

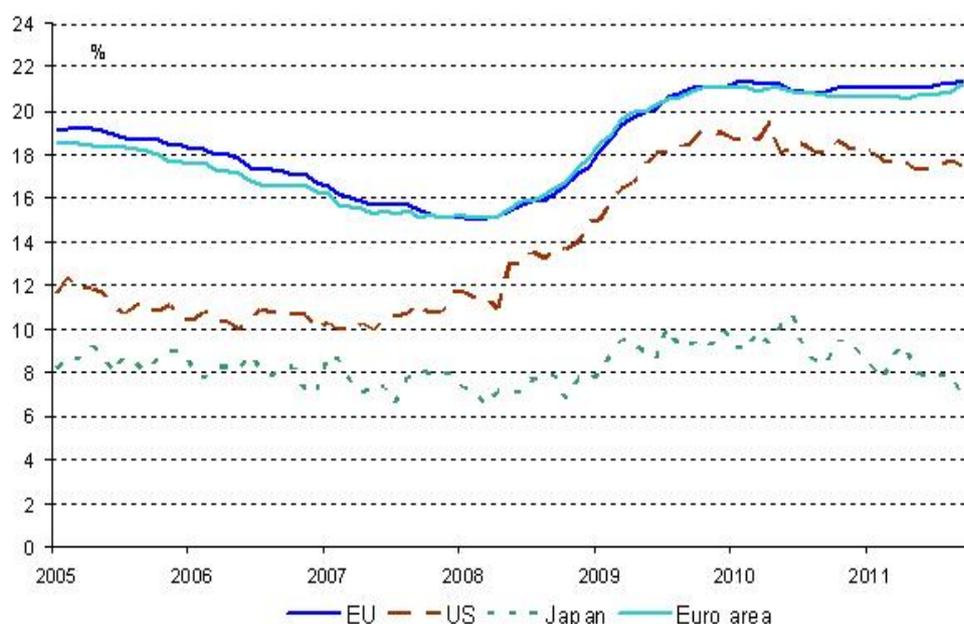
Brussels, 20 December 2011

## Youth Opportunities Initiative – Frequently Asked Questions

### Why is the European Commission proposing this initiative?

Between 2008 and 2010 youth unemployment has increased by one million reaching the unacceptable level of more than 5 million unemployed young people. This means that on average one in five young people on the labour market cannot find a job and in certain Member States it is almost every second young person willing to work who faces this problem.

Evolution of youth (under 25) unemployment rates since 2005 :



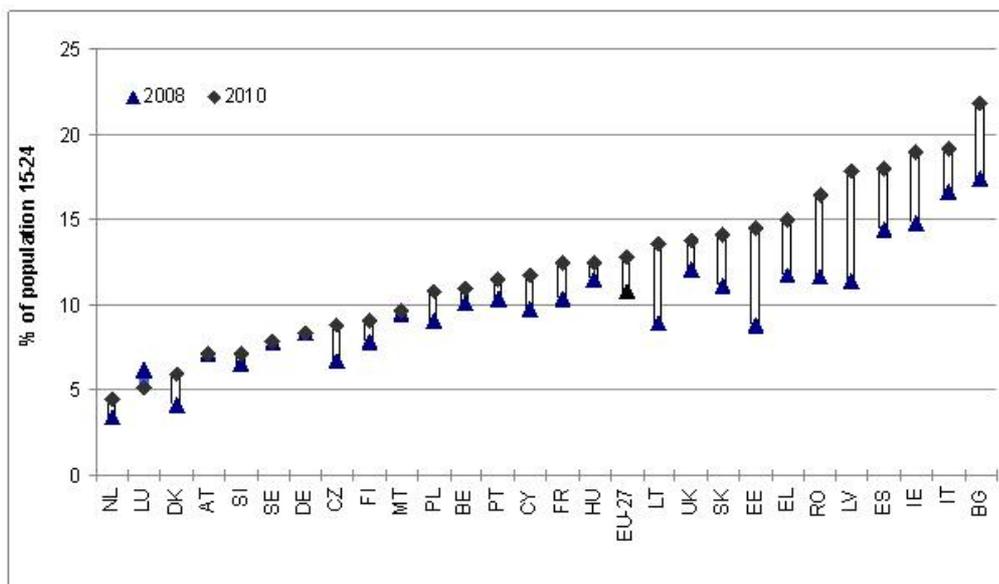
Source: Eurostat monthly unemployment; Data seasonally adjusted, except for Japan

In total, 7.5 million young people between 15 and 24 are currently neither in employment nor in education or training. This concerns not only low-skilled young people having left school too early, but more and more, it affects third-level graduates cannot find a first job.

Long-term unemployment is also on the rise with 28% of unemployed young people looking for a job for more than a year.

The "successful" ones who have a job often find themselves in a segmented labour market: most are on temporary contracts, since permanent contracts are mostly reserved for workers with longer work experience.

Share of young people not in employment, education or training, as a percentage of the age group 15-24 in 2008 and 2010:



Source: Eurostat, [EU Labour Force Survey](#)<sup>1</sup>

At the same time, there are labour market mismatches: due to inadequate skills, limited geographic mobility or inadequate wage conditions, many vacancies remain unfilled.

Such a precarious situation for European youth on the labour calls for immediate action.

### **Workers of all age face unemployment, why do we need to focus on youth?**

The youth unemployment rate is twice as high as for the whole working population and nearly three times as high as the rate for the adult active population. Placing this issue in a broader context, we see that in most European countries there is an ageing society. Europe's development will not be sustainable if millions of young people are lost for society. Between now and 2020, it is estimated that there will be 73 million job openings due to retirement of the baby-boomer generation of workers. These will need to be filled with appropriately qualified new staff.

Furthermore, if no action is taken to better integrate young people in the labour market, and especially the early school leavers, millions of them will risk facing persistent difficulties and marginalisation over time.

### **What is the added value of the Commission's initiative?**

Although both education and employment policies are primarily the responsibility of Member States, the European Commission can make an important contribution. One of the key elements of the Youth Opportunities Initiative is that the European Commission will help Member States to use the European Social Fund (ESF) more efficiently, in particular knowing that 30 billion euro within the ESF is still uncommitted to projects. Furthermore, the new initiative proposes actions to enhance mobility of trainees and young workers. This can only be promoted at EU level. Last, but not least, at EU level we can transfer of best practices from Member States doing better to other Member States facing more serious challenges.

<sup>1</sup> Data for Malta and Sweden are provisional; data for Luxembourg lack reliability due to small sample size.

## **Is there a link with other Commission's proposals?**

The Youth Opportunities Initiative builds upon the EU 2020 flagship initiatives 'Youth on the Move' and 'New Skills for New Jobs', as well as on the June 2011 Council Conclusions on youth employment and the Council Recommendations on early school leavers. It is also complementing the 2012 Annual Growth Survey and the related Joint Employment Report. The aim of the Youth Opportunities Initiative is to speed up the implementation of the existing youth policy framework, while focusing even more on young people who are facing the most serious problems on the labour market.

## **Who will benefit and how?**

Young people across Europe, who are either unemployed, or suffer from discrimination on a segmented labour market due to temporary or part-time contracts, will be the main beneficiaries of the measures proposed by the Youth Opportunities Initiative.

But also all businesses that engage in recruiting career starters or taking up trainees and apprentices will also gain from the fresh, inventive and dynamic contribution of young people.

Finally, society at large will benefit from such investment in young people since it will contribute to the sustainability of Europe's future. Estimates show that the burden on society of current youth unemployment levels is about €2bn each week, or just over 1% of EU-27 GDP.

## **What are the next steps?**

In the coming weeks, the Commission will work to put rapidly in place the elements of the Youth Opportunities Initiative. It will also discuss youth employment with each Member State as part of the preparation of the 2012 European Semester of economic governance.

The Commission will liaise with European social partners to seek their active and concrete involvement in this initiative, and will seek the support and contribution of all stakeholders, in particular from the youth organisations.

See also [IP/11/1568](#)