



Implementation of EU policies for youth employment: a civil society perspective

Report on six Member States

| EN



European Economic and Social Committee

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FOREWORD

The particularly vulnerable situation of young people in the labour market has long been a cause for concern at both European and national level. Traditionally, unemployment is far higher among young people than among the general population. Back in 2008, before the financial crisis, around 16% of young people aged 15-24 were unemployed in the EU, roughly double the figure for the general population. Young people have been hit especially hard by the crisis: in 2013, the EU28 youth unemployment rate reached 23.5 %, compared with an overall EU unemployment of 10.8 %. Some 7.5 million young Europeans between the ages of 15 and 24 are not in employment, education or training (NEETs).

The EESC has condemned these unemployment rates on numerous occasions and called on all stakeholders for urgent, effective and definitive measures to break the vicious circle which risks compromising the future of an entire generation. It asked for proper investment in young people, whose fruits will be harvested in the long term.

It is clear that the prospects for employment growth depend to a large extent on the EU's capacity to generate economic growth through appropriate macroeconomic, industrial and innovation policies.

However, addressing the youth employment crisis has given rise to several initiatives at EU level, such as the Youth Employment Package, the Youth Guarantee (YG), the European Alliance for Apprenticeships, the Quality Framework for Traineeships, and the reform of the EURES job search network.

Against this background, the Labour Market Observatory of the European Economic and Social Committee has conducted this study on the implementation of the EU's youth employment policies in a selection of six Member States: **Greece, Croatia, Italy, Austria, Slovakia** and **Finland**, as viewed from a civil society perspective.

The study involved numerous representatives from the social partners, youth organisations and public authorities and we warmly thank them for their commitment and cooperation.



Christa Schweng
President of the Labour Market Observatory
and rapporteur for the study

METHODOLOGY

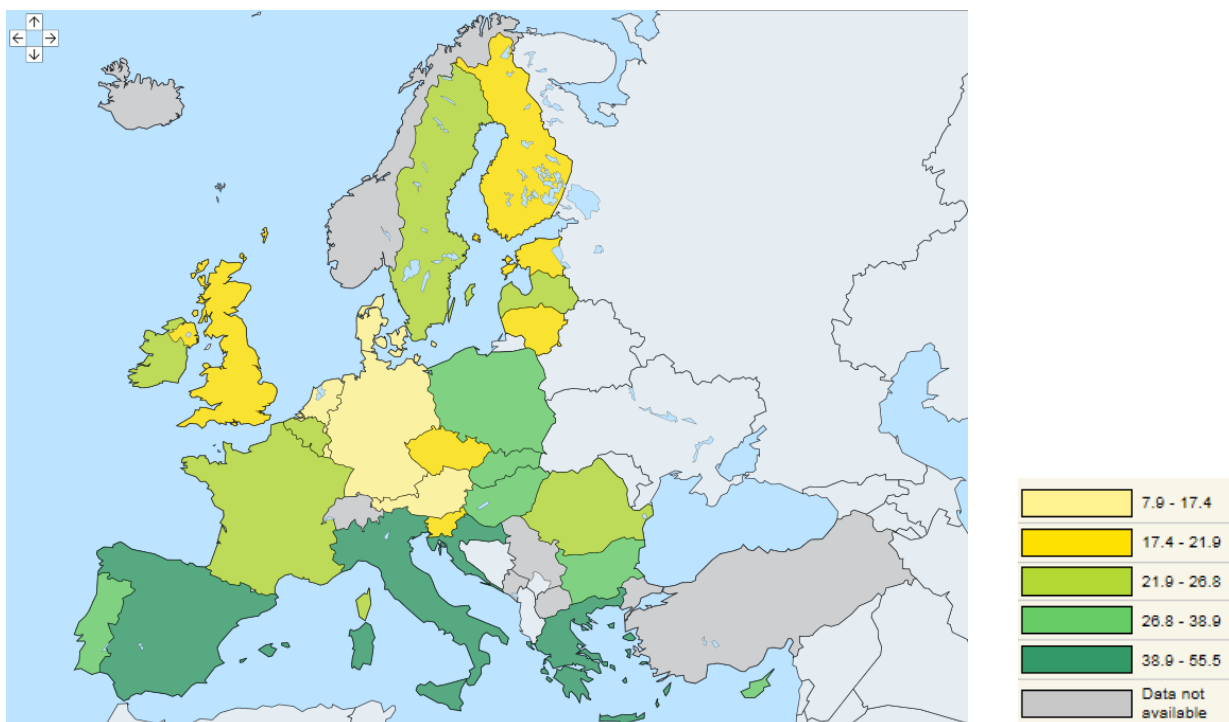
This study aims to illustrate the views of the social partners and organised civil society on:

- the policies that are put in place at national level to help young people find work, including their implementation and their actual impact;
- the good practices or difficulties encountered in the Member States;
- their involvement on policies for youth employment and ongoing reforms.

This exercise gives national stakeholders an opportunity to put forward their comments and recommendations on youth employment policies, providing for an opportunity for mutual learning and better understanding of the functioning of national systems.

The six Member States have been chosen in view of their specific situation in the field of youth policy, taking into consideration the unemployment and NEETs (Not in Employment, Education or Training) rates, but also other specific challenges (e.g. long-term unemployment, Roma inclusion) and based on the information available, and on discussions with representatives from EESC, Commission and permanent representations to the EU.

Unemployment rate, 15 – 24 years, 2013 (Source: Eurostat)



2013			
Member States	Unemployment rate 15-24 years	Unemployment rate 25-74 years	NEET rate (not in employment, education or training) 15-24 years
EU (28 Member States)	23.5 %	9.5 %	13 %
Greece	58.3 %	25.4 %	20.6 %
Croatia	49.7 %	14.1 %	18.6 %
Italy	40.0 %	10.3 %	22.2 %
Austria	9.2 %	4.3 %	7.1 %
Slovakia	33.7 %	12.5 %	13.7 %
Finland	19.9 %	6.5 %	9.3 %

Source: Eurostat

The study is conducted by way of

- a *questionnaire* that was sent to the main social partners and youth organisations of the six selected countries (see Appendix I). It related to apprenticeships, traineeships, the implementation of the Youth Guarantee, mobility, entrepreneurship and other factors such as labour law, social security and more generally measures to prevent young people from becoming discouraged;

The response rate differed between countries: in Austria and Italy both trade unions and employers' organisations replied to the questionnaire. In Croatia, responses were received from both sides of industry and from the Youth Network. In Slovakia, both trade unions and employers' organisations replied, plus the Institute of Employment. In Finland trade unions and the youth organisation replied; finally, in Greece, one employers' organisation and the National Youth Council replied, while the Ministry of Labour and Social affairs and the Manpower employment organisation (public employment service) offered to participate to the survey as well.

- *interviews on the ground* with representatives of main umbrella trade unions and employers' organisations, youth organisations and public authorities – during study trips carried out by teams of three LMO members assisted by an administrator from the secretariat (see table below);

- *desk research* – collection of relevant documents from the European institutions, think-tanks, ministries and permanent representations to the EU of the selected Member States, national ESCs, social partners, civil society, etc.;
- *a public hearing* that was organised by the LMO on 1 April 2014 in Brussels, with the participation of Members of the European Parliament, representatives from the European Commission, Eurofound, the social partners at the EU level, youth organisations at EU and national levels.

N.B.: References to a given country in the sections below are to be understood as the position of the respective national stakeholders and *not* the government itself.

Member State & date of the mission	Members of Group I (Employers)	Members of Group II (Workers)	Members of Group III (Various interests)
FINLAND 16-17.01.2014	Vladimíra Drbalová	Oliver Röpke	Meelis Joost
SLOVAKIA 10-11.02.2014	Christa Schweng	Xavier Verboven	Viliam Páleník
CROATIA 17-18.02.2014	Vladimíra Drbalová	Xavier Verboven	Meelis Joost
GREECE 04-05.03.2014	Irini Ivoni Pari	Daniela Rondinelli	Mette Kindberg
AUSTRIA 14.03.2014	Christa Schweng	Xavier Verboven	Kinga Joó
ITALY 17.03.2014	Christian Ardhe	Oliver Röpke	Kinga Joó

In bold: the names of the rapporteurs for each mission

KEY FINDINGS

1. A tailor-made approach is needed to bring youth unemployment rates down.
2. Establishing a close link between education and the labour market supports employability and adaptability.
3. The Youth Guarantee can encourage structural reforms if properly implemented.
4. Knowledge about transnational mobility and EURES needs to be improved.
5. There is a need to enhance and support public employment services' role in getting people into work.
6. There are diverging views about the influence of labour market regulation on job creation.
7. Business start-ups need encouragement and entrepreneurial education needs to be promoted.
8. Continuous monitoring and evaluation support effective youth policies.
9. Main conclusion: the social partners and civil society are committed to actively participating at all stages of the youth employment policy process, which can help ensure acceptance and smooth implementation of reforms.

1. A tailor-made approach is needed to bring youth unemployment rates down

Some may argue that an unemployed young person in Greece is the same as an unemployed person in Germany and therefore needs the same solutions. Our missions clearly showed, however, that this is not the case: a young person's individual circumstances – high or low skilled, long-term unemployed or just temporarily, mobile or not – have to be taken into account, as do the education system, resources invested in public employment services and, more generally, the economic policies in place in the country in question.

All stakeholders we met and who responded to our questionnaires clearly indicated that there is no one-size-fits-all solution for bringing youth unemployment rates down.

In some Member States, the European Youth Guarantee (YG), which states that a young person should be offered a job or training within 4 months, shifted the focus from those most in need of support – the long-term unemployed – to people who are easier to (re-)employ, thereby preventing the latter from becoming long-term unemployed. In times of scarce resources one may question this approach.

The Youth Guarantee provides an opportunity for Member States to carry out structural reforms. Its implementation is vital, if Member States want to provide positive future prospects for the younger generation.

2. Establishing a close link between education and the labour market supports employability and adaptability

Successful education systems (in terms of future employment prospects) provide a close link between education/training and the labour market.

This is the case in Finland, where a high percentage of higher degree students start working and gaining practical work experience while studying. Over 60% of apprenticeships are advanced-level studies and involve vocational in-service/further training, undertaken by adults. Less than 20% of apprentices are under 25 years of age.

A similar, but not identical, situation can be found in Austria, where about 40% of 15 year olds start apprenticeships with 4 days a week spent in an enterprise, gaining practical experience, and 1 day spent at school.

Croatia reintroduced the dual apprenticeship system in 1995; following a number of changes, it has arrived at a purely school-based system, with less practical on-the-job-training and a greater focus on

the general education component. About 30% of students undertake apprenticeships. As a result, stakeholders felt that the nature of vocational schools was losing its links to real practice and that the number of enterprises willing to invest time, money and energy in dual learning was decreasing.

In Greece, in contrast, the education system does not take labour market needs into account, and apprenticeships are not much used. In the case of Greece employers' involvement in the education system is regarded with mistrust as they do not have any tradition of teaching.

The Slovak education system produces a high rate of university degrees, mainly in social sciences. On completing their studies, young people find themselves without any practical experience on the labour market and with a qualification that does not match labour market needs. The number of schools offering apprenticeships is decreasing. With employers looking for skilled young people with qualifications that are no longer available, a project is underway aiming to raise the interest of primary school children in VET schools. The quality of apprenticeships depends on the particular school: if schools work closely with employers, students have higher chances of succeeding on the labour market. Curricula depend on the individual school and trade, but are not binding for other schools.

In Italy, all stakeholders felt that the education sector and the labour market were two separate worlds. Given that the use of apprenticeships fell by 40% in the second quarter of 2013, reforms are now underway to harmonise differences in training standards and to cut red tape.

2.1 The importance of career guidance and counselling

The choice of a profession is a crucial decision. Guiding young people during this period by showing them the variety of training and professional careers available allows them to make informed choices. Except for Finland and Austria where careers advice is part of the school system, all other stakeholders complained about lack of availability and/or poor quality of the counselling services offered. Many saw the implementation of the Youth Guarantee as a way to improve these services.

2.2 The apprenticeship system

The LMO used the Commission's definition of apprenticeships as a form of "Initial Vocational Education and Training (IVET) that formally combine and alternate between company based training (periods of practical work experience at a workplace) with school based education (periods of theoretical/practical education followed in a school or training centre), and whose successful completion leads to nationally recognised initial VET certification degrees"¹. This definition makes no explicit reference to the existence of a direct contractual relationship between the employer and the apprentice.

¹ European Commission, Apprenticeship supply in the Member States of the European Union, January 2012.

The dual vocational training system is familiar to all stakeholders in all countries visited. It exists in very different forms and therefore stakeholders' judgements differ, ranging from over-regulated (Italy) to just recently non-systematically introduced without a clear legal framework (Greece). However, all stakeholders agreed that the instrument itself is a useful one in fighting both youth unemployment and labour market mismatches and that it should be further developed in close cooperation with the social partners. It must be ensured that curricula are regularly updated in order to provide state-of-the-art training which enables students to cope with technical developments. The contractual status and the obligations of both parties were seen as not always being clear (e.g. Croatia, Slovakia). Stakeholders have asked for a transparent legal framework and for less administrative burdens – especially for SMEs.

2.2.1 Learning content

The quality of the learning content is often not harmonised within a given country and is a cause for concern.

Slovak employers stated that professional organisations should deliver input not only on final examination requirements but also on curricula to be established and updated, as necessary, for every trade.

Recent reforms in Croatia cut back the number of hours spent on practical learning and made teachers responsible for drawing up curriculum content, including practical training; the Chamber of Trades and Crafts feels that this does not adequately prepare students for entering the labour market. The Croatian Youth Network is concerned about employers' failure to respect of legal obligations.

The learning content of apprenticeship schemes in Austria is heavily influenced by the social partners who – together with the relevant Ministries – help to develop training requirements, introduce new trades and also nominate members for examination commissions. This way, co-ownership of social partners is created.

In Italy, all stakeholders shared the view that learning content needed to be aligned with labour market needs. The type of apprenticeship that entails alternation of school and work should be made more widespread. Employers complained about overregulation and lack of incentives, while trade unions would like to see more obligations in terms of stabilisation. Almost all stakeholders pointed to the fragmented way in which Italian law regulates apprenticeships, which creates administrative burdens for enterprises.

Finnish stakeholders appreciate the high quality of apprenticeships, which is monitored on a regular basis.

In Greece, the Public Employment Service tries to find apprenticeship places for young people, which is a challenging task as most companies offering traineeships are SMEs and have been particularly

affected by the economic crisis. A reform is ongoing to improve their availability, incentives for employers (funding), curricula content and to strengthen links with the social partners, local employers and chambers of commerce. The National Confederation of Greek Traders is currently involved in a number of pilot projects in this area.

2.2.2 Recognition

The Slovak final examinations for apprenticeships are recognised, but as one employer representative put it, “it does not necessarily guarantee quality, as this depends very much on the individual school”.

In Croatia an external assessment of the skills required is carried out. Until recently this was under the responsibility of committees appointed by the Chamber of Trades and Crafts. Now it is a competence of the organisations responsible for education, which are not experienced in organising apprenticeship exams. This concern is shared by the Croatian Youth Network. The Chamber also calls for the recognition of apprenticeships as work experience, which would make it easier for apprentices to enter the labour market.

Austrian apprenticeships end with a recognised final examination which entitles the holder to exercise a trade and to embark on a higher level of education.

Italian stakeholders shared the opinion that certification of apprenticeships and the recognition of qualifications is useful if carried out by a third (regional) party as this may raise employability.

2.2.3 Attractiveness

Most of the stakeholders observed a trend towards higher education, reducing the number of young people interested in dual training schemes. Raising the attractiveness of apprenticeships is an important issue in Greece, Austria, Croatia and Italy.

2.2.4 Incentives

The incentives available for employers to offer apprenticeships in Finland and Austria are already well established. Greece has recently introduced a number of such incentives, but they should be enhanced, according to the National Confederation of Greek Traders.

In Croatia, a certain number of incentives exist, but stakeholders agree that their application is too burdensome. All stakeholders in Slovakia agreed that economic incentives should be envisaged, whereas stakeholders' views in Italy on their advisability differ considerably.

2.2.5 European Alliance for Apprenticeships²

While one Croatian trade union and the Croatian Youth Network contribute to the Alliance, neither the Croatian employers' organisation nor the Chamber of Trades and Crafts participated, the latter stressing that recent reforms of the apprenticeship system were not in line with the EU's efforts in this area.

Slovak respondents are not involved in the Alliance, while almost all Italian stakeholders are involved in raising awareness of the European Alliance.

The Austrian Federal Economic Chamber is actively involved and has signed its own pledge to implement two pilot projects establishing dual vocational training in Slovakia and Romania. The Austrian Federal Chamber of Labour is indirectly involved by contributing to the training guarantee.

2.2.6 Council's Guiding Principles regarding Apprenticeship Schemes (October 2013)³

Croatian trade unions and the Youth network did not contest the content of the guiding principles but identified a lack of a link to the industrial strategy as well as a clear definition of the role of key stakeholders.

Slovak stakeholders were not aware of these principles.

Italian stakeholders broadly supported the guiding principles, but pointed to the difficult economic climate, the unclear scattered legal framework in place and the need for simplification.

Austrian workers' representatives considered the strengths to be the legal guarantee for apprenticeships, and the involvement of social partners. The Austrian Federal Economic Chamber saw the cooperation among social partners and with the Ministry in the implementation as essential, and is itself responsible for the administration of apprenticeships.

2.3 The traineeship system

As traineeships may provide an important link between theoretical education and application of acquired knowledge in practice, the LMO asked stakeholders about the availability of and incentives for "open market traineeships" ("traineeships agreed between trainee and a traineeship provider (business, non-profit or government) without the involvement of a third party, generally conducted after completion of studies and/or as part of a job search ... [but not] traineeships forming part of academic

² The European Alliance for apprenticeships: http://ec.europa.eu/education/policy/vocational-policy/alliance_en.htm.

³ Council Declaration of 18 October 2013 on the European Alliance for Apprenticeships, 14986/13.

and/or vocational curricula, nor [those] which form part of mandatory professional training (e. g. medicine, architecture etc.)” as well as their opinion on the quality framework for traineeships.

The definitions and perceptions of traineeships differ widely:

Croatia, for example, does not have any open-market traineeships, but has traineeships that are active labour market measures. However, their availability depends on the capacity of public employment services and on the number of eligible firms. This labour market measure may only be used in enterprises where no employment contract has been terminated within the last six months, regardless of the reason for termination. In reality this requirement makes it impossible for employers who had to adapt to changed economic conditions to offer traineeships. This is also a major concern for the Croatian Youth Network, which advocates removing the barriers preventing the private sector from using traineeships, increasing payments and focusing more on the educational outcome. Croatian social partners also called for the introduction of a mentorship system for apprentices and trainees, and reimbursement of the costs for mentors, in order to create an incentive.

In Italy, stakeholders recognise of the importance of traineeships and agree that the rules for traineeships need to be simplified. Italian trade unions tend to see no advantage in completing a traineeship, as less than 10% of traineeships turn into a permanent employment relationship. Employers’ organisations consider that Italian legislation does not help to increase the insufficient number of traineeship places. Current reforms raise many expectations.

Finnish trade unions advocate paid traineeships and traineeships that are part of higher degree curricula, as most Finns already start working during their studies.

Slovak employers find that traineeships are generally provided either abroad or in international institutions and are organised by a third party. Paid traineeships are limited to bigger companies and major institutions.

In Greece, traineeships are being offered on a reduced basis and are mandatory for some university faculties (EU-funded internships). The Greek Youth Organisation notes that the private sector uses unpaid traineeships to test young people before hiring them. The Youth Organisation issues a weekly newsletter with information about vacant positions, as it sees quality internships as the link between market needs and education. It suggests tax relief for companies as an incentive to offer more traineeship places.

In Austria, the Federal Chamber of Labour is of the view that traineeships should only be provided as part of a curriculum and in the framework of the public employment service where detailed conditions apply. For the Federal Economic Chamber, keeping administrative obligations to a minimum is key, as a survey among trainers for the public employment service confirmed that providing traineeships does

create extra work for business. As traineeships are not regulated under Austrian law, the question of whether or not a traineeship is regarded as an employment relation varies on a case-by-case basis. A traineeship does not oblige the trainee to provide labour nor the business to remunerate. However, if the trainee is paid voluntarily, the social security scheme assumes the existence of a full employment relationship, with all the consequences that entails.

2.3.1 Quality framework for traineeships⁴

The views of the stakeholders concerning the quality framework differ considerably. Trade unions in Finland and Slovakia are fully supportive, whereas those in Italy and Austria feel that the content of the quality framework does not go far enough and should also include a requirement for traineeships to be part of curricula.

Croatian trade unions call for a uniform framework within the EU and an obligation to provide remuneration. Mixed feelings on the quality framework are also to be found on the employers' side: Croatia regards it as an important effort, whereas certain Italian associations and Austrian employers are more critical and have concerns about a possible crowding-out effect, warning that too much bureaucracy may lead to fewer traineeships being offered.

The Greek youth organisation welcomes the framework and calls for payment to be mandatory for internships.

3. The Youth Guarantee can encourage structural reforms if properly implemented

With regard to the Youth Guarantee⁵, stakeholders were asked a series of questions on the added value, features and implementation, prioritisation, the information provided, the role of social partners and the role of their own organisation as well as possible synergies.

3.1 Added value

The added value is stressed by all stakeholders, except for Austria, where a Youth Guarantee already existed before and the implementation plan is regarded more as an inventory of existing measures.

⁴ Council Recommendation of 10 March 2014 on a Quality Framework for Traineeships, OJ C 88, 27.3.2014, p. 1 - 4; EESC opinion on a Quality Framework for Traineeships, CESE 8054/2013, Not yet published in the O.J, rapporteur Indrė Vareikytė.

⁵ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, OJ C 120, 26.4.2013, p. 1 - 6 ; EESC opinion on the Youth Guarantee, CESE 3206/2013, OJ C 271, 19.09.2013, p. 101, rapporteur Mário Soares.

In Finland, the guarantee has helped the different services and public authorities to work together in a structured system. New services have become available for young people. Decision-makers have showed more interest on the NEETs and more funding was made available.

In Italy, Greece and Slovakia stakeholders stress the potential structural effects the Youth Guarantee will have if implemented properly.

3.2 Priorities

Regarding priorities, all stakeholders in Slovakia deplore the lack of structural reforms to improve the education system, which is crucial to prepare youngsters for the labour market. Views differ regarding the prioritisation of groups: employers call for a focus on the long-term unemployed, while trade unions want a focus on new graduates.

In Italy, trade unions and some employers want to give priority to NEETs and the most vulnerable young people, whereas one employers' organisation would prefer to prioritise recent graduates. All of them stress the need to focus on young people from southern Italy and nearly all are in favour of raising the age limit to 29 years.

In Finland, the Youth Guarantee covers young people under 25 and recent graduates under 30. Finnish trade unions and the youth organisation are in favour of giving priority to the most vulnerable. They emphasise the added value of preventive measures.

Austrian stakeholders find that all groups are covered by the Youth Guarantee and welcome early intervention. For Austrian employers, the Youth Guarantee is a chance to look into the functioning of the apprenticeship system and in particular the integration of supra-company apprentices into regular apprenticeship contracts.

The Greek Ministry feels that the target group should be young people from the regions with the highest unemployment rate and people from households with very low income. The Greek youth organisation stresses that the age limit should be 30 and that the social partners need to be involved in the implementation plan.

3.3 Role of social partners and civil society

Although all parties who responded to the questionnaires agree that the involvement of the social partners and youth organisations in the design, implementation and monitoring of the Youth Guarantee is vital, reality shows a quite different picture:

In Finland, Austria and Croatia the stakeholders are involved in all phases of the Youth Guarantee. In Italy only one trade union was involved in the design phase, although all trade unions and employer

organisations are called on, committed and ready to contribute to the implementation phase, either through awareness-raising measures or by offering opportunities for entry into the world of work.

In Slovakia most of the social partners are consulted during the legislative process implementing the Youth Guarantee plan drawn up by the government.

The Greek social partners and the Hellenic National Youth Council stressed that no real consultations were held with them on the implementation plan. However, the “Coordinating Committee for implementation of the Youth Employment Initiative” *may* invite social partners, representatives of civil society and experts on youth employment to its meetings.

3.4 Synergies

When asked about the Youth Guarantee as an opportunity to foster synergies between stakeholders such as employment services, education, social and health services, social partners and civil society organisations, nearly all stakeholders agree and stress the need for enhanced cooperation as a major factor for success. Education systems meeting labour market needs is mentioned as an example of such synergies.

4. Knowledge about transnational mobility and EURES needs to be improved

In Croatia, the newest Member State, information about EURES⁶ is not widespread, mainly due to a lack of publications in Croatian. Trade unions stress the need for information on social security issues for mobile workers. Restrictions on the free movement of workers still apply in some countries, making it even more difficult.

The Greek youth organisation states that the Erasmus programme is quite well known, but that – due to the crisis – Greek families are finding it increasingly difficult to afford a student doing an Erasmus year abroad.

In Italy, all stakeholders share the view that gaining work experience abroad is clearly an asset for a young labour market entrant. EURES is known, but underused in Italy. One trade union pointed to the collaboration between EURES offices in border regions with the local trade unions as a best practice model for supporting mobile workers.

6

EURES, the European jobs network, <https://ec.europa.eu/eures/page/index>, EESC opinion on EURES, CESE 518/2014, not yet published in the O.J., rapporteur Vladimíra Drbalová, co-rapporteur Luis Miguel Pariza Castaños.

In Finland, knowledge about mobility and EURES is generally seen as satisfactory, but with room for improvement.

In Slovakia, views differ: one trade union states that mobility is not very popular, whereas an employer organisation refers to the high level of knowledge concerning mobility of workers in border regions. They referred to cross-border partnerships with Hungary with the participation of their social partners. Concerns about brain drain have also been voiced.

In Austria, EURES is used, but there is still too little awareness of the information available, in terms of both the platform and the additional support available. EURES is not used to its full extent, as only a few Member States post all vacancies on the EURES platform. Language is an issue, as job descriptions and CVs should be available in all the languages. EURES reform is generally welcomed by employers, who underline the added value of the automatic matching of demand and supply. The Federal Chamber of Labour stresses the need for more information on international mobility, but criticises the draft EURES reform, especially regarding the involvement of private temporary agencies, and is concerned about employees' data protection.

5. There is a need to enhance and support public employment services' role in getting people into work

During the study trips, a number of concerns were raised about public employment services: these were primarily related to a lack of trust among users (Italy, Slovakia), insufficient financial and human resources to effectively deal with the unemployed and simple administration of the unemployed instead of activation. These topics are apparently of less importance in Finland and Austria, as in these countries the PESs execute the role of activation and placement management.

6. There are diverging views about the influence of labour market regulation on job creation

Unsurprisingly, views about the influence of labour market regulation on the willingness of enterprises to employ young people differ widely.

Italian trade unions state that protection of workers has been considerably reduced, but doubt that labour law has any effect on the employment of young people. Employers' organisations refer to recent reforms in labour law to reduce the rigidity of the labour market, but state that enterprises are not yet willing to hire on a permanent basis as labour law still fails to meet the needs of Italian businesses. Views are also divided regarding incentives for young people to be part of the labour market: some trade unions describe the welfare system as basically well-functioning but with gaps in coverage, not providing incentives to young people. Employers' organisations point to the underdeveloped measures for work-life balance and at the same time warn that these measures should not put additional burdens

on SMEs. Within the Italian Banking Association, ground-breaking welfare and people care systems have been set up. However, reference is also made to the negative incentives that higher unemployment benefits provide to the willingness to take up a job.

One trade union in Croatia is of the view that labour law does not do enough to prevent abuse of fixed term contracts and that the enforcement authority is inadequately prepared to assume its responsibilities in this area. Another trade union sees the planned reform as favouring employers over employees. The employers' organisations complain that the labour law rules on redundancies are complicated and burdensome, especially for SMEs. The youth organisation thinks that the current labour code is neutral towards the employment of young people and sees the increase in fixed term contracts being offered to young people as a result of structural labour market trends. They are sceptical about the planned reform which extends the use of temporary agency workers for up to three years.

In response to a question about existing incentives for young people to be part of the labour market, the Croatian Trade Unions confederation says that neither the active labour market policies currently in place nor the insufficient number of labour inspectors support young peoples' entry onto the labour market. Croatian employers state that there are incentives but due to the economic situation no jobs are available, an observation that is shared by the youth organisation.

Trade unions in Slovakia see the role of the labour law to be relatively neutral, whereas employers find it hampers flexibility in open-ended contracts. The employment institute stresses that fixed term contracts do not give the parties standard rights and obligations. Regarding incentives offered to young people, all stakeholders state quite unanimously that wages are rather low which is regarded as a disincentive. The employers' organisation states that commuting to and from work is quite expensive and therefore a disincentive to entering an employment relationship.

The Austrian Federal Economic Chamber is of the opinion that labour law enables a dynamic labour market which is favourable for young labour market entrants. In 2012 only about 10% of the working population were employed under a fixed term contract.

According to Austrian workers' representatives traineeships may have the form of open-ended contracts, but also other forms. Both agree that incentives for young people exist, partly due to activation measures and partly as it is socially desirable to work instead of being unemployed.

According to the Greek youth organisation, labour law favours contracts of indefinite duration, but following the Troika's intervention labour relations are constantly changing. Incentives for young people to enter the labour market do not exist.

7. Business start-ups need encouragement and entrepreneurial education needs to be promoted

Croatian stakeholders observe that there are labour market measures in place to encourage self-employment but, as they only apply after an unemployment period of three to six months, they are not seen as being really effective. As publicly available information on business start-ups is scarce, social partners worked together with the Croatian employment office and the Agency for Education to translate the ILO guidebook on “Start your own business – Increasing youth employment”. The Youth Network suggests focusing on a combination of measures for retraining and measures for start-up businesses as the two are currently separated.

Italian stakeholders describe existing measures but judge them to be ineffective due to the lack of counselling services and the difficulty of accessing finance.

The Greek youth organisation states that there is a complete lack of motivation for young people to become entrepreneurs. Even European-funded programmes for business start-ups fail due to the difficulty of accessing finance.

Austrian employers describe the legal measures that were introduced in order to encourage start-ups, ranging from unemployment insurance for the self-employed to social security payments in the case of long-term illness and to capping the amount entrepreneurs have to pay themselves for doctors’ visits at 5% of their annual income. The Austrian workers’ organisations stress the need to ensure that the public employment service only support business start-ups if the implementation of the business idea is considered to be realistic and allows for a viable way of earning a living.

In Finland reforms are underway, with some pilots that have already started – no evaluation exists to date.

Stakeholders in Slovakia agree that setting up a business these days has become very difficult and the support that was available in the past has decreased.

8. Continuous monitoring and evaluation support effective youth policies

Monitoring and evaluation can play a strategic role in the policy-making process by improving the relevance, efficiency and effectiveness of policy decisions.

Monitoring and evaluating the labour market instruments is a continuous exercise in Austria and Finland.

Stakeholders in the other four countries complain about a lack of systematic evaluation, but express their hope that the implementation of the Youth Guarantee will remedy this shortcoming. The Croatian youth organisation specifies that the evaluation should also contain a qualitative component by taking the views and experiences of former beneficiaries into account.

9. Main conclusion: the social partners and civil society are committed to actively participating at all stages of the youth employment process, which can help ensure acceptance and smooth implementation of reforms

The discussions held during the LMO missions and the results of the survey carried out as part of this exercise revealed common concerns about youth unemployment and stakeholders' commitment to contributing to the fight against it.

The organisations involved highlighted the importance of reforms in the education system, skills updates and upgrades and their close link to the labour market. Member States with a highly developed and effective VET-System based on a dual training system or other forms of work-based learning have lower youth unemployment rates and are in a better position to anticipate future development and to adapt to changes on the labour markets.

Member States in which social partners and civil society are actively involved in policy-making have distinguished themselves in the crisis with youth unemployment rates that are relatively low in European comparison.

Stakeholders can indeed bring genuine added value to youth policies as they are close to labour market realities. To ensure a successful implementation of the Youth Guarantee and other youth employment policies, the Labour Market Observatory strongly recommends involving stakeholders in all stages of the process. This can help to create a sense of co-ownership, which contributes to social acceptance and smooth implementation of reforms.

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APPENDIX I

List of organisations contacted for the purpose of the study

For the purpose of this study, contact was made with the umbrella organisations (mainly social partner and youth organisations) that are the most representative in their respective countries, according to information from the European Industrial Relations Observatory (EIRO)⁷ of Eurofound and members of the EESC. In addition, any smaller organisations and sectoral organisations to which EESC members belong were also contacted.

Of the 56 organisations invited to contribute to the study, 44 participated actively, by replying to the questionnaire, sending documents and/or meeting the LMO members.

List of contacted organisations:

GREECE

1. the Greek General Confederation of Labour (GSEE);
2. the Confederation of Public Servants (ADEDY);
3. the Hellenic Federation of Enterprises (SEV);
4. the National Confederation of Greek Traders (ESEE);
5. the Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE);
6. the Association of Greek Tourism Enterprises (SETE);
7. the Union of Greek Ship-owners (EEE);
8. the Hellenic National Youth Council (ESYN).

CROATIA

9. the Union of Autonomous Trade Unions of Croatia (SSSH);
10. the Independent Croatian Trade Unions (NHS);
11. the Association of Croatian Public Sector Unions (MATICA);
12. the Croatian Trade Union Association (HUS);
13. the Association of Workers' Trade Unions of Croatia (URSH);
14. the Croatian Employers' Association (HUP);
15. the Croatian Chamber of Trades and Crafts (HOK);
16. the Croatian Youth Network (MMH);
17. the Alliance for Employment Stimulation and Professional Specialisation of Youth (ZUM).

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<http://www.eurofound.europa.eu/eiro/structure.htm>.

ITALY

18. the General Confederation of Italian Workers (CGIL);
19. the Italian Confederation of Workers' Trade Unions (Cisl);
20. the Union of Italian Workers (UIL);
21. the General Union of Workers (UGL);
22. the Italian Confederation of Autonomous Workers' Unions (Cisal);
23. the General Confederation of Autonomous Workers' Trade Unions (Confsal);
24. the National Confederation of Management and Managerial Staff in the Civil Service (Confedir);
25. the Confederation for Managerial and Professional Staff (CIDA);
26. the Christian associations of Italian workers (ACLI);
27. the Italian Confederation of Academic Professionals (CIU);
28. the General Confederation of Italian Industry (Confindustria);
29. the Italian Confederation of Small and Medium-sized Industry (Confapi);
30. the Confederation of Italian Craft Enterprises (Confartigianato);
31. the National Confederation of Crafts and Small and Medium Enterprises (CNA);
32. the General Confederation of Enterprises, Professions and Self-Employment (Confcommercio);
33. the Italian Banking Association (ABI);
34. the General Confederation of Italian Agriculture (Confagricoltura);
35. the National League of Cooperatives and Mutual Societies (Legacoop);
36. the Confederation of Italian Cooperatives (Confcooperative);
37. the Italian National Youth Council (FNG).

AUSTRIA

38. the Austrian Trade Union Federation (ÖGB);
39. the Austrian Federal Chamber of Labour (AK);
40. the Austrian Federal Economic Chamber (WKÖ);
41. the Federation of Austrian Industry (IV);
42. the Austrian National Youth Council (OJV).

SLOVAKIA

43. the Confederation of Trade Unions of the Slovak Republic (KOZ SR);
44. the Independent Christian Trade Unions of Slovakia (NKOS);
45. the Federation of Employers' Association (AZZZ SR);
46. the National Union of Employers of the Slovak Republic (RUZ SR);
47. the Institute of Employment (IZ Bratislava);

- 48. the Youth Council of Slovakia;
- 49. the Youth platform of the Independent Christian Trade Unions of Slovakia (NKOS).

FINLAND

- 50. the Central Organisation of Finnish Trade Unions (SAK);
- 51. the Finnish Confederation of Salaried Employees (STTK);
- 52. the Confederations of Unions for Academic Professionals in Finland (AKAVA);
- 53. the Confederation of Finnish Industries (EK);
- 54. the Federation of Finnish Enterprises (SY);
- 55. the Church Employers (KiT);
- 56. the Finnish Youth Cooperation – Allianssi.

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APPENDIX II

Recent EESC opinions related to youth employment

EESC Opinion	Date of adoption	Reference	Rapporteur Co-rapporteur
EURES	04.06.2014	CESE 518/2014 - SOC/500 Not yet published in the O.J.	Vladimíra Drbalová Luis Miguel Pariza Castaños
Youth employment – best practices	04.06.2014	CESE 474/2014 - SOC/503 Not yet published in the O.J.	Christa Schweng
Employability of young people – matching training with industry needs in an age of austerity	30.04.2014	CESE 5662/2013 - CCMI/118 Not yet published in the O.J.	Dumitru Fornea Tommaso Grimaldi
The impact of social investment on employment and public budgets	30.04.2014	CESE 6193/2013 - SOC/496 Not yet published in the O.J.	Wolfgang Greif
Quality framework for traineeships	27.02.2014	CESE 8054/2013 - SOC/499 Not yet published in the O.J.	Indrė Vareikytė
Opening up education	26.02.2014	CESE 6185/2013 - SOC/493 Not yet published in the O.J.	Gonçalo Lobo Xavier Pavel Trantina
A strategy against the shadow economy and undeclared work	21.01.2014	CESE 2138/2013 - SOC/480 OJ C 177, 11.06.2014, p. 9-14	Stefano Palmieri
Employment guidelines	21.01.2014	CESE 8193/2013 - SOC/501 OJ C 177, 11.06.2014, p. 40	-
Public Employment Services (PES)	17.10.2013	CESE 5207/2013 - SOC/490 OJ C 67, 06.03.2014, p. 116-121	Vladimíra Drbalová
Rethinking education	10.07.2013	CESE 658/2013 - SOC/476 OJ C 327, 12.11.2013, p. 58–64	Mário Soares Pavel Trantina
Youth Guarantee (ESF)	22.05.2013	CESE 3206/2013 - SOC/485 OJ C 271, 19.09.2013, p. 101-103	Mário Soares
The role of business in relation to education in the EU	20.03.2013	CESE 2308/2012 - SOC/469 OJ C 161, 06.06.2013, p. 27-34	Vladimíra Drbalová
Employee influence and participation	20.03.2013	CESE 2096/2012 - SOC/470 OJ C 161, 06.06.2013, p. 35-39	Wolfgang Greif
Employment policy guidelines	13.02.2013	CESE 112/2013 - SOC/477 OJ C 133, 09.05.2013, p. 77-80	Wolfgang Greif

Youth Employment Package	21.03.2013	CESE 2419/2012 - SOC/474 OJ C 161, 06.06.2013, p. 67-72	Pavel Trantina Philippe de Buck
Towards a job-rich recovery	15.11.2012	CESE 1279/2012 - SOC/463 OJ C 11, 15.01.2013, p. 65-70	Gabriele Bischoff
Youth Opportunities Initiative	12.07.2012	CESE 1579/2012 - SOC/450 OJ C 299, 04.10.2012, p. 97-102	Tomasz Jasiński
Recognition of professional qualifications and administrative cooperation	26.04.2012	CESE 1046/2012 - SOC/451 OJ C 191, 29.06.2012, p. 103-107	Arno Metzler
Erasmus for all	29.03.2012	CESE 825/2012 - SOC/438 OJ C 181/154, 21.06.2012	Indrė Vareikytė
Modernisation of higher education	28.03.2012	CESE 823/2012 - SOC/429 OJ C 181, 21.6.2012, p. 143-149	Joost van Iersel Juraj Stern
Young persons with disabilities: employment, inclusion and participation in society	28.03.2012	CESE 826/2012 - SOC/439 C 181/2, 21.06.2012	Ioannis Vardakastanis
Employment guidelines	22.02.2012	CESE 479/2012 - SOC/435 OJ C 143, 22.5.2012, p. 94-101	Wolfgang Greif
Making post-secondary vocational education and training more attractive	19.01.2012	CESE 147/2012 - SOC/409 OJ C 68, 6.3.2012, p. 1-10	Vladimíra Drbalová
Youth employment, technical skills and mobility	18.01.2012	CESE 148/2012 - SOC/421 OJ C 68, 6.3.2012, p. 11-14	Dorthe Andersen

