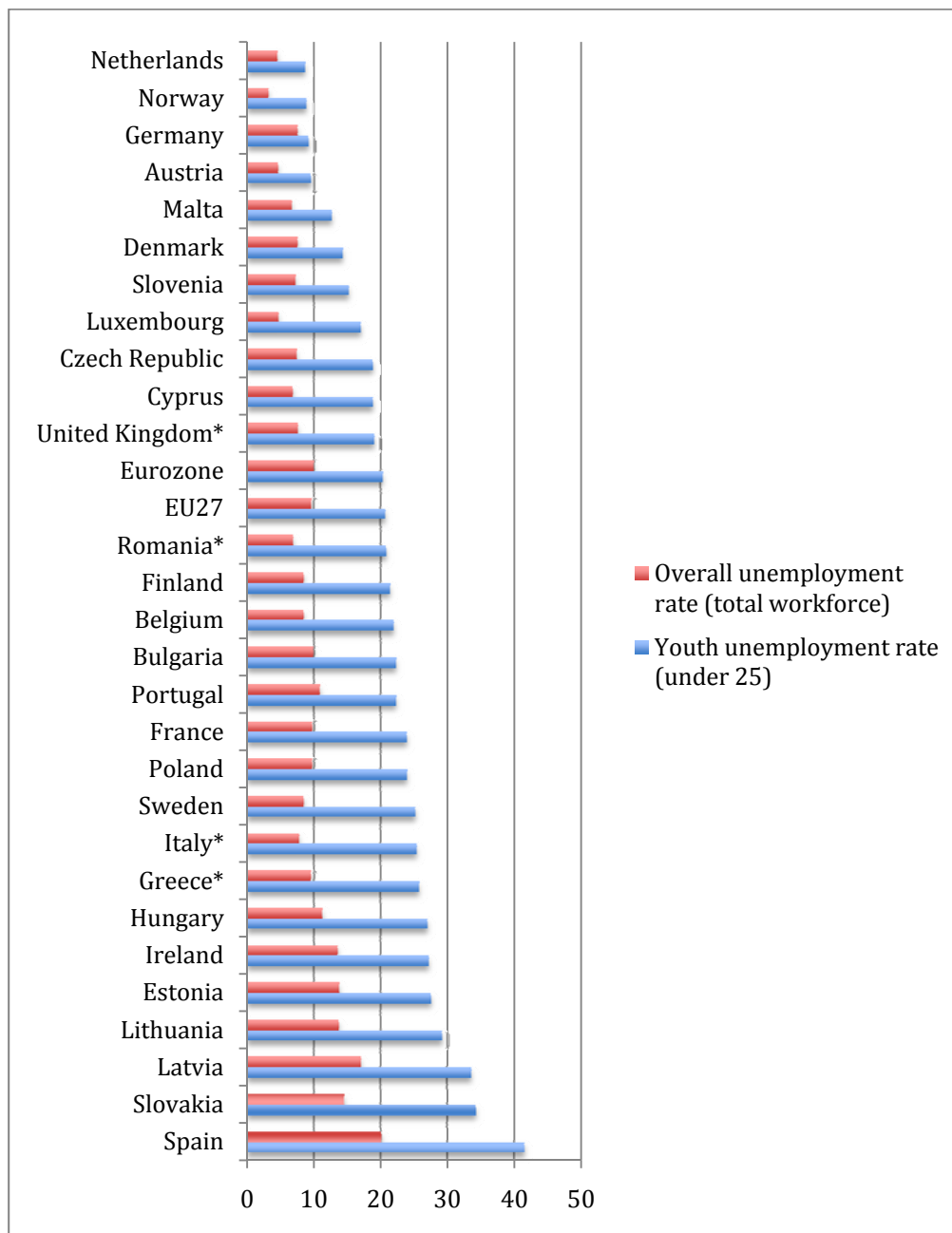
Notes: Year average unemployment rate under-25s
 * indicates 2010 data unavailable so 2009 data used
 Source: Eurostat Labour Force Survey

Chart One clearly illustrates the jump in youth unemployment across member states. What is particularly striking from Chart One is that all member states with the exception of Germany and Malta have 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, Spain, Lithuania and Slovakia 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 crisis, Malta established a tripartite forum to develop social policy to promote employment and which targeted young workers in particular. 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 population of school-leavers (a long-term population trend) which has mitigated the challenge of establishing sufficient training and apprenticeship placements. But demographic change is not sufficient to account for this trend. Italy, for example, has had a similar demographic shift, but still reports a significant jump in youth unemployment. In Germany, 2007 saw agreement on an Apprenticeship Pact as a deliberate effort to tackle youth unemployment and which was established at federal level. There is good evidence that this has increased the supply of apprentice and training positions, further working to reduce the rate of youth unemployment despite the recession.

Despite these two examples of countervailing trends, the situation for young workers in many countries is challenging and this is illustrated by the higher levels of unemployment for young workers as compared to the labour market in total. Chart Two shows that the rates of unemployment for young people are higher when compared to the general rate of unemployment in all member states. Chart Two illustrates that in most member states, youth unemployment is at least double, and sometimes triple, the rate for the workforce in total. The exceptions are the Netherlands, Malta and Denmark where the rate is very nearly double. Germany is an exception, but still reports a higher youth unemployment rate than for the workforce. This illustrates the profound nature of the problems for young people and also for the economies and societies in which they live.

Youth Unemployment Rates In Comparison With Total Workforce Unemployment Rates



Source: Eurostat Labour Force Survey

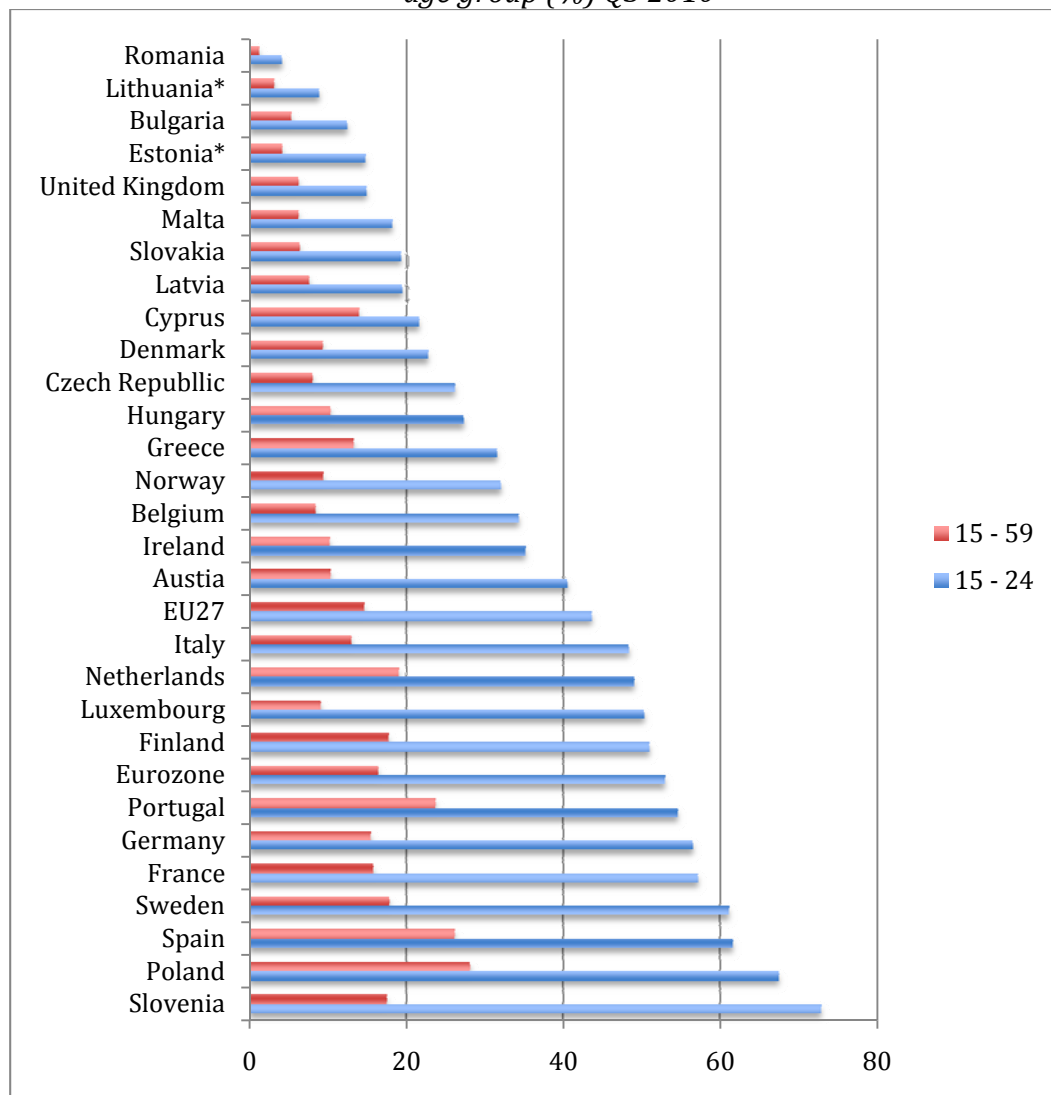
* indicates 2010 data unavailable so reports 2009 data

It is important to note, though, that the challenges facing young people are not simply related to whether or not they are in employment. A further question relates to their skills. A common feature of 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. Another significant challenge relates to the lack of 'work experience' and a consequence is 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 when compared to their 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 facing the labour market conditions. Chart Three 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 precarious work.

Temporary employees as a percentage of the total number of employees for a given age group (%) Q3 2010



Source: Eurostat Labour Force Survey

Note: * indicates potentially unreliable data as flagged by Eurostat

Having illustrated the depth and breadth of the challenges facing young people around Europe, this paper moves on to examine debates and actions of social partners and governments to help them. The particular emphasis is on developments since the 2008 financial crisis. The main sections of the report first summarise the national debates about young workers, before moving on to evaluate evidence of the attitudes, policies and actions of the social partners. This is followed by an analysis of government responses and the report then concludes with a commentary on recent developments and their consequences for debates highlighted above regarding the 'governance of uncertainty' in different institutional contexts.

National debates about youth employment

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 and some of these are outlined in this report.

Overall, however, 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 benefit 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 (e.g. France) or if they have opted into unemployment insurance schemes (e.g. Sweden.), Different systems may benefit or disadvantage young workers in comparison with older workers because they may limit access to social security support for people who have not been in employment for a particular length of time.

The data above clearly shows the extent of youth unemployment and these figures feature highly in national debates about young people. However, unemployment is not the only challenge facing this group. The charts above clearly show that when they are employed, they are more likely to be engaged in precarious work than their older counterparts. This is reported as being particularly problematic in Portugal, Italy, Greece, Slovenia, Spain, France, Poland, Luxembourg, Austria and Ireland. This list of countries illustrates the very broad nature of the challenge facing young people across the EU, and illustrates that the development of a 'precarariat' (i.e. a combination of 'precarious' with 'proletariat') is not particularly associated with any single economic or institutional pattern; it is common in many member states.

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 skills requirements of employers and 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, and the early and severe impact of the crisis on particular sectors where young workers are employed in significant numbers (especially construction and manufacturing). Further, 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 – and particularly the ageing population – present a challenge for governments to balance competing objectives. On the 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 policy makers 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 paper from the European Commission published in July 2010 (COM(2010)365) 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 the UK and France have already adopted measures to extend working lives of older workers and it is important that policy makers and social partners pay particular attention to evaluating the effects of these policies on young workers. Debates amongst social partners also reflect these tensions. In France, it is clear that debates about older workers are far higher in profile than about their younger counterparts.

One striking aspect of the current situation is that the challenges facing young workers are not limited to those leaving education with few skills. There is evidence from many member states that employment opportunities for university graduates are more limited than in previous years and this is likely to have a distorting effect if these young people are prepared to take employment for which they are over-qualified. 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 ESF funds 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 has taken 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 amongst this group to

around 25%. Clearly, then the challenges facing young workers around the EU are not limited to those with few skills, although the evidence does support the view that this group finds it most difficult to make the transition to secure work.

It should also be noted that in some countries employers and employer associations have used the occasion of the crisis to (re)emphasise an agenda about labour market deregulation. Strong arguments are being put forward by employers in countries such as Spain, Greece and Portugal that some of the labour market protections for workers in general have the effect of acting as a disincentive to recruiting and training young workers. This is potentially concerning as it opens the possibility that a 'two-tier' system of labour rights may develop in some member states, with young workers being disadvantaged in comparison to their older counterparts. Not only does this raise issues of inter-generational justice, but also has the potential to threaten social cohesion more widely. Generally, these kinds of proposals have been strongly resisted by trade unions.

Responses of social partners

Social partners in member states have responded to the particular challenges facing young people during the crisis. In general, two distinct patterns emerge. In countries where youth employment and precarious work has been a long-standing policy concern (France, Belgium, Germany) there is evidence that the crisis has prompted renewed effort to extend programmes and initiatives aimed at helping young workers. In other countries, particular attention the issue has emerged largely as a consequence of the crisis and this has prompted more recent initiatives to help young people. This section outlines some of these developments and comments on the particular effects of the crisis in prompting action in this area.

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:

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

In the countries where youth unemployment and skills deficits have been a major focus of public policy prior to the crisis (France, Germany, Belgium) there is evidence that employers have agreed to extend or deepen their commitment policies focused on youth training and job matching. There have been a number of important agreements at company, regional and national levels in relation to extending apprenticeships and other initiatives which are discussed in later sections of this report. In other countries, employers and employer associations in a diverse range of member states (Denmark, Bulgaria, Luxembourg, UK, Romania) complain that education systems are providing inappropriate or insufficient skills to young people. Nevertheless, employers have been involved

in debates as well as bipartite and tripartite consultations to promote particular active labour market policies. In that context, a particularly important response to the crisis is that they are being asked to extend or expand the provision of training and apprenticeships for young workers.

Trade unions in all countries of the European Union generally report lower levels of membership amongst young workers than other groups and many have initiated new strategies for attracting them to membership even before the crisis. National debates tend to see this as a problematic feature 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 programmes of recruitment and organising, although the precise mechanisms for doing this vary depending on the national context. It should be noted that in part these lower levels of membership are a consequence of a number of interacting effects. Due to the transitional 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 of their rights. However, there are also structural concerns. In many countries, young workers are more likely to work in sectors where trade unions have struggled to organise. They may also work on contracts that are excluded from collective bargaining coverage. Two central issues emerge in relation to trade union responses to helping young workers during the crisis:

1. organising and campaigning efforts to recruit young workers; and
2. campaigning work to promote ALMPs and secure job opportunities for young workers.

Correspondents from 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 concern to increase membership representation amongst this group. There are reports of campaigns to recruit young workers in almost all countries. It is relatively common that young workers are organised into separate sections or branches of the trade unions 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.

Government responses

In general, governments have been responsible for the bulk of initiatives to help young workers. While there are relatively few reports of changes to labour legislation that have been developed with the rationale of attempting to help young workers, most governments initiatives are part of wider labour market policies and programmes.

On the one hand, changes to labour legislation demand attention because they illustrate an alternative rhetoric and mechanism for thinking about the challenges facing young workers. These initiatives have been largely justified as measures to reducing barriers to labour market entry for young workers, but are highly contested by social partners. So, for example, in the Netherlands, there was a temporary change to labour law up to 30th 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 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.

On the other hand, 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 depends largely 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.

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

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

However, the major challenge of this approach is that ALMPs are likely to be a direct target of cuts as part of a wider programme of austerity measures. It seems likely, therefore, that the effectiveness of governments' efforts to support young workers will decrease. It is notable that whether programmes for assisting young workers are long-standing or more recent, some countries have committed considerable resources to these initiatives. In Poland, in 2010 the 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 also provides a clear 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 specifically targeting young people doubled from €169 million to €387 million which has continued since the crisis. Given the sums of investment involved, it is undoubtedly important that effective

evaluation programmes are in place. However, these are often absent, inconsistent, or the nature of the interventions makes them difficult to evaluate.

The impact of austerity measures on government initiatives to help young workers is also important to note. The UK is a notable example where some ALMPs targeting young workers have been cut as part of the austerity measures, specifically provisions to reduce the length of subsidised training, employment or voluntary work to young people who have been unemployed for 12 months or more. Similarly, in Ireland, since 2009, social welfare rates for young workers have been cut 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 over this. In Poland, for example, although ALMPs 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%.

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 directly grants to students or to post-compulsory education institutions more widely, typically as part of austerity measures. Fears are 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.

Discussion

Crouch's framework provides an extremely useful way to explain not just the patterns of youth employment observed in different member states, but also some of the limitations of existing policy development. Sadly, the picture is bleak. These findings raise real concerns about the sustainability of national policy mechanisms for reconciling the competing tensions of creating sustainable consumer demand around the EU alongside flexible labour markets. Crouch (2010) acknowledges that mechanisms for resolving these tensions do not have to take place within one geographic area, but within the EU we have nonetheless seen four basic models emerge that particularly influence youth labour markets; family, debt, migration, and flexicurity. The fundamental challenge is that growing youth unemployment and insecurity around the EU threatens all of these models and this helps explain some of the differences described in the opening sections of this paper. In the new member states, migration flows are reduced as labour market opportunities in the more affluent countries are reduced. The Anglo-Saxon approach of providing opportunities to mitigate

uncertainty through the accumulation of property debt (mortgages) and eventually property-based wealth are reduced as financial markets refuse to lend to young people, and particularly those in insecure employment. The flexicurity approach comes under pressure because of rising unemployment rates across the economy. And mechanisms to spread risk within family units in countries such as Italy and Greece come under strain as precariousness extends well beyond the third decade of life.

Conclusions

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 European Union countries since 2008 with a notable increase in trying 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. Further, social partnership mechanisms have 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 concerning the employment rights of young people engaged in internships and training. But generally, employment rights are recognised to be at the heart of much of the focus of the response of social partners to helping young workers. 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 evaluation of 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, these programmes are evaluated within an appropriate time span.

There seems to be important 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 co-ordinated 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 to move 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 and 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, whilst 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 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 in view 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. It is important to note, however, that some initiatives require comparatively little direct funding. So, for example, efforts to create more effective links between employers and schools and to increase the educational attainment of young people while they are involved in statutory education and to reduce drop-out rates from statutory education could be promoted even in times of fiscal challenge.

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