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Í HOW TO IMPROVE THE SITUATION OF YOUNG PEOPLE IN THE LABOUR MARKET Í EP HEARING YOUTH POLICIES

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Introduction: Young people - a great human potential for Europe

In a context of rapid technological change, Europe needs to facilitate and strengthen innovation. In this quest, young people should be seen as an asset for the European Union as they are more aware of new technologies and therefore can promote a climate leading to innovation.

One of the main challenges facing Europe is to ensure the sustainability of its social protection systems. This implies finding adequate responses to demographic ageing, while considering a declining labour force. An improved initial training for young people and the lifelong development of skills and competences of individuals is crucial to reach higher levels of productivity, which in turn is key to face the challenge of demographic change.

In today's Europe, young people represent a great human potential. However, this potential is not fully exploited, as attest the permanently high levels of youth unemployment . 15,2% in the third quarter of 2007 - and of early school leaving . 1 in 6 young people.

The European Pact for Youth, which forms part of the Lisbon strategy for growth and jobs, is the main policy tool designed at the European level to help member states address in an integrated manner the challenges facing young people in education, in the labour market and in society. At the time of its launch in 2005, BUSINESSEUROPE, together with the other European social partners, welcomed its adoption. We believe it is an important policy process to ease young people's entering into the labour market.

Due to time constraints, I will concentrate on the following points:

1. Youth employment needs to be part of an inter-generational approach to employment
2. In order to fully exploit the potential of young people, policy efforts must be geared towards raising youth employability, quality guidance and better skills forecasting
3. Developing partnerships to improve the labour market relevance of education and training
4. The role of the European Social Partners

I. Youth employment as part of an inter-generational approach

BUSINESSEUROPE believes that the situation of young people in the labour market can be improved through an intergenerational approach to work, which addresses the overall functioning of labour markets for the entire workforce as opposed to policies targeting specific categories of job seekers.

Youth specific measures in isolation should therefore be avoided as they could lead to an increased segmentation of European labour markets.

The flexicurity approach to employment aims at easing transitions between jobs and at facilitating labour market participation. It is particularly well-suited to respond to young people's needs for improved transitions between education and work.

II. Promoting youth employment through raising youth employability, quality guidance and better skills forecasting

Improving young people's employment prospects requires finding solutions to make sure that education systems provide young people with the competences and the skills which are needed on the labour market. Mismatches between the skills acquired in education and those needed by companies should be avoided at all costs.

In other words, an improved situation of young people in the labour market relies on education systems' capacity to raise **young people's employability**.

Employability is about equipping people with the skills that will enable them to find and develop within a job. In order to deliver their objectives and grow, companies need employees with generic competences, who also have the ability to work within a specific professional field. In addition, young people's ability, willingness and competences to develop the skills needed for a specific job and to take responsibility for future employability by reflecting on their individual profile of competence and career development is key for a successful working life.

In a lifelong learning perspective, BUSINESSEUROPE welcomes the ongoing redefinition of educational attainments in terms of Learning Outcomes, which is a competence-led understanding of what an individual is able to do. It can help companies determining how the accumulated skills and knowledge of individuals can be applied in a workplace context.

In order to become more employable, young people should have access to adequate information on the work opportunities present on the labour market. **More effective guidance processes** would therefore be needed starting before the end of secondary education and over the life span through effective Active Labour Market Policies.

High quality guidance partly relies on the development of tools to effectively forecast companies' skills needs. BUSINESSEUROPE supports the endeavours of the European centre for the development of vocational training - CEDEFOP - on **skills forecasting** in Europe. Whereas CEDEFOP's work focuses on mid-term, macroeconomic and quantitative forecasting, more is needed on short-term, local level and qualitative anticipation of skills needs. This can be achieved through the development of partnerships.

III. Developing partnerships in order to improve the labour market relevance of education and training

In order to better address skills needs and to raise youth employability, a multitude of actors need to be involved at all levels of decision-making.

BUSINESSEUROPE believes that partnership-based cooperation between public authorities and the social partners - starting from the local level - will help improve policy-making towards better prospects for young people in the labour market. Such partnerships will also help address the need for short-term adaptation to change.

Partnership between European countries but also between educational institutions, the social partners and other relevant stakeholders at all levels, is also crucial to achieve the validation of the competences and skills acquired in and outside the labour market, for instance through non-formal education and/or professional experience.

For example, developing tools - such as European and National Qualifications Frameworks - enabling the recognition and validation of knowledge, skills and competences is in a European context essential to increase the transparency of the competences acquired by individuals and therefore ease national and cross-border mobility.

IV. The role of the European social partners

The European social partners are highly aware of the need to improve the situation of young people in the labour market:

- From 2002 to 2006, they reported on actions taken by their members at the national level in order to improve the labour market relevance of education and training, as part of their Framework of Actions on the lifelong development of skills and competences.
- In 2007, they contributed to the flexicurity debate through adopting a joint labour market analysis. The recommendations made by the social partners in this text are particular relevant for young people.
- In 2008, they have agreed to negotiate an autonomous agreement on ~~the~~ inclusive labour markets+.

Lastly, employers are committed to facilitate young people's access to work experience, notably by being involved in the management of apprenticeship systems and by offering internships to students.
