

NACHGEFRAGT

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Youth Employment in Europe – The Persistent Crisis?

Ein Gespräch mit **Dr. László Andor**, ehemaliger EU-Kommissar für Beschäftigung, Soziales und Integration (2010-14), derzeit Mercator Senior Fellow an der Hertie School of Governance und Gastprofessor an der Université libre de Bruxelles.

Geführt von **Mark T. Fliegauf**, Fellow in Innovativem Regieren und Leiter des Projektes „Innovatives Regieren | Impact 4 Jobs“.

stiftung neue verantwortung (snv): Dr. Andor, amid an array of current short-term challenges – almost-Grexit, Brexit and the immigration issue come to mind – European leaders seem to have lost track of a persistent crisis that is plaguing the Union: immensely high youth unemployment.

László Andor: Well, we have seen modest improvements with overall unemployment in Europe, and that is also the case with young people. The number of unemployed youth is half a million less today than one year ago. However, the point is that whenever there has been a recession, the youth population has suffered more than the average worker. If we compare young people with other age categories, we see a big difference.

snv: During your time as European Commissioner, you were the chief architect of the European Youth Guarantee, which has set the goal to ensure that every young person that enters the labour market transitions into an internship, an apprenticeship or permanent employment within four months. Has the Youth Guarantee been overly ambitious?

Andor: The Youth Guarantee is not something that promises the complete elimination of the youth unemployment. It cannot do that, but it can make a big difference in order to ensure that young people do not fall into long-term unemployment. Long-term unemployment for young people starts with six months, because they lack experience, resources, reserves and connections and therefore, they are more vulnerable. If you get your first job faster and with greater certainty, the rest of your career will be much safer and more satisfactory.

snv: It has been about two and a half years since the Council recommendation. What is your preliminary assessment?

Andor: National implementation plans for the Youth Guarantee have been developed. However, when I left the Commission at the end of October 2014, we were aware of the very uneven implementation.

Slovakia, for example, used the grant from the Youth Guarantee entirely to support SMEs, helping to hire young people who have been unemployed, or NEETs in order to give them

first work experience through the Youth Guarantee schemes. They could thus ensure that the majority could continue in either the same job or another job. But some countries are facing great difficulties. Italy is one example. But the reasons are not the same in different countries. In the case of Italy the unwillingness to implement probably comes from the fact that the labour market institutions and also the Social Fund programmes are mostly regional. So the national government, which actually is supposed to be the driver of these efforts, is lacking a nationwide network. Until recently the employment services of the northern and southern regions of Italy were not connected – as opposed to Germany, where you have a fully computerized public employment service and thus the availability of comprehensive data about the supply and demand for labour.

snv: Where do the difficulties in the implementation mainly lie?

Andor: I would say capacity and commitment. Money plays a role, but I don't think this can be the main reason now, because there are allocations from the old and the new financing periods, so money is not an obstacle. The bigger question, I would say, is capacity and commitment. If we take the European Regional Development Fund or the European Social Fund, the two countries that are always mentioned with weaknesses, problems, abuse and controversy are Spain and Italy. This is part of the problem: a broader administrative weakness, either because of propensity of corruption in some countries, in some regions especially, or a too complicated system, as in Spain, too many layers of administration and the administration of the money.

snv: And commitment?

Andor: Commitment is more a question of politics, whether employment and especially youth employment really finds a place high enough on the political agenda or not. You need more cohesive societies and, as a good example, let me mention Portugal. Portugal is not a richer country than Spain and in many cases more disadvantaged, even more peripheral than Spain. But if you look at the data, Portugal always has better results when you look at cohesion. Why? Because the stakeholders are working better together. You have functioning local, regional and national cooperation, which includes local governments, regional governments, trade unions and foundations collaborating.

snv: If implementation is so uneven, should we then strive for a more centralized, more rigid framework?

Andor: The Youth Guarantee is a framework, which sets the parameters in a uniform way, but the content has to be created locally. Youth unemployment never only has one cause but several contingent ones. Whose fault is it that the young people are unemployed? Is it their own fault because they don't have the aspiration? Is it the fault of the education system? Or the fault of the labour market? In most cases, especially where the problem is as huge as in Spain or Italy, probably all three come together. But it's not only national differences which matter in Europe – but rather the regional ones. In Italy you have a north-south problem. However, the UK employment performance is strangely balanced overall, despite huge economic imbalances. One would believe that the north would be a lot more depressed and this might be true in economic terms. In terms of youth unemployment, however, Greater London also experienced about 22% youth unemployment rates after the financial crisis hit.

snv: You have mentioned the role of young Europeans themselves. Is this not a bit harsh?

Andor: What did the young Spanish people do when the crisis came? They turned themselves into the indignados (“the outraged”) – that’s a nice thing to do, to go out and say we’re not satisfied, and somebody should bring us a solution. But I think very often the young people themselves can be more innovative and practical and go after the solutions – whether the solution is inside or outside the country.

snv: But mobility alone can’t be the solution to solve Europe’s youth unemployment, can it?

Andor: No. And we shouldn’t give this message that everybody who is unemployed should go to another country, not least because it sends the message to the Portuguese, Greeks and others that their respective countries are not going to recover. I think there should be balanced economic growth in Europe, from which we are very far away today. There are also natural barriers to mobility. Language, of course, will continue to play a role, even though some people probably will become more inspired to learn a foreign language, especially German, in the coming years.

snv: What role can entrepreneurship play to reduce high youth unemployment?

Andor: Entrepreneurship can play a smaller or greater role in delivering the Youth Guarantee. Spain, for example, created greater room for entrepreneurship in strategy. But not everyone can become an entrepreneur, so it’s not true that you just need one million or five million entrepreneurs and everything will be beautiful. But some young people are talented enough to be entrepreneurs and, of course, that should be supported. The biggest challenge in some countries, however, is early school leaving and thus the lack of fundamental skills. To be an entrepreneur you need entrepreneurial skills, but also more than that. You need to know marketing, accounting, managing other people, and all the rest of it, and many of the young people are just lacking elementary skills.

snv: It thus seems that the youth unemployment crisis will persist in Europe. What do we have to do beyond the Youth Guarantee and other emergency measures for a remedy?

Andor: There should be an emphasis on the right to employment. That’s the best way to ensure that commitment develops and stays. And that combating youth unemployment is not only a seasonal issue for one recession. If you stress that there is a right to work for young people, then there should be a right to assistance to make the first steps into the working world. So you would not allow governments to run away from the subject when things are getting slightly better. In my view, the concept of the Youth Guarantee has helped to create this understanding, and it will stay as another component of the European Social Model.

snv: Thank you very much, Dr. Andor.

Über die Stiftung

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Über das Projekt

Das Projekt „Innovatives Regieren | Impact 4 Jobs“ sucht einen Werkzeugkasten von innovativen und wirksamen Instrumenten bereitzustellen um Jugendarbeitslosigkeit in der Gegenwart und nahen Zukunft erfolgreich einzudämmen. Das Projekt ist eine Kooperation der stiftung neue verantwortung mit der TUI Stiftung.

Mehr Informationen zum Projekt „Innovatives Regieren | Impact 4 Jobs“ unter:

<http://www.stiftung-nv.de/projekt/innovatives-regieren-impact-4-jobs>

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