



**European Economic and Social Committee**  
**The President**

Brussels, 09 October, 2012, Stockholm Region EU office

## **New opportunities for young people with structural funds**

### **Staffan Nilsson's opening statement**

*Seul le texte prononcé fait foi*  
—————  
*Check Against Delivery*

Europe's youth is its future. However, many young people do not have a job or lack the appropriate skills. The problems experienced by young people on the labour market are structural in nature and have been apparent for many years, even before the onset of the current crisis. The economic crisis, which we have been experiencing since 2008, has exacerbated the problems of young people. Unemployment in the 15-24 age group is more than twice as high as for the economically active population as a whole and nearly three times as high as among economically active adults.

The number of young Europeans out of work grew by one million between 2008 and 2010 and there are now over five million unemployed young people in the EU. Moreover, the growth of long-term unemployment among young people is a particular cause for alarm. On average, 28% of young unemployed people under the age of 25 remain out of work for over 12 months. Furthermore, many young people have difficulty getting a foothold in the labour market despite having appropriate skills.



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Youth unemployment is a tragic waste of potential, which not only undermines economic growth but will also have serious consequences for social cohesion in the future. Furthermore, unemployment is a societal problem that comes with huge individual costs.

There is no single solution to the problem of youth unemployment. Action needs to be taken along at least four lines.

Firstly, economic growth needs to be regenerated. When the economy grows so do the employment possibilities for young people. In this respect several factors are important, such as the existence of a healthy and efficient financial system, the level of households' demand and a high level of innovation.

The second group of actions concerns education and qualifications. We must tackle the problem of early school leavers. We need to design our education and training in such a way that young people acquire the competences needed on the labour market. In this respect informal education is also very important.

Thirdly, the regulatory framework of our labour markets needs to be reconsidered. And here we need to strike the balance between flexibility and security for the employed. A very important element is the likelihood of temporary and/or part time contracts being transformed after some time into indefinite full time contracts. A young person going through a precarious period in the beginning of his/her career must have a clear perspective of reaching a more stable situation. Real self-employment (as opposed to bogus self-employment) can also be an important means for young people to get to work.

Fourthly, it is necessary to look at employment services (whether managed by public authorities or social partners). Early intervention whenever a youngster is in danger of losing his/her job is important, as is the idea of subsidized employment for vulnerable groups who would have difficulties in accessing the ordinary labour market, particularly young people without qualifications or with very low qualifications.



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To address the deterioration in young people's labour market prospects triggered by the crisis in many Member States, the EESC has proposed to:

- set ambitious EU objectives for youth employment;
- consistently implement the Youth Guarantee in all EU countries;
- deploy increased EU funding and make access easier, especially in strongly affected countries;
- set aside increased funding in the new EU budget for tackling youth unemployment;
- improve young people's access to unemployment benefits;
- deal with insecure and unregulated work in training and internships;
- promote the dual education system more strongly as a model for the EU.

We are happy to acknowledge that the European Council of June identified boosting employment for both women and men, in particular for young people and the long-term unemployed, as a clear priority. The Council will swiftly examine and decide on the proposals contained in the Commission's "Employment package", putting emphasis on quality job creation, structural reform of labour markets and investment in human capital. It is crucial to address youth unemployment, in particular through the Commission's initiatives on youth guarantees and the quality framework for traineeships.

In order to reduce youth and long-term unemployment in the short term, the EESC calls for special measures in the areas of social, education and labour policy – particularly in a time of strained household budgets. In its current Youth Opportunities Initiative, the Commission calls for quick and unbureaucratic assistance above all in countries worst affected by youth unemployment. Member States with especially fraught labour market conditions as far as youth employment is concerned and with high long-term unemployment, should be given easier access to EU funding and for investment in job creation. What are needed are pragmatic and flexible procedures and simplified administration of fund use, up to and including temporary suspension of national co-financing arrangements by tapping funds such as the ESF and other European funds. Sufficient funding from the ESF – but also from other EU funds – for youth-specific initiatives should therefore be guaranteed in the new financial plan from 2014 onwards.



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It is very timely and important that measures to step up youth employment have been given particular attention, notably to improve young people's first work experience and their participation in the labour market, with the objective that within a few months of leaving school, young people receive a good quality offer of employment, continued education, an apprenticeship, or a traineeship, which can be supported by the ESF.



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