



# **POLICY PAPER ON YOUTH EMPLOYMENT**

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## Executive summary

The youth unemployment crisis has had a profound effect on young people and the societies in which they live. Youth unemployment is a global issue that threatens to undermine the very fabric of our society. More than 75 million young people are unemployed internationally and in Europe close to one in four young people are out of work.

As a result of growing youth unemployment, young people are experiencing increased levels of poverty and social exclusion, and there is a widening economic gap between older and younger generations.

In this Policy Paper, which is an update of the 2008 Policy Paper on Youth Employment, the Youth Forum identifies the main causes of youth unemployment, including: inequalities on the labour market, a lack of provision of services to young people, and the privatisation of education. It also addresses the need to eradicate discrimination against young people.

Through this Policy Paper the Youth Forum is proposing a set of actions, based on the principles of youth-rights and equality, to tackle youth unemployment head-on and reverse a trend that is threatening the very stability and future of Europe.

## Introduction

Quality-employment is a crucial element with regards to the autonomy and wellbeing of young people in Europe and throughout the world. The right to decent work and protection against unemployment are fundamental human rights.<sup>1</sup> Being able to find quality-work is essential for young people in order to participate fully in society, ensure autonomy and to avoid the pitfalls of poverty and social exclusion.

The position of the Youth Forum is clear: young people in Europe have the right to quality and stable employment. Young people have not been adequately provided for and despite being more educated and driven than previous generations, they face structural hurdles in accessing the labour market. Over the past 5 years the European Youth Forum and its Member Organisations have been increasingly focusing on the issue of employment, not only because of the way in which young people have been adversely affected by the global economic crisis, but also due to the profound way in which unemployment can impact on different aspects of a young person's life. The European Youth Forum and its Member Organisations have been contributing to measures at a European and national level which aim to combat youth unemployment through further education, quality internships and job opportunities.

In Europe youth unemployment has been consistently higher than that of the older population since 1945, but since 2008 it has been increasing at a particularly alarming rate. Today we face a situation where almost 1 in 4 young people in the EU are out of work

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<sup>1</sup> See Youth Forum Policy Paper on Youth Rights (0527-12)

and in some regions of Europe the youth unemployment rate is well in excess of 50%.<sup>2</sup> The causes and effects of youth unemployment are multi-faceted but the common trend for young people is that the global labour market is less accessible and more volatile than before.

Although there has been increased attention given to the issue of youth unemployment and the disadvantages and discrimination that young people face on the labour market in recent years by European<sup>3</sup> and international organisations, many policy responses to date have been uncoordinated, haphazard and insufficient. Efforts by some public actors and decision-makers to directly criticize young people for the youth unemployment rate, and subsequent attempts to reduce young people's right to social protection, has been met with firm resistance by the Youth Forum and its Member Organisations.

In this Paper the Youth Forum will detail the new employment challenges that young people face in Europe, as well as propose constructive and immediate actions that should be taken in order to reduce youth unemployment, protect youth rights, and safeguard the future economic and social stability of Europe.

## The Rising Challenge of Youth Unemployment

The rate of youth unemployment has been higher than that of the adult population for a number of decades and there is evidence to suggest that the comparative situation of young people on the labour market has deteriorated further since the onset of globalization.<sup>4</sup> In order to fully understand the gravity of the youth unemployment situation it is important to look at the issue from a global, European and regional perspective, particularly the way in which the situation has developed since the global economic crisis.

### *A. The Global Issue*

There are varying degrees of youth unemployment in different countries and regions of the world, largely depending on economic performance. But even in the most developed countries with strong levels of social cohesion the youth unemployment rate is much higher than the adult population.

The global rate of youth unemployment is increasing and more and more young people are dropping out of the labour market entirely and are less likely to be registered as unemployed.<sup>5</sup>

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2 [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Unemployment\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics) By the end of 2012 the unemployment rate for young people under the age of 25 in the EU was 22.7%, more than twice the rate of adult unemployment.

3 See European Commission Staff Working Document on a Proposal for a Council Recommendation on Establishing a Youth Guarantee {COM(2012) 729 final}

4 Ashton, D., 2007 *Globalisation and the Future of the Youth Labour Market*, De Montfort: Leicester

5 Ashton, D., 2007 *Globalisation and the Future of the Youth Labour Market*, De Montfort: Leicester

## B. A European Failure

The developments in Europe in relation to youth employment over the past four years can only be described as a cataclysmic failure on behalf of decision-makers with regards to youth people. The issue of long-term unemployment (LTU) is now one of paramount concern for young people. LTU can have a profound impact on the personal development of young people, as well as the societies in which they live. Although youth unemployment has been traditionally higher than the adult rate, the intractability of the current youth unemployment crisis has resulted in unprecedented rates of LTU, which has increased by 3.7% among young people since 2008, compared with an increase of 1.8% for the adult population. Currently 30.1% of young unemployed people in the EU have been unemployed for 12 months or more. Considering that LTU when young can have profound effect on employability and career development in the medium to long-term, the current youth unemployment crisis could be felt in Europe for the next 20 years.<sup>6</sup>

By the end of 2012 the unemployment rate for young people under the age of 25 in the EU was 22.7%, more than twice the rate of adult unemployment.<sup>7</sup> 12.9% of young people in the EU are not in employment education or training (NEET). The cost of youth unemployment, in terms of lost tax contribution and social welfare payments alone, is estimated to have been around €153 billion in 2011, equating to around 1.2% of the EU's total GDP.<sup>8</sup> It is now necessary to revert the trend from austerity to measures at European and national level boosting a job-rich growth level, based on environmental and social sustainability.

There are now huge differences in terms of opportunities and employment for young people in different parts of Europe. Young people in southern Europe have found themselves the victims of an economic crisis that they had no part in creating. The prevalence of young people in sectors and industries disproportionately affected by the crisis, as well as the number of young people that were in precarious and temporary employment, resulted in a spiralling rate of youth unemployment in the region. In both Greece and Spain more than 50% of young people are out of work and in other countries such as Italy and Portugal more than one third of young people are unemployed.<sup>9</sup> The economic crisis has also further entrenched the issue of youth unemployment in other regions such as the Western Balkans where more than half of young people are out of work in many areas.

Such elevated levels of youth unemployment in Europe have already had social implications, with increased level of crime, alcohol and drug addiction and civil unrest in the many regions. This has particularly been the case in the South and South-East of Europe, most notably in Greece<sup>10</sup>. These disparities between youth unemployment rates have revealed a social and economic gap within Europe which could have dramatic long-

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6 Bell, D.N.F., and Blanchflower, D.G., (2009) *Youth Unemployment: Déjà Vu?* University of Sterling

7 [http://europa.eu/rapid/press-release\\_MEMO-12-938\\_en.htm](http://europa.eu/rapid/press-release_MEMO-12-938_en.htm)

8 See Eurofound's Study on NEETs 'Young People not in Employment, Education or Training: Characteristics, Costs and Policy Responses in Europe'

9 Eurostat seasonally adjusted unemployment rates January 2013:

[http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-01032013-BP/EN/3-01032013-BP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-01032013-BP/EN/3-01032013-BP-EN.PDF)

10 <https://www.osac.gov/Pages/ContentReportDetails.aspx?cid=13731>

term consequences. Recent austerity measures have not only failed to solve this issue but have actually worsened it and have placed the future of an entire generation at risk. Therefore, it is necessary to revert these measures and replace them with policies of growth which will facilitate employment. The effects of this crisis are forcing an many young people to leave their home countries, and sometimes Europe entirely, to look for better opportunities. This is generating a brain drain effect which will become difficult to reverse.

### Unemployment, Poverty and Social Exclusion

Poverty prevents young people from achieving their full potential and autonomy, adversely affecting their health, inhibiting their personal development, education and their general wellbeing. Although the measurement of poverty largely depends on national circumstances, it is clear that increased levels of youth unemployment have contributed to poverty and social exclusion in Europe.<sup>11</sup>

The level of in-work poverty among young people in the EU is currently at 10%.<sup>12</sup> The young working poor have lower salaries, scarce social protection and precarious working conditions. Better-targeted youth employment policies and social protection mechanisms specifically targeted at young people need to be introduced to overcome these conditions. Policies in certain EU Member States, notably Greece and the UK<sup>13</sup>, which have resulted in a significantly lower youth minimum wage have only served to further entrench youth poverty and is a clear form of discrimination against young people. Europe needs to commit itself to raising employment levels, create quality employment opportunities among young people, and support measures that promote integration in the labour market and reduce poverty. A secure income must be assured within the framework of professional development. Any other approach risks further alienating young people that are furthest from the labour market, definitively excluding them from employment.

The Youth Forum believes that solidarity from other parts of society and a better redistribution of resources within the tax and benefits systems needs to be in place to counteract disproportionate risks of poverty at different ages, and to help young people to find employment.

Intergenerational solidarity, responsibility and fairness should inevitably feature in the debates concerning the poverty and social exclusion of young people.<sup>14</sup> The 2013 European Social Investment Package is a welcome initiative and should be seen as a call-to-arms to modernise social protection systems and boost active inclusion strategies. Systems currently in place in Europe are failing young people and urgent modernisation and investment is required for present and future social cohesion. To guarantee an inclusive debate between generations it is fundamental to promote the participation of youth representatives in the social dialogue that takes place in the economic and social committees at a national and European level.

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11 Youth Forum Policy Paper on Young People and Poverty (0523-10)

12 European Commission EU Youth Report 2009

13 <https://www.gov.uk/national-minimum-wage-rates>

14 Youth Forum Policy Paper on Youth Autonomy (0052-04)

## Creating youth opportunities

The labour market in Europe has changed dramatically over the past 20 years. The demands of globalisation and the move towards a high-skilled, more service based economy has created many new challenges for workers in Europe, particularly young people.<sup>15</sup> A voluntary mentorship scheme should be put in place in all relevant enterprises and organisations. This scheme should allow for an experienced worker to offer support to a young person at the beginning of his or her professional life. These schemes can help to foster inter-generational solidarity and may help to avoid the stigma and discrimination that young people can sometimes suffer from in the workplace.

Moves to further privatise third level education as an austerity measure after the economic crisis have left many young people in a situation where they are locked out both education and employment. Short sighted measures such as these are costly for both young people and for Europe. Education must be free, accessible for all, with measures to prevent early school leaving and measures for second-chance education, and of the highest possible standard if Europe is to become a truly knowledge-based economy and move out of recession.

Young people now realise that if they are to remain relevant and competitive on the labour market they must embrace life-long learning. Formal education, non-formal education (NFE) and vocational education and training (VET) all have important roles to play in life-long learning. In particular, member states that have invested in VET and a dual-education system have benefitted from lower unemployment rates and a more dynamic and vibrant economy. It is essential that VET is not perceived as an option for so called 'low-achievers' or students from a lower socio-economic background, but has to be a valid alternative to general academic education. VET must be recognised as an important element of activating young people on the labour market and a form of education that shares parity of esteem with more academic pathways towards employment.<sup>16</sup>

Countries that have performed strongly economically despite the financial crisis have managed to control or even reduce their level of youth unemployment. This strong economic performance, as well as the success of dual-education systems that support VET, has resulted in countries such as Germany and Austria keeping their youth unemployment rate under 10%. It should also be noted that although 'mini-jobs' and the prevalence of temporary work has reduced the levels of youth unemployment in certain European countries, they are not conducive to the wellbeing and working rights of young people.

Non-Formal Education also has a vital role to play in preparing young people for the labour market. A 2012 study carried out by the European Youth Forum, in cooperation with the University of Bath and GHK Consulting, on the impact of NFE in Youth Organisations on Young People's Employability showed that among the six 'soft skills' mostly demanded by

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15 CEDEFOP, *Building on Skills Forecasts- Comparing methods and applications*, Publications office of the EU, Luxembourg

16 See Youth Forum Policy Paper on Vocational Education and Training (0354-10)

employers, five of these are developed through involvement in youth organisations. These skills are: communication, team work, decision-making, organisational skills and self-confidence.<sup>17</sup> Experience in youth organisations and the skills developed through NFE must become more recognised by employers and formal education providers. This is particularly the case when young people have little formal working experience, thus making their involvement in youth organisations a key component in the skills they have acquired.

The Youth Forum's study showed that participation in youth organisations is particularly valuable in developing social capital and in creating new vocation paths, especially for NEETs, early school leavers and young migrants. Employment services, employers and recruiters must become more aware of the benefits from young people's involvement in youth organisations, and the skills gained should be taken into account in recruitment processes. Young people should receive career-guidance, coaching and support on how to efficiently make use of the skills in recruitment processes and better present the experiences and competences gained through non-formal education and volunteering experiences in youth organisations.

## Between Education and the Labour Market

### *A. The Youth Guarantee*

The Youth Forum has been working on the youth guarantee, a policy where governments, regional authorities and public employment services, with the involvement of youth organisations, commit to offering a young person a quality-job, training or re-training within a certain period of being made unemployed or leaving formal education, for a number of years.<sup>18</sup> What is fundamental about the youth guarantee is that it involves a rights-based approach to youth employment and recognises that young people can expect certain services and provisions from the state and their community.

The youth guarantee is an early intervention measure that has been in place in certain Nordic countries since the 1980s.<sup>19</sup> When correctly implemented it involves a re-organisation and re-orientation of public employment services towards the needs of young people and obliges public bodies to find an employment or training solution for young people before they fall into long-term unemployment.

Since 2010 the Youth Forum, with the support of its Member Organisations, has lobbied intensively for the adoption of a standardised youth guarantee that would offer young people a job, training or re-training within 4 months of unemployment, both as a way of reducing youth unemployment and kick-starting the European economy. The Youth Forum was therefore pleased to be involved in the consultation process at a European level and to see the subsequent adoption of a Council Recommendation on the issue in early

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17 See Youth Forum Commissioned Study on the Impact of Non-Formal Education in Youth Organisations on Young People's Employability

18 See Youth Forum's Position Paper on Youth Guarantee (0570-10)

19 <http://www.eurofound.europa.eu/pubdocs/2012/42/en/1/EF1242EN.pdf>

2013.<sup>20</sup>

The youth guarantee should not be limited to some young people or those that already have all the necessary skills but are finding it difficult to get a job. It should be universal and applicable to all young people of various educational and social backgrounds up until the age of 30. The youth guarantee must also include resources to reintroduce long-term unemployed young people to training, further education or new employment. A youth guarantee system should focus on connecting young people to jobs that match their education levels and should make sure that young people are not subjected to obligatory or underpaid labour in order to retain their social benefits. The goal is to create quality jobs for young people, to better connect young people with public employment services, and to address generational imbalance on the labour market. Special attention needs to be put on the rights of young people at risk of multiple-discrimination, for example, young people with disabilities, or young people from a migrant background.

Within the European Commission's December 2012 Proposal for a Youth Guarantee there was an explicit recognition of the importance of the role of youth organisations in the design and implementation of the schemes.<sup>21</sup> Youth organisations are vital actors in reaching out to young people beyond the reach of public institutions. In addition, the non-formal education provided by youth organisations often acts as a first step towards the re-integration of disadvantaged and marginalised groups.

The youth guarantee is a major commitment. In order for it to be fully implemented there needs to be a significant investment in public employment services so that they can provide tailored services and targeted solutions to young people. When the scheme is implemented without sufficient resources it becomes overloaded and unmanageable.<sup>22</sup> A relabeling or re-packaging of current failed systems will not do, young people require and deserve a real investment. In order to function, a youth guarantee must have a rigorous system of evaluation and be regularly updated to correspond to changing circumstances.

In 2012 the International Labour Organization (ILO) reported that €21 billion, which roughly equates to 0.5% of Eurozone spending, would be required to effectively implement the youth guarantee.<sup>23</sup> This includes €16.6 billion of spending on the programme itself and the remaining €4.3 billion to cover the cost necessary to ensure that public employment services are adequately staffed so as to effectively implement the programme. The report also warned that failure to decisively act on the youth jobs crisis would have severely negative consequences on growth prospects as a result of reduced labour supply and increased future skill mismatches, which further delay recovery.<sup>24</sup>

The €6 billion that has been earmarked for the Youth Employment Initiative under the 2014-2020 Multiannual Financial Framework is not sufficient and will not fully address the

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20 <http://www.europarl.europa.eu/news/en/pressroom/content/20120523IPR45695/html/More-EU-efforts-needed-to-tackle-youth-unemployment-say-MEPs>

21 See European Commission Proposal for a Council Recommendation on Establishing a Youth Guarantee {SWD(2012) 409 final}

22 See Eurofound report on Youth Guarantee: Experiences from Finland and Sweden, page 2

23 ILO (2012), *Eurozone Job Crisis: Trends and Policy Responses*, International Institute for Labour Studies, Geneva

24 Ibid

issue of youth unemployment. The Youth Forum believes youth employment initiatives should not be developed simply as a reaction to the consequences of the economic crisis, but as a long-term and continuous investment in quality jobs, education and training for young people. Proactive measures are more efficient and cost effective than reacting to already existing problems. Only a youth guarantee scheme that receives adequate investment, is accessible for all, and works in the interests of young people will be able to address youth unemployment and boost the European economy.

### *B. Quality Internships and Apprenticeships*

Developments in the labour market over the past number of years have resulted in a more difficult transition from education to employment. The Youth Forum believes that internships can play a key role in facilitating this transition, provided that the learning dimension of internships is ensured and that internships do not replace paid work.<sup>25</sup>

Unfortunately not all young people have the possibility and financial means to take part in internships and apprenticeships, including those that are taking place abroad. There is also mounting evidence that internships taking place outside formal education are replacing quality employment for young people and creating further hurdles to enter the labour market.<sup>26</sup>

This trend is reinforced by a lack of clear quality guidelines, which undermines the main purpose of internships and apprenticeships as educational opportunities that give practical skills to young people. In reaction to these growing concerns the Youth Forum, social partners and employers launched a European Charter for Quality Internships and Apprenticeships in 2012.<sup>27</sup> This charter asserted that providers of internships and apprenticeships must commit to quality standards and to apply a clear and coherent code of conduct. It also urged European governments, European institutions and social partners to commit to establish a legal framework for quality internships and apprenticeships.

The Youth Forum strongly believes that internships and apprenticeships should be primarily a learning experience and that they should never replace a paid job. For young people undertaking internships or apprenticeships as part of formal education, this is often their first working experience and their perception of it can be a defining moment in their careers. It is therefore important that there is a legally binding contract between the educational institution, intern or apprentice and hosting organisation outlining the main principles of the internship or apprenticeship, including how many credit points this will contribute to the diploma of the young person, as well as a description of learning objectives and tasks that should be fulfilled. Enough positions must be provided for any student that wants to have a quality internship or apprenticeship as part of their education, and students must be involved in the design of these internships and apprenticeships. In addition, guidance throughout the internship or apprenticeship period by a supervisor trained specifically for the role is fundamental to its quality and should also be foreseen in

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25 See Youth Forum Opinion Paper on Internships (0076-09)

26 See Youth Forum Publication *Interns Revealed: A Study on Internship Quality in Europe*

27 [qualityinternships.eu](http://qualityinternships.eu)

the contract.

For internships taking place outside of formal education there must be a guarantee of decent remuneration that is remuneration not below 60% of the median income of the country or the national minimum wage, if more favourable. This remuneration should be in accordance to the tasks that are performed by the intern or apprentice, as well as the hours worked. Internship remuneration should be regulated either in law or by collective agreements in accordance with national practice. It is also important for regulations to be brought in limiting the number of internships allowed per employer, depending on the size of the organisation.

The Youth Forum regrets that social partners did not engage in social dialogue regarding the issue of quality internships and urges the European Commission to take urgent action. We also urge relevant stakeholders to develop a set of support and monitoring policies for the better implementation of quality internships that includes a defined legal framework and the recognition of skills acquired.

## Quality jobs

### *A. Precarious Working Conditions*

One of the reasons that young people have been so adversely affected by unemployment since the crisis is that they have a much more precarious position on the labour market. They are more likely to have temporary contracts and in many cases they find themselves excluded from jobs that require a highly specified set of skills which can not be matched by a person newly entering the labour market. Young people overwhelmingly absorb the flexibility of the labour market and this flexibility often results in them being unemployed during economic stagnation and recession.<sup>28</sup>

Although there is increasing focus on the fact that there are so many unemployed young people in Europe, far less attention is given to the fact that young people are more likely to be in low-quality and precarious jobs even when they find work. Around 20% of jobs in Europe are of 'poor-quality' and workers in these poor-quality jobs have, on average, the lowest levels of health and wellbeing, more health problems, lower subjective wellbeing, and find less meaning in their work.<sup>29</sup>

Precarious jobs place a huge physical and psychological burden on young people. 42% of young workers in Europe have a temporary contract, which compares with 11% among adult workers.<sup>30</sup> In total 1 in 5 young people in Europe fear losing their jobs.<sup>31</sup>

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28 See Eurofound 5<sup>th</sup> European Conditions Survey 2010, available at:

<http://www.eurofound.europa.eu/surveys/ewcs/2010/index.htm>

29 See Eurofound 5<sup>th</sup> European Conditions Survey 2010

30 European Trade Union Institute, *Benchmarking Working Europe 2012*, ETUI, Brussels

31 See Eurofound 5<sup>th</sup> European Conditions Survey 2010

It is true that the labour market of the 21<sup>st</sup> century is much more flexible and in many industries there is no such thing as a job for life. But the lack of stability and job protection for young people points to a widening inequality between generations. Temporary employment often goes hand-in-hand with minimal job security, and limited or no access to social benefits. This further heightens the risk of social disengagement among young people.

Governments, trade unions and other social actors must take urgent action to ensure that there are more permanent, stable jobs made available to young people and that the burden of the flexibility requirements of the labour market are more evenly shared between generations. The Youth Forum urgently calls for a Framework Directive on contractual arrangements to reduce in-work precariousness among young people.

### *B. Freedom from Discrimination*

Young people can often find themselves as victims of prejudice and discrimination on the labour market. In some EU Member States young people do not have the same rights to minimum wages and social protection as the older population. In recent decades, national governments have tended to develop new employment legislation specifically targeting youth, which deviate from universal labour laws. The Youth Forum firmly condemns this trend and urges the European Commission to urgently review current national youth employment legislation and verify its compatibility with the employment equality directive 2000/78, which forbade age discrimination in the labour market.

Young people are also discriminated against in the labour market on the basis of their individual characteristics - real or perceived - including gender, race, sexual orientation, gender identity, ethnic origin, disability, religious beliefs or social and educational background. Together with other European civil society organisations active in the field of equality, the European Youth Forum is strongly committed to the fight against discrimination in all relevant spheres of social life.

Young women often find themselves in a situation of particular disadvantage on the labour market compared to men. Although the recession has narrowed the gender pay gap among young people<sup>32</sup> women make 16% less than men across all age ranges. Women have also found themselves more adversely affected by austerity measures with one report in the UK showing that 74.5% of budget cuts in 2010 would disproportionately affect women. The European Commission should ensure a specific focus on the gender aspect of youth unemployment. Monitoring the implementation of policies to combat youth unemployment from a gender perspective should be included in the European Semester and in the Country Specific Recommendations as part of the Europe 2020 Strategy.

Even though the European Union has been a pioneer in the promotion of gender equality, particularly in the adoption of legislative acts concerning the world of work, the majority of Member States have not managed to ensure equal opportunities for women and men. Reconciling professional and private life is particularly difficult for women as, on average, they bear an unequal share of domestic and family responsibilities.

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<sup>32</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Gender\\_pay\\_gap\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Gender_pay_gap_statistics)

The Youth Forum supports legislation aimed at ensuring an equal division of parental leave between parents as well as the adoption of the Pregnant Workers' Directive (92/85/EEC). Access to childcare has to be guaranteed for all. The Youth Forum strongly supports the 2011 Europe Pact for gender equality<sup>33</sup> between women and men and urges for it to be implemented fully, particularly in relation to eliminating gender stereotypes, closing gender gaps in employment, and promoting the equal participation of women and men in decision-making

In order for young people to escape discrimination in the labour market they must be better represented in decision-making positions as politicians, entrepreneurs, employers, and as trade unionists. Discrimination against young people on the labour market, as well as in the provision of services, is a reality in Europe and concerted action needs to be taken in order to challenge it head-on. The European institutions, civil society organisations and trade unions have an important role to play in highlighting the issue of discrimination against young people and to actively work towards its eradication.

### *C. The need for young entrepreneurs*

Europe needs the skills, endeavour and innovation of youth more now than ever before. Many young people could not only change their own lives, but also enrich their communities if they had the resources required in order to start their own businesses. Entrepreneurship represents a small part of the labour market and is not a magic solution to youth unemployment, but it is suitable for many young people who want to turn their ideas into reality and to test the skills that they have acquired through formal and non-formal education by becoming entrepreneurs.

The Youth Forum affirms its belief that young people deserve the opportunity to make a positive impact on society, as well as to create stable futures for themselves via entrepreneurship. However, young people often find themselves disadvantaged, especially when attempting to embark on a career as an entrepreneur, and can not afford the low-pay and irregular working hours involved in the early stages of establishing a micro-enterprise.<sup>34</sup> The lack of finances and resources available, as well as a lack of support from educational and governmental structures, means that for young people entrepreneurship is an area that is simply too difficult to break into.

The EU's 'Erasmus for Young Entrepreneurs' scheme is playing a small but important role in increasing the opportunities for young people to learn from entrepreneurs and business owners in other parts of Europe, as well as fostering cross-border knowledge transfers. But much more must be done to encourage entrepreneurship at a local level and to help young people that have the skills and business acumen required but not the necessary funds to travel to other European countries for their first business experience.

While entrepreneurship education is and should continue to be supported as a pivotal

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<sup>33</sup> [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/lisa/119628.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lisa/119628.pdf)

<sup>34</sup> European Foundation for the Improvement of Living and Working Conditions, (2009), Self-employed workers industrial relations and working conditions, page 63

element of youth entrepreneurship, the formal education system does not appeal to all young people. The Youth Forum strongly believes that there needs to be a recognition of the role of youth organisations as facilitators of the social inclusion of young people, as providers of entrepreneurial skills and knowledge through non-formal education and, most importantly, as builders of active civil society.<sup>35</sup> In this regard austerity measures that have targeted youth organisations have not only negatively impacted young people and their communities, but have also inhibited and even removed vital providers of education that equip many young people with the skills and networks required to set up their own businesses.

The current financial crisis has severely limited investment opportunities for young entrepreneurs, but investing in young people is essential for current and future growth. The businesses started by young people today have the potential to bring significant economic, social, and even environmental progress to Europe in the future. Entrepreneurship, like so many other areas, requires a long-term approach and a belief in the potential of youth.

#### Conclusion: Overcoming the Current Challenges and Creating a future for and with youth

The recent economic crisis has had disastrous implications for young people in terms of their employment, social inclusion and ability to lead dignified and autonomous lives. The growing income gaps and standard of living between generations has increased social tensions and has led to political unrest in North Africa and in many parts of Europe.

Recent initiatives at EU-level to tackle youth unemployment and social exclusion have been welcome, but much more needs to be done in terms of economic investment in young people and the protection of young people's labour and social rights. The current intergenerational dynamics are outsourcing one generation's problems to the next one and this can be clearly seen when it comes to youth unemployment and poverty.

The youth guarantee is just the first step, a minimal measure, in addressing youth unemployment. Without real investment young people will carry the cost of the current failed economic system for decades to come and Europe will pay the ultimate social costs for a neglected generation.

This paper has provided an outline of the measures that need to be taken in order to protect the employment rights of young people. Europe now stands at an important juncture; austerity policies are further embedding the crisis and are overwhelmingly discriminative against young people. Europe must invest in youth and provide quality, stable employment and educational opportunities for its young people. Short-term and reactionary measures are not enough. Young people need more, young people demand more.

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35 See Youth Forum's Position Paper on Youth Entrepreneurship (0451-11)