

# **Together against youth poverty and social exclusion**

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**SPEECH**

**by**

**Mr Luca JAHIER**

**President of Group III 'Various Interests'**

**of the**

**European Economic and Social Committee**

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*Seul le texte prononcé fait foi*

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*Check Against Delivery*

Ladies and gentlemen:

- It is with great pleasure that I am here with you today at this seminar entitled 'Together against youth poverty and social exclusion';
  - In reading the title of your seminar, the word which struck me the most was the first one: '*Together*';
  - For the economic crisis in Europe has rapidly become not only a social, but also a very serious political crisis, without doubt the most serious in the history of the EU, and of which we have still not emerged;
  - And unfortunately, 'togetherness' between Europeans and for Europe has become 'anathema' for some. It has become the symbol of their misfortunes instead of the solution;
  - Hence, we see in some European countries the propagation of vitriolic extremism reaching dangerous levels for democracy and humanity;
  - And it has not always been easy to persuade Member States to put 'Europe' before national interests, in the endless circuit of negotiations and Summits over the last three years;
  - The question is, with so many concurrent crises, underpinned by austerity and the absence of growth, how can Europe reduce youth poverty and social exclusion?
  - How can we find a place for job-generating investments particularly for the young, alongside austerity, fiscal consolidation and deep structural reforms?
  - What impact will last week's meeting of the Member States in Brussels, the 22<sup>nd</sup> crisis meeting of Heads of State, bring to the lives of young people in the short and middle term?
  - And how can we at both the European and the national level, re-instil some hope and ambition among our children?
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- For indeed, if we consider the figures, there is much to be concerned about: data released by the European Commission show that unemployment in Europe in September reached 25.3 million or 10.4% of the active European population;
  - Indeed long term unemployed now accounts for 4.5% of the active population;
  - Youth unemployment in particular, is now at *dramatic* levels: 22.5% of young Europeans, with 55% of young Greeks unemployed, 50% of young Spanish...
  - And among the young, the risk of remaining in long-term unemployment and inactivity will have a devastating impact on their confidence, on their place in society, on their relationships and on the poverty levels of themselves and of their families;
  - For 'poverty' is a complex concept, encapsulating unemployment, illiteracy, homelessness, indebtedness, etc;
  - Indeed, the EU poverty indicators adopted in 2010 include three different definitions, which can be used independently and which result in the calculation of different numbers of poor in the European Union!

- The most common definition is that of 'relative poverty', i.e. of being at risk of poverty (living in a household with an income below 60% of the national median);
  - But there are two other definitions: firstly of 'suffering material deprivation' (living in conditions constrained by a lack of resources). Secondly, 'living in a household with low work intensity' (where individuals of active working age only worked less than 20% of their potential, in the last 12 months);
  - According to Eurostat figures, in Europe today 23.5% of the population is at risk of poverty and social exclusion (almost 116 million Europeans);
  - Moreover, again according to Eurostat, 80% of Europeans believe that poverty has increased in their own country in the last year (up to 97% in Greece and 93% in Spain);
  - 18% of respondents declared that their household ran out of money for essential goods and services in the last year (up to 45% in Greece and 34% in Hungary);
  - So clearly, we are a long way from implementing the commitment of the Europe 2020 Strategy, to reduce the number of people at risk of poverty by 20 million, by 2020;
  - And clearly, the recent austerity programmes have resulted in higher numbers of young Europeans who are unemployed and poor, than at the global level;
  - For according to the ILO, the percentage of young persons *world-wide* who are unemployed is 13%, compared to the 22.5% for Europeans;
  - However, in my opinion, we have to recognise that youth unemployment, poverty and social exclusion in Europe are also *structural* and *generational* problems, which existed before the crisis and which have been aggravated by the crisis;
  - The question is why, and we need to firstly look for answers in the education systems and employment markets.
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- The first point to make is that in an ideal world, our educational and training establishments should be adapted to reflect the *needs* of contemporary society;
  - And *all phases* of education, starting with primary school, followed by secondary, tertiary, vocational training and lifelong learning need to be reviewed;
  - We must also consider the job market of the future: according to the European Commission, by 2020 more than 1/3 of jobs in the EU will require high skills and the three sectors which will have the greatest job potential will be the green economy, the health sector and ICT. The green economy alone is expected to generate over 20 million new jobs in the next ten years;
  - With this knowledge, two things are obvious: firstly, that public funding to educational establishments needs to increase to take into account these upcoming sectors;
  - Secondly, that students should be advised to acquire the relevant skills. We currently have serious skill and geographical mismatches in the European labour market and it is crucial that the skills requirements are *well assessed and well managed*;
  - Central to this process is a much better cooperation between the private sector, civil society, schools and universities. We need much more work experience and better communication on the skills needed by businesses. Moreover, it is likely that active

labour measures to encourage business will be necessary, for example, training subsidies or tax cuts to motivate employers to hire young people;

- But beyond these factors, job creation will be encouraged in Europe by increasing the *adaptability* of workers for example through better language training;
  - It will be helped by addressing administrative obstacles to mobility for education, traineeships, apprenticeships and full time employment;
  - And it will be encouraged by innovative initiatives such as the European Skills Passport, which will validate non-formal learning and increase the visibility of skills acquired outside the formal educational system. Many other good EC initiatives could also be mentioned, including the launching of the first phase of the 'Your First EURES Job', a project which strives for cross-border mobility through an embryonic pan-European employment service.
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- Ladies and gentlemen, I began my presentation by referring to the multiple crises that Europe is facing and their severe impact on the unemployment and poverty levels of young Europeans;
  - We cannot escape these crises and much to my regret, the national education and training budgets *continue* to be severely cut and funding for job creation is too limited to deal effectively with the scale of the problem;
  - Despite the 'Compact for growth and jobs', which was adopted by the Member States in June, we are still a long way from implementing its provisions;
  - And I would like to appeal to all national and European leaders to act on what the President of the European Commission Mr Barroso said last week at the 'State of Europe' Roundtable: that there is indeed a 'fairness gap' in Europe and that the struggle to make Europe more competitive is not in contradiction with social inclusion;
  - We just have to be more innovative and more creative and use the energy and natural optimism of our young;
  - We need to help young people to become entrepreneurs, we need more accessible funding for SMEs, we need to invest more in a sustainable green economy and in inclusive social economy enterprises where young Europeans can play a role;
  - We need to implement existing policies in the Europe 2020 Strategy which will combat poverty and strengthen our internal market. And we must reinvigorate our industrial policy in order to create new employment opportunities;
  - We need to think outside the box with fewer but well targeted resources;
  - Before ending my presentation, I would like to stress that social equity will only come about if we give youth a voice, if we engage with them as partners and if we allow young persons to become what the Europe 2020 Strategy had intended. That is to say: autonomous and engaged actors, involved in the *implementation* of policies. For our present and our future is in their hands!