



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **A**  
ECONOMIC AND SCIENTIFIC POLICY



Economic and Monetary Affairs

**Employment and Social Affairs**

Environment, Public Health and Food Safety

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# Differential Treatment of Workers under 25 with a View to their Access to the Labour Market

Study for the EMPL Committee





**DIRECTORATE GENERAL FOR INTERNAL POLICIES**  
**POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY**

# **Differential Treatment of Workers under 25 with a View to their Access to the Labour Market**

**STUDY**

## **Abstract**

This Policy Department A study aims at providing the EMPL Committee with an up-to-date, comprehensive picture of the latest developments in policy measures regarding differential treatment of workers under 25 in the EU with a view to their access to the labour market. The evidence collected shows that in the last 15 years the youth unemployment rate has been constantly higher than the adult rate in the EU. Active labour market policies and employer incentives can be combined effectively to increase the employment rate of young people. When measures discriminate, this tends to be the result of the interplay between the measure and the institutional and socioeconomic context. While the responsibility for employment policies resides at national level, the EU can enhance its coordinating and overseeing role to support young people in becoming financially independent and socially included. The EU should promote policy innovation and better define anti-discrimination legislation with respect to age.

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## LIST OF ABBREVIATIONS

- ALMP** Active Labour Market Programme
- AMS** Austrian Public Employment Service
- APQ** *Accordi di Programme Quadro*
- CBI** The Confederation of British Industries
- CDD** Temporary contract (*contrat à durée déterminée*)
- CDI** Permanent contract (*contrat à durée indéterminée*)
- CdP** Professionalisation Contract (*contrat de Professionalisation*)
- CEDEFOP** European Centre for the Development of Vocational Training
- CFDT** French Democratic Confederation of Labour (*Confédération française démocratique du travail*)
- CJEU** Court of Justice in the European Union
- CME** Coordinated Market Economy
- CoE** Council of Europe
- COE** Board of Employment (*Conseil d'Orientation pour l'Emploi*)
- CPE** First Job Contract (*Contrat première embauche*)
- CQP** Certificate of Professional Qualification (*Certificat de Qualification Professionnelle*)
- CSR** Country-Specific Recommendations
- CUI** The Single Integration Contract (*Contrat Unique d'Insertion*)
- CUI-CAE** Single integration contract (CUI)/ *Contrat d'Accompagnement dans l'Emploi* (CAE) for employers from sectors other than the private sector (France)
- CUI-CIE** Single integration contract (CUI) for the private sector (France)

- CV** Curriculum Vitae
- DARES** Directorate for Research, Studies and Statistics (*Direction de l'Animation de la Recherche, des Études et des Statistiques*)
- DGEFP** General Delegation for Employment and Vocation Training (*Délégation Générale à L'Emploi et la Formation Professionnelle*)
- DWP** Department for Work and Pensions (UK)
- EC** European Commission
- EENEE** European Expert Network on Economics of Education
- EEO** European Employment Observatory
- EP** European Parliament
- EPL** Employment Protection Legislation
- EPSCO** Employment, Social Policy, Health and Consumer Affairs Council
- ESF** European Social Fund
- ESL** Early School Leavers
- ETF** European Training Foundation
- ETUC** European Trade Union Confederation
- ETUI** European Trade Union Institute
- EU** European Union
- EUR** Euro
- FRA** Fundamental Rights Agency
- GDP** Gross Domestic Product
- GEIQ** Grouping of Employers for Inclusion and Qualification (*Groupement d'employeurs pour l'insertion et la qualification*)
- HK** The National Union of Commercial and Clerical Employees (Denmark)



- HMRC** Her Majesty's Revenue and Customs
- IBA** Integrative Berufsausbildung
- IES** Institute for Employment Studies
- ILO** International Labour Organisation
- ISCED** International Standard Classification of Education
- ISFOL** Institute for the Development of Vocational Training of Workers
- JASG** Youth Training Guarantee Act (*Jugendausbildungs-Sicherungsgesetz*)
- JSA** Jobseeker's Allowance
- LFS** Labour Force Survey
- LLO** Local Labour Office
- LME** Liberal Market Economy
- MGI** General Mission for Insertion (*Mission Générale d'Insertion*)
- MS** Member States
- NAO** National Audit Office
- NDYP** New Deal for Young People
- NEET** Not in Education, Employment or Training
- NUTS** Nomenclature of Territorial Units for Statistics
- NYGIP** National Youth Guarantee Implementation Plan
- OECD** Organisation for Economic Cooperation and Development
- OGB** Austrian Trade Union Federation
- OHP** Voluntary Labour Corps (*Ochotnicze Hufce Prac*)
- PES** Public Employment Service
- REC** The Recruitment and Employment Confederation

- SMIC** Minimum wage (*Salaire minimum de Croissance*)
- STEM** Science, Technology, Engineering and Mathematics
- ToR** Terms of Reference
- TU** Trade Union
- UBA** Supra-company Apprenticeship Training (*Überbetriebliche Lehrausbildung*)
- UCL** University College London
- UEDS** Union of Employers of Social Enterprises (*Union des employeurs de l'économie sociale et solidaire*)
- UNML** National Union of Local Missions (*Union Nationale des Missions Locales*)
- VET** Vocational Education and Training
- YC** Youth Contract
- YEI** Youth Employment Initiative
- YG** Youth Guarantee
- ZUS** National Observatory of Urban Zones in Difficulty (*Zones Urbaines Sensibles*)

## **COUNTRY NAME ABBREVIATIONS**

<b>BE</b>	Belgium
<b>BG</b>	Bulgaria
<b>CZ</b>	Czech Republic
<b>DK</b>	Denmark
<b>DE</b>	Germany
<b>EE</b>	Estonia
<b>IE</b>	Ireland
<b>EL</b>	Greece
<b>ES</b>	Spain
<b>FR</b>	France
<b>HR</b>	Croatia
<b>IT</b>	Italy
<b>CY</b>	Cyprus
<b>LV</b>	Latvia
<b>LT</b>	Lithuania
<b>LU</b>	Luxembourg
<b>HU</b>	Hungary
<b>MT</b>	Malta
<b>NL</b>	Netherlands
<b>AT</b>	Austria
<b>PL</b>	Poland
<b>PT</b>	Portugal
<b>RO</b>	Romania
<b>SI</b>	Slovenia
<b>SK</b>	Slovakia
<b>FI</b>	Finland
<b>SE</b>	Sweden
<b>UK</b>	United Kingdom

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## EXECUTIVE SUMMARY

The study focuses on (i) young entrants to and young workers in the labour market in the last 15 years; (ii) the effectiveness of policies implemented at both national and EU level to support young people in the labour market; (iii) evidence on the alleged indirectly discriminatory impact that measures may have on youth employment outcomes, as part of a rights-based approach; and (iv) policy recommendations to the European Parliament for short-, medium- and long-term solutions. The study is based on six country case studies: Austria, Finland, France, Italy, Poland and the United Kingdom (England).

### Challenges young people face in the EU labour market

An examination of the situation of young people in the labour market in the last 15 years shows that youth unemployment has become a severe and widespread problem in the EU. The majority of Member States have youth unemployment rates which are double the rates of the rest of the population. The rate of young people not in employment, education or training (NEET) has increased, as has the long-term unemployment rate for young people at EU level. These problems are linked to **barriers to the labour market** such as lack of work experience, skill mismatch, low demand and high costs for young workers.

Moreover, young workers are very often over-represented in **non-standard forms** of work compared with their older counterparts. Because these forms of work offer limited hours and have short tenures, they can lead to low incomes, no guarantees of future contracts or improved employability, and reduced access to unemployment benefits and pension and employment rights. From the perspective of a **rights-based approach**, these findings suggest that younger people in the EU are at risk of **social exclusion**, and this raises concerns about the effectiveness and potentially **discriminatory characteristics of measures designed to support their employment**.

The **EU Directive 2000/78/EC** is the main legal tool establishing common standards at EU level for equal treatment in the workplace, including discrimination based on age. Because of legitimate and justifiable aims the Directive allows for differential treatments. However, the circumstances under which difference of treatment based on age may be justified are extremely varied and the assessment of the compliance with the Directive in the field of age is a difficult task.

### Effectiveness and the (positive and indirect) discriminatory character of selected youth employment measures

Member States have a wide array of tools available to increase youth employment. These can be **policies to support the supply side of the labour market** (i.e. human capital), such as active labour market policies (e.g. career guidance and training) and passive labour market policies (e.g. universal minimum wages). Alternatively, interventions can be designed to increase the **demand for labour**, such as incentivising employers to hire or train young people (e.g. through apprenticeships or reduced social security contributions). Countries such as Finland and Austria tend to implement supply side policies and very rarely apply demand side policies, while countries such as the UK, Italy and Poland have a wider array of measures that include employer incentives. France is somewhat different, as its policies also include provision of subsidised employment.

**Active labour market policies** have potentially positive effects, as evidenced in the Austrian and Finnish case studies in this report. However, other factors can reduce or

divert their impact, while unsurprisingly there is also variability in their effectiveness between Member States. The New Deal for Young People (NDYP) in the UK has proved somewhat effective, but in order for the intervention to have the greatest impact in regions of high unemployment, additional demand side policies to supplement measures might have enhanced its impact. The wider macroeconomic situation and budgetary flexibility also plays an important role. The effectiveness of similar measures is often differentiated by their scope, available funding and socioeconomic differences among regions within a country. This explains observed differences in effectiveness between the UK and Italy for two similar measures.

While some programmes in France have been evaluated positively, it has been claimed that the impact of **subsidised work** contracts on the ability of young people to access employment (and become financially independent) has been limited. Hiring subsidies or reductions in non-wage costs can result in **deadweight loss** (i.e. the company would have hired somebody anyway), **displacement or substitution effects** or increased risk of simply postponing unemployment. It has also been highlighted that during times of austerity, these measures clash with government commitments to reduce public spending deficits. To avoid any deadweight loss or substitution effects, employer subsidies must be well designed and monitored, and preferably targeted at disadvantaged young people who face multiple barriers in entry to the labour market.

The evidence collected on the different categories of measures demonstrates that youth employment measures, when taken in isolation, are not positively or indirectly discriminatory per se. For instance, flexible work contracts (i.e. atypical and very atypical jobs) can be a **potential stepping stone** into permanent jobs for young people entering the labour market, if (i) they are framed as part of a longer-term strategy for employment and (ii) regulations for temporary and permanent contracts are not open to abuse by employers. However, these measures can also lead to a **'dead-end' or a job insecurity 'trap'**, with young individuals moving from one temporary job to another. The outcomes of these measures depend on the interplay of institutional and socioeconomic contextual factors at national, regional and local level.

**Contextual factors** include the state of the economy and general economic climate; the education and training system, including the role and attractiveness of vocational education and training and apprenticeships; the role, coverage, capacity and efficiency of **Public Employment Services (PES)**; youth-related policies and institutional frameworks, e.g. labour market policies, including **employment protection legislation (EPL)** and active labour market policies (ALMPs); the balanced combination of labour law flexibility and social protection (i.e. welfare system); the role of social partners in facilitating school-to-work transitions; governance and institutional arrangements between all key youth-related stakeholders and levels of funding for youth-related measures. In addition, individual characteristics such as **initial education attainment and socioeconomic background** are also key factors in whether or not a young person benefits from an intervention.

## Policy recommendations

The European Parliament and the EU as a whole can play a crucial role in supporting Member State labour market institutional reforms and promoting more balanced employment protection legislation for young people.

The short-term success of youth employment measures often depends on the **quality of Public Employment Services (PES)**; therefore, the European Parliament could support the promotion of **guidelines** providing practical information about the **transferability of policies and best practice advice**. The recent legislative resolution of the European

Parliament on the proposal for 'A Decision of the European Parliament and of the Council on enhanced cooperation between Public Employment Services<sup>1</sup>' is pointing in this direction. In particular the PES network at European level might make full use of the Open Method of Coordination<sup>2</sup> to strengthen the exchange of knowledge and experience between European PES in the PES-to-PES Dialogue<sup>3</sup>. Moreover, the European Parliament might act as a stimulus for PES to implement monitoring systems comparing employment and earning outcomes of programme participants and non-participants (including the Youth Guarantee) with a longitudinal perspective. Data concerning the long-term impacts of ALMPs are rare. The PES **monitoring** and evaluation capacity could be enhanced by European Social Fund technical assistance, as PES are very often in charge of implementing projects funded by the ESF. In this way, the impacts of ALMPs could be more precisely evaluated.

Furthermore, the **dialogue among social partners** is essential to align the skills of young workers with the needs of the labour market. Through its supervisory power, the European Parliament might act as a stimulus to influence the performance of other EU institutions.

Improved social dialogue is also relevant in the design of good **quality vocational training and apprenticeship schemes**. The European Parliament can support a **peer review system** on compliance with existing guidelines through institutions such as Cedefop and the European Training Foundation (ETF). This is relevant as there are still concerns that some traineeships offer low quality learning and simply take advantage of young people as a cheap source of labour.

In the medium term, the European Parliament could enhance policy innovation at EU level. If proven effective, the **European Youth Guarantee** in particular should be earmarked for a larger share of the EU budget. The European Parliament could play a significant role in budget allocations following newly acquired **budgetary power** granted in the Lisbon Treaty.

Finally, the European Parliament could (i) advise against the application of policies that create further labour market segmentation with respect to Council Directive 2000/78/EC of 27 November 2000, and (ii) establish guidelines for the application of a more harmonised framework for equal treatment in employment and occupation with respect to age.

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<sup>1</sup> European Parliament legislative resolution of 16 April 2014 on the proposal for a decision of the European Parliament and of the Council on enhanced cooperation between Public Employment Services (PES) (COM(2013)0430 – C7-0177/2013 – [2013/0202\(COD\)](#)).

<sup>2</sup> The open method of coordination (OMC), created as part of employment policy and the Luxembourg process, has been defined as an instrument of the Lisbon strategy (2000). The OMC provides a new framework for cooperation between the Member States, whose national policies can thus be directed towards certain common objectives. Under this intergovernmental method, the Member States are evaluated by one another (peer pressure), with the Commission's role being limited to surveillance.

<sup>3</sup> <http://ec.europa.eu/social/main.jsp?catId=964>.



# 1. CHALLENGES YOUNG PEOPLE FACE IN THE EU LABOUR MARKET

## KEY FINDINGS

- Young people face significant challenges on entry to and working in the EU labour market.
- In concordance with official statistics and international publications, 'young workers' are defined as people aged 15–24.
- In the last 15 years, the unemployment rate of people aged 15–24 in the European Union (EU) has been consistently twice the unemployment rate of people aged 25 and above. While a difference between age groups is to be expected, in the majority of EU Member States this has become a dramatic problem which has been exacerbated by the economic crisis
- Young entrants to the labour market are facing severe difficulties in the transition from school to work, as shown by the EU rates of young people not in education, employment or training (NEET) and the long-term unemployment rate of young people.
- Young workers are over-represented in atypical and very atypical forms of employment (such as part-time or temporary work), and in 30 % of cases this is not their own choice. As these forms of contracts are very often associated with less favourable employment conditions, young people experience limited autonomy and wellbeing as a result.
- Past measures to promote access to the labour market have not proven to be resilient in the face of economic crisis and youth unemployment tends to increase more significantly during economic downturns than unemployment for people aged 25–64. Young people also seem to be more at risk of social exclusion.
- Long-term negative impacts ('scarring effects') for young people caused by unemployment include wage penalties, limited social benefits and limited pension rights.
- A rights-based approach may be able to address the demographic divide, and a major commitment by policymakers at all levels is needed to ensure the social inclusion of young people through more and better jobs. This approach is discussed in the context of implementing policy measures in accordance with Council Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation.
- Council Directive 2000/78/EC may not be sufficient to protect young workers in the labour market, as the definition of a 'legitimate aim' under which a difference of treatment based on age is allowed is left fairly broad and leaves room for interpretation.

### 1.1. Defining the term 'young workers'

For the purposes of assessment a functional **definition of a 'young worker'** must be established. This means selecting the most appropriate age boundaries at which the population subset might be considered 'youthful'. This is not a straightforward task as

there are conflicting definitions across Europe. EU legislation aiming to protect young workers defines this group simply as those under the age of 18 who have an employment contract or an employment relationship recognised by law within their countries<sup>4</sup>. Nonetheless, European countries implement different types of employment legislation, with varying outcomes according to age as a natural consequence. For example, from 2015 it will be compulsory in the United Kingdom (UK) to participate in some form of education until the age of 18, thus employment of 'young workers' in this example will overwhelmingly concern jobs that are part-time in nature due to educational demands. Moreover, policy initiatives at EU and national level for young workers tend to target a larger cohort up to the age of 30<sup>5</sup> to account for variability in the age at which people finish education and enter the labour market.

Although applying statistics to identify a smaller, more targeted subset (for example, workers under the age of 18) could yield informative results, there are significant advantages in basing observations on a broader cohort. This provides a more comprehensive analysis of the problem of differential treatment of young workers when accessing the labour market and can be supported by datasets from institutions such as Eurostat<sup>6</sup>. Considering the relative strengths and weaknesses of observing different age cohorts, the definition provided by the International Labour Office (ILO) in their 2010 report 'Global Employment Trends for Youth' is satisfactory. **The ILO defines 'youth' as 'the age group of 15–24 years'**<sup>7</sup>. The definition is particularly useful because it forms a compromise between the 15–18 and 15–30 cohorts. Therefore, issues of youth unemployment relating to the ILO's specified age group will form the foundation of this report. Where possible the research team has also covered the 18–24 age cohort, because many young people prior to this age are still in full-time education. This caveat is necessary because it partly explains why youth unemployment rates are higher than the general unemployment rate.

## 1.2. Employment of young workers in the EU

The unemployment rate for young people is consistently higher than the adult rate in the EU. **In 2013, the EU28 unemployment rate for young people aged 15–24 was 23.4 % compared to 9.5 % for people aged 25–74**<sup>8</sup>. Since young people have limited or no work experience, a period of unemployment is to be expected when making their way from formal education and training to the world of work<sup>9</sup>. Further, there is often a **mismatch** between the skills young people possess and those demanded by the labour market<sup>10</sup>. This might also be aggravated by a lack of knowledge related to **job**

<sup>4</sup> European Union (1994), 'Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work', *Official Journal of the European Communities*, [http://eurlex.europa.eu/smartapi/cgi/sqa\\_doc?smartapi!celexapi!prod!CELEXnumdoc&lq=EN&numdoc=31994L0033&model=quichett](http://eurlex.europa.eu/smartapi/cgi/sqa_doc?smartapi!celexapi!prod!CELEXnumdoc&lq=EN&numdoc=31994L0033&model=quichett).

<sup>5</sup> Eurofound (2011), 'Young Workers' <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/youngworkers.htm>.

<sup>6</sup> Interview with European Trade Union Institute.

<sup>7</sup> International Labour Office (2010), 'Global Employment Trends for Youth: Special issue on the impact of the global economic crisis on youth: August 2010', Geneva, p. 1.

<sup>8</sup> Eurostat: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en).

<sup>9</sup> Bell, David N.F., Blanchflower, David G. (2011), 'Young people and the Great Recession', Discussion paper series / Forschungsinstitut zur Zukunft der Arbeit, No. 5674, <http://nbn-resolving.de/urn:nbn:de:101:1-201105173104>.

<sup>10</sup> Eurofound (2012), 'Effectiveness of policy measures to increase the employment participation of young people', Eurofound Dublin. <http://www.eurofound.europa.eu/publications/htmlfiles/ef1260.htm>.

**search** (i.e. 'how' and 'where' to search for employment)<sup>11</sup> and limited access to informal employment and/or **professional networks**.<sup>12</sup>

Youth unemployment is becoming an acute structural problem in the EU in the aftermath of the economic crisis<sup>13</sup>. Structural problems refer to the nature of the labour market itself, such as over-reliance on particular industries or a skills mismatch due to widespread inappropriate education and training. These problems tend to persist regardless of economic conditions, while cyclical problems tend to be apparent only during periods of economic recession or negative growth. In June 2014, the **EU28 youth unemployment rate**<sup>14</sup> (for young persons under 25) was 22 %. **Greece** and **Spain** had the highest youth unemployment rates among EU28 countries at 56.3 %<sup>15</sup> and 53.5 % respectively, while **Germany** currently has the lowest youth unemployment rate at 7.9 %<sup>16</sup>. However, the youth unemployment rate does not fully explain the employment situation for young people. The youth unemployment rate is the number of unemployed people aged 15–24 divided by the total number of employed and unemployed people aged 15–24. A different measure which is sometimes referred to is the youth unemployment ratio. The youth unemployment ratio divides the number of unemployed people aged 15–24 by the total population aged 15–24. The denominator of the youth unemployment ratio calculation includes young people who are in full-time education and not seeking work as well as economically inactive young people. Therefore, the youth unemployment ratio is typically lower than the unemployment rate as it has a larger value for its denominator. For instance, in the first quarter of 2014 the EU28 youth unemployment ratio was 10.6 % compared to an unemployment rate of 22.7 %<sup>17</sup>. Whilst the unemployment ratio seems intuitively more reasonable, the unemployment rate is more frequently used as a metric as it is more easily compared to other age cohorts. Another reason is that the unemployment rate also reflects how many young people are becoming disengaged or are inactive in the labour market, as well as numbers of young people who may be delaying their entry by starting (or continuing) higher and/or further education due to adverse labour market conditions.<sup>18</sup>

EU Member States have implemented a **range of policies** and reforms of the labour market to solve this problem. However, some of these programmes have been ineffective. For instance, measures designed to foster employability (e.g. training) and to reduce the cost of labour (e.g. **reduced social security contributions**) do not address the problem of a lack of early integration in the labour market. In fact, they can create unstable working conditions for young workers. For instance, previous research suggests that atypical and very atypical forms of work (e.g. '**zero hour contracts**'), which were adopted to act as a **stepping stone** from temporary to permanent employment, have instead acted as an **employment trap** where young people simply move in and out of

<sup>11</sup> Interview with European Trade Union Institute.

<sup>12</sup> European Parliament (2013), Combining the entry of young people in the labour market with the retention of older workers.

<sup>13</sup> European Parliament (2013), Combining the entry of young people in the labour market with the retention of older workers.

<sup>14</sup> Employment statistics are frequently reported as employment rates, representing the percentage of employed persons in relation to the comparable total population. This facilitates comparison among countries of different size.

<sup>15</sup> April 2014.

<sup>16</sup> Eurostat: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF/121/2014 - 31 July 2014](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF/121/2014 - 31 July 2014) (Accessed: 05.06.2014).

<sup>17</sup> Eurostat: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_q&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_q&lang=en).

<sup>18</sup> Eurostat: [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Youth\\_unemployment](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Youth_unemployment).

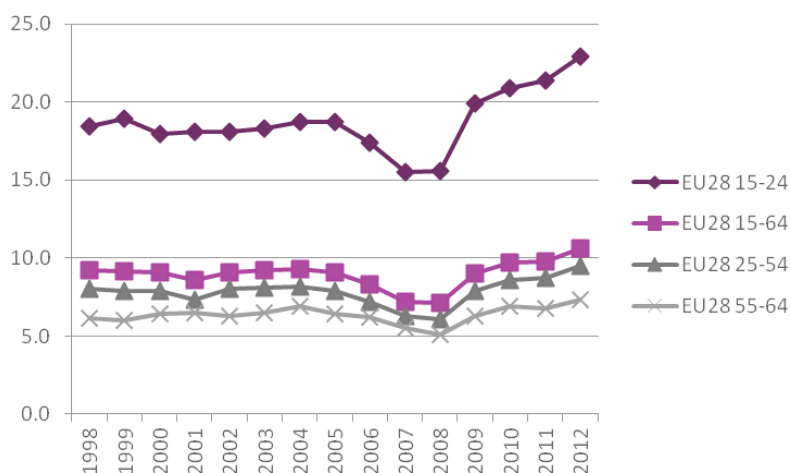
unstable jobs<sup>19</sup>. This is often to do with the design of policies which do not place adequate obligations on employers or effectively monitor the quality of atypical employment opportunities available.

This study maps the existing measures and analyses their effects to establish which policies have helped or hindered young people's access to the labour market and their working conditions. In doing so, the study also uses **Directive 2000/78/EC** on equal treatment in employment and occupation as a reference to assess which policies are either positively or indirectly discriminatory for new entrants to the labour market or young workers. The study finally recommends which policy elements should be enhanced, replicated or disregarded to improve the conditions of young people in the labour market.

### 1.2.1. Young entrants to the labour market

Figure 1 illustrates that the ratio of unemployment rates between young and older workers has remained almost constant in the EU since 1998. **The unemployment rate of young workers has remained approximately double the rate of older workers.** The figure also illustrates that fluctuations are more severe for young people.

**Figure 1: EU28 Unemployment rate (%) by age, 1998–2012**



**Source:** Eurostat, Labour Force Survey (LFS)<sup>20,21</sup>.

Seven EU Member States recorded youth unemployment rates above 30 % in 2013: **Greece** (58.3 %), **Spain** (54.2 %), **Croatia** (48.8 %), **Cyprus** (40.5 %), **Portugal** (34.3 %), **Italy** (41.7 %) and **Slovakia** (33.3 %). In Spain, Greece, Croatia and Portugal youth unemployment rates increased by at least 20 % during the years of economic crisis, while a further eight Member States saw youth unemployment increase between 10 % and 20 % over the 2008–2013 period. Only **Germany** managed to reduce youth unemployment in the same period, from 10.6 % in 2008 to 7.7 % in 2013.

<sup>19</sup> European Parliament (2013), Combining the entry of young people in the labour market with the retention of older workers.

<sup>20</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>21</sup> Consolidated annual data on youth and unemployment are available up to 2012, while data for 2013 and 2014 are available quarterly.

**Table 1: Unemployment rate (%) by country in the EU – June 2014**

Country	Unemployment rate (%)	Country	Unemployment rate (%)
EU28	22		
BE	23.2	LT	17.7
BG	23.2	LU	14.8
CZ	16.7	HU	20.0*
DK	12.6	MT	13.3
DE	7.8	NL	10.5
EE	17.4*	AT	9.0
IE	23.2	PL	23.6
EL	56.3**	PT	33.5
ES	53.5	RO	24.4***
FR	22.4	SL	22.3
HR	41.7	SK	32.3
IT	43.7	FI	20.2
CY	35.4	SE	23.5
LV	19.7***	UK	17.9**

\*May 2014

\*\*April 2014

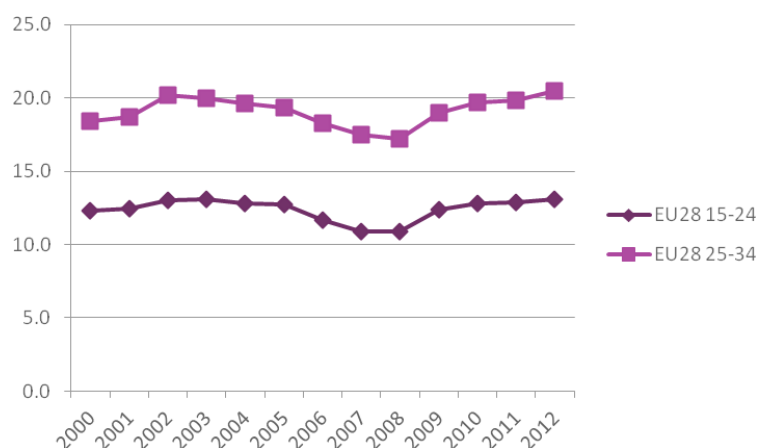
\*\*\*March 2014

**Source:** Eurostat, Labour Force Survey (LFS)<sup>22</sup>.

Since many young people remain in **full-time education** over the age of 15, the unemployment rate can sometimes overstate the number of young people who are unemployed. As mentioned above, the youth unemployment ratio is sometimes considered a more reasonable indicator for youth unemployment since it includes young people who are not active in the labour force. However, it is also important to consider the **proportion of economically inactive young people**. In recent years there has been a significant and sustained increase in the **EU28 NEET rate for young people**. In 2008, the figure stood at 10.9 % of 15–24-year-olds and 17.2 % of 25–34-year-olds. By 2011, this had increased to 13.1 % and 20.5 % respectively<sup>23</sup>.

<sup>22</sup> Eurostat: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF) 121/2014 - 31 July 2014 (Accessed: 05.06.2014).

<sup>23</sup> Eurofound (2012), 'Active Recent policy developments related to those not in employment, education and training (NEETs)', Publications Office of the European Union, Luxembourg.

**Figure 2: EU28 NEETs rate (%) by age, 2000–2012**

**Source:** Eurostat, LFS<sup>24</sup>.

Apart from **Luxembourg, Germany, Sweden** and **Austria**, all EU Member States recorded higher **NEET** rates in 2012 than 2008, with increases of more than 5 % in **Greece, Croatia, Cyprus** and **Romania**. In 2012, the NEET rate exceeded 15 % in **Bulgaria** (21.5 %), **Ireland** (18.7 %), **Greece** (20.3 %), **Spain** (18.8 %), **Croatia** (16.7 %), **Italy** (21.1 %), **Cyprus** (16.0 %) and **Romania** (16.8 %). Conversely, NEET rates were below 5 % in just one country: the **Netherlands** (4.3 %)<sup>25</sup>.

Scholars observe that periods of unemployment are more frequent among young people than older adults. This is because young workers are more mobile than adults, as they are not settled in their career choice. Therefore, short periods of unemployment are not necessarily negative<sup>26</sup>; however, when these **spells of unemployment** are prolonged, they can lead to permanent labour market disengagement and long-term unemployment. Loss of early work experience is linked to long-time **negative effects on labour force participation and potential future earnings**<sup>27</sup>. This is also problematic as lower wages can lead to smaller pensions and limit access to private pension schemes, which is important from a rights-based perspective and in the light of recent demographic changes in EU countries.

Long-term youth unemployment has grown since the onset of the crisis in the EU. In 2002, around 6.1 % of young people were long-term unemployed. This figure fell until it reached its lowest level in 2008 at 3.5 %. It has subsequently risen, averaging 7.4 % in 2012<sup>28</sup>.

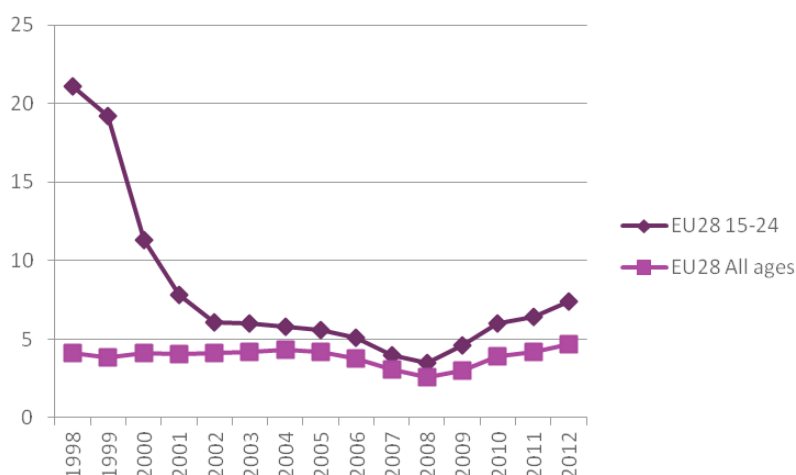
<sup>24</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>25</sup> Annex: Table 12.

<sup>26</sup> O'Higgins, N. (2010), 'The impact of the economic and financial crisis on youth employment: Measures for the labour market recovery in the European Union, Canada and the United States', ILO, pp. 34–35.

<sup>27</sup> Booth, A., Francesconi, M. and Frank, J. (2000), Temporary Jobs: Who gets them, what are they worth and do they lead anywhere?, ISER Working Paper.

<sup>28</sup> Annex: Table 14.

**Figure 3: EU28 Long-term youth unemployment rate (%) by age, 1998–2012**

Source: Eurostat, LFS<sup>29</sup>.

Youth long-term unemployment varies significantly between EU28 countries. In 2012 it was above 15 % in **Greece** (27.1 %), **Croatia** (23.8 %), **Slovakia** (19.2 %), **Spain** (18.9 %) and **Italy** (17.3 %). By contrast in **Denmark**, **Germany**, the **Netherlands**, **Austria**, **Finland** and **Sweden** the figure was below 2 %. The largest percentage increases from 2008 to 2012 were in **Greece** (+19.1 %), **Spain** (+16.3 %) and **Croatia** (+14.6 %). However, there has been very little change in **Belgium** (+0.9 %), the **Netherlands** (+0.8 %), **Austria** (+0.2 %), **Finland** (+0.9 %) and **Sweden** (+0.9 %). In **Germany** and **Luxembourg**, the youth long-term unemployment rate actually improved during the period of recession<sup>30</sup>.

The negative effects of long-term unemployment are particularly severe for young people. The loss of work experience at the initial stage of their working life is likely to have **scarring effects** on future labour participation and earnings. In particular, youth unemployment can lead to **wage penalties** in the medium term, while from a longer-term perspective return on **pensions may be reduced**. For instance, due to lower earnings, young workers may be less able to make contributions to private pension schemes than older workers and receive a smaller pension from their employer<sup>31</sup>. In practice, long-term unemployment for young people can have profound effects on employability and career development in the medium to long term. Some researchers have observed that the effects of current levels of youth unemployment could be felt in Europe for the next 20 years<sup>32</sup>.

More generally, statistics confirm that during economic downturns youth employment tends to decrease. In fact, the EU28 employment rate for young workers remained quite stable between 2001 and 2008, but it declined steadily from 37.3 % in 2008 to 32.8 % in 2012.

<sup>29</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

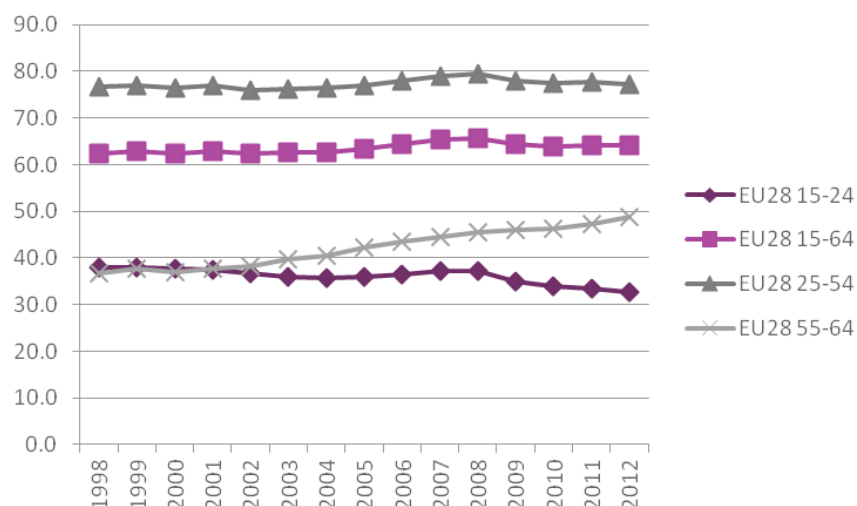
<sup>30</sup> Annex: Table 14.

<sup>31</sup> Eurofound (2012), 'Active Recent policy developments related to those not in employment, education and training (NEETs)', Publications Office of the European Union, Luxembourg.

<sup>32</sup> Bell, D.N.F., and Blanchflower, D.G. (2009), *Youth Unemployment: Déjà Vu?* University of Stirling.

Figure 4 illustrates that since 1998 the employment rate of **prime-age workers (25–54) has been the highest** of all four cohorts. This indicates that changes in the overall employment rate (15–64 years) are mainly driven by changes in the employment rate of prime-age workers (25–54 years). Surprisingly, **the employment rate of young people has decreased whilst the employment rate of older workers (55–64) has increased**. This increase continued despite the financial and economic crisis, largely due to pension reforms postponing retirement age<sup>33</sup>.

**Figure 4: EU28 Employment rate (%) by age, 1998–2012**



**Source:** Eurostat, LFS<sup>34</sup>.

**Germany** is the only country in the EU28 area where the employment rate of younger workers did not drop in times of financial and economic crisis. However, four other countries recorded an increase since 2001: **Bulgaria** (0.8 %), **Estonia** (6.2 %), **Austria** (3.2 %) and **Poland** (0.5 %). Conversely, three countries have recorded an almost continuous decrease in the employment rate of younger workers since 2001: **Portugal**, **Hungary** and the **UK**<sup>35</sup>. Three countries in particular experienced an enormous decline in the youth employment rate from 2008–2012: there was a drop of 17.7 % in **Ireland**, 17.8 % in **Estonia** and 11.4 % in **Denmark**. In 2012, less than 20 % of 15–24-year-olds in **Greece**, **Spain**, **Croatia**, **Italy** and **Hungary** were employed<sup>36</sup>.

Young people are the age cohort most severely affected by economic recession with respect to employment. A lack of job creation has the most significant impact on people leaving education. Since there are limited job openings, **companies also tend to favour older workers because they have more experience**. If a downturn persists young people are also prioritised for **layoffs** as they have less valuable experience and **lower redundancy payments** (especially in the case of temporary contracts). For these reasons the social protection system and labour policies play an important role.

<sup>33</sup> European Parliament (2013), Combining the entry of young people in the labour market with the retention of older workers.

<sup>34</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>35</sup> Annex: Table 19.

<sup>36</sup> Annex: Table 16.



### 1.2.2. Working conditions of young workers

The full extent of the problem of differential treatment of young workers becomes even more apparent when analysing **working conditions for younger and older workers**. Although there is an increasing focus on youth unemployment, attention must also be given to the working conditions of those young people already in employment.

As Table 2 shows, **the proportion of young people in part-time and temporary employment is higher than for older workers**. Moreover, a lower proportion of young people are self-employed. Policies aimed at quickly providing jobs for young people may result only in **short-term gains** or place a disproportionate number of young people in non-standard employment. Given the very low number of young people who are self-employed, this study focuses on this group only to a limited extent (see Italian case study in this report).

**Table 2: Comparison of forms of employment by age in the EU (2012)**

Form of employment	EU28 15–24-year-olds	EU28 25–54-year-olds	EU28 55–64-year-olds
Part-time employment as a % of total employment	31.0 %	17.2 % <sup>37</sup>	22.5 %
Temporary employees as a % of total employment	42.2 %	11.5 % <sup>38</sup>	6.6 %
Self-employed as a % of total employment	4.4 %	14.4 %	24.5 % <sup>39</sup>

Source: Eurostat, LFS.

It can be argued that these differences are due to the fact that young people might decide to work part-time or have temporary contracts while studying or may use these types of employment as first steps into the labour market. However, there is no agreement about the **effectiveness of atypical and very atypical forms of work (temporary, seasonal, interim and part-time) in supporting the transition from school to work**.

While these forms of contract **reduce labour costs and make young workers more appealing to employers**, there is a danger that more flexible contracts may act as a trap rather than a stepping stone to standard employment<sup>40,41</sup> For instance, there is

<sup>37</sup> Average of 25–49 and 25–59 rates.

<sup>38</sup> Average of 25–49 and 25–59 rates.

<sup>39</sup> Age 55 and over.

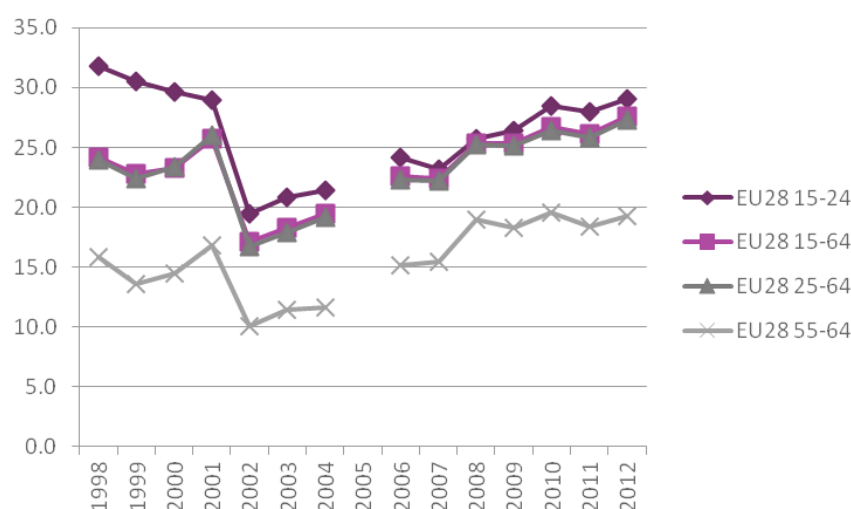
<sup>40</sup> O'Higgins, N. (2010), The impact of the economic and financial crisis on youth employment: Measures for labour market recovery in the European Union, Canada and the United States, working paper, ILO Youth Employment Programme, Geneva.

<sup>41</sup> ILO (2012), *Global employment trends for youth 2012*, International Labour Organization, Geneva.

evidence from the UK that temporary workers report **lower job satisfaction, receive less in-work training and are less well paid than their peers in permanent employment**<sup>42</sup>. In addition, although temporary jobs were found to act as a stepping stone to permanent employment, this took an average of three years. Further, there is evidence that for those people who start their career in fixed-term employment, there is an associated wage penalty. Although **the wage penalty diminishes over time**, men (but not women) may never catch up with their peers<sup>43</sup>.

Figure 5 shows that almost **30 % of young workers working part-time have not done so out of choice**, and this trend has been steadily increasing since 1998.

**Figure 5: EU28 Involuntary part-time employment as a % of total part-time employment by age, 1998–2012**



**Source:** Eurostat, LFS<sup>44</sup>

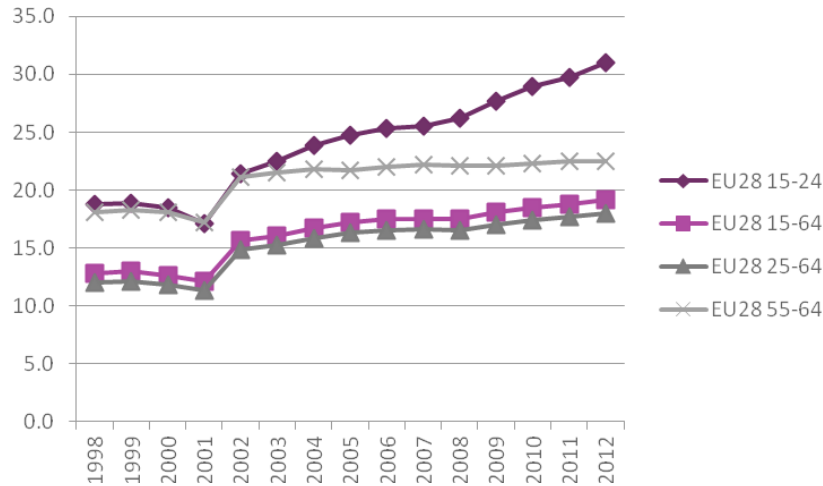
Although there is a high variation among Member States, the proportion of young workers in part-time employment has grown continuously in recent years. The percentage increased from 18.8 % in 1999 to 31.0 % in 2012<sup>45</sup>.

<sup>42</sup> Booth, A., Francesconi, M. and Frank, J. (2000), Temporary Jobs: Who gets them, what are they worth and do they lead anywhere?, ISER Working Paper.

<sup>43</sup> Booth, A., Francesconi, M. and Frank, J. (2002), 'Temporary Jobs: Stepping Stones or Dead Ends?', Economic Journal, Vol. 112, 189–213.

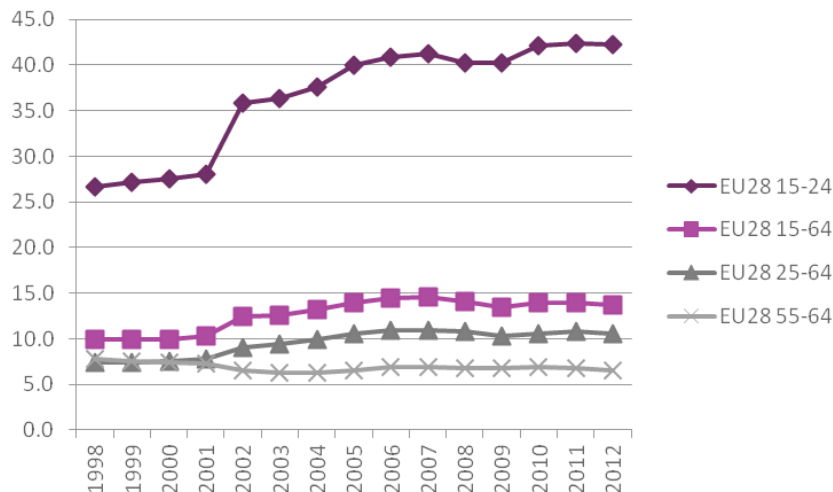
<sup>44</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002. Data for 2005 are not available at EU28 level.

<sup>45</sup> Annex: Table 20.

**Figure 6: EU28 Part-time employment as a % of total employment by age, 1998–2012**

Source: Eurostat, LFS<sup>46</sup>.

In comparison, the proportion of young workers in temporary employment has fluctuated. The proportion increased from 1998–2007, decreased from 2008–2009 (at the peak of the economic crisis) and subsequently increased again from 2010–2012.

**Figure 7: EU28 Temporary employment as a % of total employment by age, 1998–2012**

Source: Eurostat, LFS<sup>47</sup>

This confirms that during the peak of economic crisis, fixed-term contracts were not renewed by employers, who sought to cut costs and who are still reluctant now to offer

<sup>46</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>47</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

permanent contracts. Subsequently, a trend towards traineeships and probationary periods has re-emerged<sup>48</sup>. In addition, in 2012, 40.7 % of young workers on temporary contracts were in training schemes and 36 % of young workers were in non-standard employment involuntarily<sup>49</sup>.

Consequently, research in this area very frequently mentions a **dual or two-tier labour market**<sup>50</sup>. This means that there is a **gap in employment protection legislation** between workers under standard forms of employment ('insiders' or older workers) and workers in atypical and very atypical forms of employment ('outsiders' or young workers).

In several countries, young workers do not have adequate employment or social contributions to become eligible for social and/or unemployment benefits (IT, NL, IE, LV & PL). In practice, young people in temporary jobs are less likely to receive **unemployment benefits** because they have earned less than a full-time minimum wage or worked too few hours. For this reason, measures based on lower wages for young people or 'zero hour contracts' can indirectly discriminate against young people.

From an ideological perspective, in a modern welfare state there would be no distinction between temporary and permanent workers with respect to **entitlement to sickness or maternity leave**, as ideally no social contributions would be required to access them. However, in some countries (AT, BE, BG, CY, CZ, DK, DE, EL, IE, LT, MT, ES and PT) this is not the reality and there is a requirement to work a minimum number of hours or accrue a minimum level of earnings before you can access these benefits<sup>51</sup>. Similarly, access to **health care** is not based on specific conditions, but in countries where health care services are based on health insurance (requiring contributions), young people may have restricted access (e.g. EL). When insurance is also linked to duration of employment, temporary employment situations may lead to a loss of coverage. For instance, in Germany and Estonia only one and three months of coverage are granted respectively at the end of an employment contract. In some cases (e.g. IE) employers do not provide health care benefits at all for workers on temporary contracts.

Likewise, in countries where **pension schemes** are paid for by employees or employers contribute towards the fund, young people in temporary jobs may be disadvantaged because temporary contract legislation may not place this obligation on the employer (see UK, Italy and Poland case studies in this report). As temporary jobs are also often **poorly remunerated**, young people may also find it more difficult to make voluntary pension contributions.

More generally, pension systems are based on the contributions paid and on years spent active in the labour market. However, since those employees on temporary contracts are more exposed to employment interruptions, they will likely **accrue a smaller pension fund** and have to remain active in the labour market for longer over their lifetime than those individuals on permanent contracts.

These observations are also supported by the 'Eurofound 5th European Working conditions survey' from 2010<sup>52</sup>, and by the study 'Working conditions of young entrants

<sup>48</sup> Eurofound (2013), Young people and temporary employment in Europe, Dublin.

<sup>49</sup> Eurostat: [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Labour\\_market\\_and\\_labour\\_force\\_statistics](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Labour_market_and_labour_force_statistics).

<sup>50</sup> Bentolila, S., Cahuc, P., Dolado, J.J., Le Barbanchon, T. (2010), 'Two-Tier Labor Markets in the Great Recession: France vs. Spain', CEMFI Working Paper, No. 1009 (November).

<sup>51</sup> Eurofound (2013), Young people and temporary employment in Europe, Dublin.

<sup>52</sup> Eurofound (2010), Fifth European Working Conditions Survey, Dublin. <http://eurofound.europa.eu/surveys/2010/fifth-european-working-conditions-survey-2010>

to the labour market<sup>53</sup>. In fact, despite differences between Member States, young workers in the EU appear to have: (i) more irregular working hour patterns, shift work, night and weekend work; (ii) worse payment conditions; (iii) less additional paid benefits; (iv) worse access to training opportunities, and (v) higher risk of accidents at work.

The main explanation for poorer working conditions is that young people are over-represented in sectors with a higher risk of accidents (e.g. construction) and they have a higher incidence of temporary employment (see UK case study)<sup>54</sup>.

In conclusion, workers in atypical and very atypical forms of employment tend to have lower incomes due to **fewer hours worked and shorter job tenure**, and this type of employment does not guarantee future contracts or improve employability. Beyond the precarious contractual arrangement, short job tenure and low income leads to reduced access to unemployment benefits, pension rights and workers' rights<sup>55</sup>. For these reasons, atypical and very atypical employment can be indirectly discriminatory against young people.

### 1.3. A rights-based approach to young people and employment

In response to the economic downturn, national governments have launched numerous initiatives to create jobs. However, despite these efforts, it seems that the quality of the jobs created and potentially negative consequences of some interventions on young people's rights have often been of secondary importance<sup>56</sup>. The existing literature and the cases related to discrimination in the EU labour market refer mainly to older workers, ethnic minorities or people with disabilities<sup>57,58</sup>. Also, most of the recent age-related legislation is focused on older workers and the abolition of, or rise in, the mandatory retirement age<sup>59</sup>.

The European Parliament and the European Youth Forum – the platform of youth organisations in Europe – advocate for the full development of a **rights-based approach** to youth policy to guarantee favourable conditions for young people to develop their skills, fulfil their potential, work and participate actively in society.

#### 1.3.1. Developing a rights-based approach

In the last decade several policy initiatives and frameworks have been launched to tackle the challenges that young people may face in Europe. For instance, during the **8th Council of Europe Conference of Ministers responsible for Youth** (Kiev, 2008), the **Agenda 2020 for a strengthened youth sector within the Council of Europe** (CoE) was adopted. At EU level the **European Youth Pact** was adopted by the Council in 2005 with the aim of improving education, training, mobility, employment and social inclusion of young people. Another important soft law document, the **Revised European**

<sup>53</sup> Eurofound (2014), Working conditions of young entrants to the labour market, Dublin.

<sup>54</sup> Eurofound (2014), Working conditions of young entrants to the labour market, Dublin.

<sup>55</sup> Broughton, A., Biletta, I., Kullander, M. (2010), 'Flexible forms of work: "very atypical" contractual arrangements', Institute for Employment Studies and Eurofound <http://www.eurofound.europa.eu/working/studies/tn0812019s/tn0812019s.htm>.

<sup>56</sup> Samek Lodovici, M., Semenza, R. (2012), Precarious work and high skilled youth, Franco Angeli, Milan

<sup>57</sup> Interview with European Trade Union Institute.

<sup>58</sup> Annexes to COM (2014) 2 Final, 17.01.2014 on Directive 2000/43/EC and Directive 2000/78/EC.

<sup>59</sup> Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin ('Racial Equality Directive') and Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation ('Employment Equality Directive').

**Charter on the participation of young people in local and regional life**, adopted by the CoE, emphasises the importance of youth participation in building a better society. The latest initiative from the European Commission supported by the European Parliament– the **European Youth Guarantee** (see section 2.3.1) is also going in this direction.

Although these initiatives are landmarks in policymaking for youth, as they acknowledge young people’s needs, they might remain of a declaratory nature as there is **no legal obligation to comply with them**.

To overcome this limitation, the European Youth Forum has proposed the development of a rights-based approach to youth policy that integrates the norms, standards and principles of the international human rights system into the development, implementation and evaluation of youth policy. In this context for instance, the Universal Declaration of Human Rights states that everyone **who works has to receive just and favourable remuneration and working conditions**<sup>60</sup>. The Charter of Fundamental Rights of the European Union stipulates that every worker has the **right to working conditions which respect her or his health, safety and dignity**. Also, in its ‘Resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status’, the European Parliament urged ‘the Commission and the Member States to take a rights-based approach to youth and employment’. The Parliament went on to insist that: ‘The qualitative aspect of decent work for young people must not be compromised, and the core labour standards and other standards related to the quality of work, such as working time, the minimum wage, social security, and occupational health and safety, must be central considerations in the efforts that are made’<sup>61</sup>.

In this context, **EU Directive 2000/78/EC**<sup>62</sup> is the main legal tool establishing common standards at EU level for equal treatment in the workplace, including discrimination based on age.

### 1.3.2. Non-discrimination on the grounds of age under Directive 2000/78/EC

The principle of non-discrimination on grounds of age, enshrined in Article 21 of the Charter, has been given specific expression by **Directive 2000/78/EC on establishing a general framework for equal treatment in employment and occupation**<sup>63</sup>.

The Directive was introduced in December 2000 with the purpose to lay down a general framework for combating discrimination on certain grounds such as age, as regards employment and occupation, with a view to putting into effect in the Member States the principle of equal treatment. Apart from age, the Directive prohibits discrimination in the workplace on the grounds of sex, race or ethnic origin, religion or belief, disability, age or sexual orientation. The Directive applies to all persons, as regards both the public and private sectors, including public bodies<sup>64</sup>.

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<sup>60</sup> Article 23 of UN General Assembly, *Universal Declaration of Human Rights*, 10 December 1948, 217 A (III). <http://www.refworld.org/docid/3ae6b3712c.html>.

<sup>61</sup> European Parliament resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status.

<sup>62</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (2000). Official Journal L 303, 02/12/2000 P. 0016 – 0022.

<sup>63</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (2000). Official Journal L 303, 02/12/2000 P. 0016 – 0022.

<sup>64</sup> Article 3(1)(c) of Directive 2000/78.

The Directive aims to combat direct and indirect discrimination<sup>65</sup>. **Direct discrimination** is defined by Article 2 (2) (a) of the Directive as a situation 'where one person is treated less favourably than another is, has been or would be treated in a comparable situation, on any of the grounds referred to in Article 1' (such as age). Direct discrimination is the most obvious form of age discrimination; such discrimination takes place when an employer refuses to offer a job to a young candidate, even though the candidate has the skills and competencies required for it. The employer may, for example, see the vacancy as one of authority and does not feel the young candidate will be respected or taken seriously because of his or her age.

**Indirect discrimination with regard to age**, by comparison, occurs when any provision, criterion or practice for a vacancy appears neutral, but 'would put a person (...) with a particular age (...) at a particular disadvantage compared with other persons'<sup>66</sup>. For instance, this is the case when a job advert requires the applicant to demonstrate 10 years' experience in a relevant field where two or three years' experience would be adequate for the job.

Other behaviour that is considered to be discriminatory within the meaning of Article 2(1) of the Directive is **harassment**, as well as an **instruction to discriminate against persons** on any of the grounds referred to in Article 1<sup>67</sup>. With regard to harassment, the Directive refers to unwanted conduct related to any of the grounds referred to in Article 1 (including age) which takes place with the purpose or effect of violating the dignity of a person and of creating an intimidating, hostile, degrading, humiliating or offensive environment<sup>68</sup>.

### Exceptions to the principle of non-discrimination

According to recital 25 of the Preamble of the Directive, 'the prohibition of age discrimination is an essential part of meeting the aims set out in the Employment Guidelines and encouraging diversity in the workforce. However, differences in treatment in connection with age may be justified under certain circumstances and therefore require specific provisions which may vary in accordance with the situation in Member States. It is therefore essential to distinguish between differences in treatment which are justified, in particular by legitimate employment policy, labour market and vocational training objectives, and discrimination which must be prohibited.' In this regard, the Directive provides for several derogations from the principle prohibiting discrimination on grounds of age.

Firstly, Article 2 (2)(b)(i) juncto Article 6 (1) of Directive 2000/78/EC allows for differences of treatment on grounds of age in the workplace if the discriminatory provision, criterion or practice, within the context of national law, is:

1. objectively and reasonably justified by a **legitimate aim**, and
2. the **means** of achieving that aim are **appropriate and necessary**.

Thus, these two conditions need to be fulfilled for a discriminatory provision to be justified under this provision of the Directive.

Secondly, under Article 2(5) of the Directive, the prohibition of discrimination does not apply to measures laid down by national law which are necessary in a democratic society

<sup>65</sup> Article 2 (1) Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (2000). Official Journal L 303, 02/12/2000 P. 0016 – 0022.

<sup>66</sup> Article 2 (2)(b) Directive 2000/78/EC.

<sup>67</sup> Article 2(3) and 2(4) Directive 2000/78/EC.

<sup>68</sup> Article 2(3) Directive 2000/78/EC.

for **public order, security and health, the prevention of criminal offences and the protection of individual rights and freedoms**. However, those measures need to be 'necessary' for the achievement of the abovementioned objectives<sup>69</sup>. Moreover, it should be noted that the terms used in Article 2(5) suggest for this exception to be interpreted strictly<sup>70</sup>.

Finally, Member States may provide that a difference of treatment based on age shall not constitute discrimination where, by reason of the nature of the particular occupational activities concerned or of the context in which they are carried out, such a characteristic constitutes a **genuine and determining occupational requirement** (provided that the objective is legitimate and the requirement is proportionate)<sup>71</sup>. An example of such allowed differential treatment is legislation which sets the maximum age for recruitment to intermediate career posts in the fire service at 30 years<sup>72</sup>. The CJEU has established that Article 4(1) of the Directive must be interpreted strictly<sup>73</sup>.

### Legitimate aim

The first condition that needs to be fulfilled for a discriminatory provision to be allowed under Article 6 of the Directive is for it to be objectively and reasonably justified by a 'legitimate aim', including<sup>74</sup>:

1. legitimate employment policy,
2. labour market objectives, and
3. vocational training objectives.

The CJEU rules in this regard that the above mentioned **social policy objectives** have a '**public interest nature**', and are therefore distinguishable from purely individual reasons particular to the employer's situation (such as cost reduction or improving competitiveness)<sup>75</sup>. However, the CJEU also stated that it cannot be ruled out that a national rule may recognise, in the pursuit of those legitimate aims, a certain degree of flexibility for employers<sup>76</sup>.

The Member States are thus provided with a **wide discretion**. This was confirmed by the CJEU in the case of *Palacios de la Villa*, where the court stated that, as EU law stands at present, the Member States and the social partners at national level enjoy broad discretion in their choice to pursue a particular aim in the field of social and employment policy<sup>77</sup>.

The CJEU, in its case law, has accepted and acknowledged different aims to be legitimate within the meaning of Article 6 of the Directive. For example, the Court has

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<sup>69</sup> Prigge and Others, C- 447/09, EU:C:2011:573, paragraph 55.

<sup>70</sup> Petersen, C 341/09, EU:C:2010:4, paragraph 60 and Prigge and Others, C- 447/09, EU:C:2011:573, paragraph 56.

<sup>71</sup> Article 4(1) Directive 2000/78/EC.

<sup>72</sup> Wolf, C- 229/08, ECLI:EU:C:2010:3, paragraph 46.

<sup>73</sup> Prigge and Others, C-447/09, EU:C:2011:573, paragraph 72.

<sup>74</sup> Article 2(2)(b)(ii) juncto Article 6(1) Directive.

<sup>75</sup> Age Concern England, C-388/07, EU:C:2009:128, paragraph 46.

<sup>76</sup> Age Concern England, C-388/07, EU:C:2009:128, paragraph 46.

<sup>77</sup> Palacios de la Villa, C-411/05, EU:C:2007:604, paragraph 68.



acknowledged that as a general rule, **rewarding experience that enables a worker to perform his duties better** is a legitimate aim of wage policy<sup>78</sup>.

Furthermore, there is one wider category of justifications that have been accepted by the Court, namely market policy justification, often on the grounds of '**inter-generational fairness**'. This includes the aim of promoting integration of young people in the labour market. The table below shows several CJEU cases in which such legitimate aims have been accepted by the Court:

**Table 3: List of Cases Law**

Case	Year	Legitimate aim
Case C-144/04 <i>Mangold</i>	2005	To promote the vocational integration of unemployed older workers, in so far as they encounter considerable difficulties in finding work.
Case C-411/05 <i>Palacios de la Villa</i>	2007	- 'Encouragement of recruitment undoubtedly constitutes a legitimate aim of Member States' social or employment policy.' (paragraph 65) - 'Better distribution of work between generations.' - Fighting unemployment: 'Against an economic background characterised by high unemployment, in order to create, in the context of national employment policy, opportunities on the labour market for persons seeking employment.'
Case C-88/08 <i>Hütter</i>	2009	'To avoid making apprenticeship more costly for the public sector and thereby promote the integration of young people who have pursued that type of training [vocational training] into the labour market.'
Case C-341/08 <i>Petersen</i>	2010	- 'sharing of burdens between generations' - 'encouragement of recruitment undoubtedly constitutes a

<sup>78</sup> Cadman, C-17/05, EU:C:2006:633, paragraph 34, Hütter, C-88/08, EU:C:2009:381, paragraph 47; Hennigs and Mai, Joined cases of C-297/10 and C-298/10, EU:C:2011:560, paragraph 72; and Specht, C-501/12, EU:C:2014:2005, paragraph 48.

Case	Year	Legitimate aim
		legitimate aim of Member States' social or employment policy, in particular when the promotion of access of young people to a profession is involved'» (paragraph 68)
Joined Cases C-250/09 and C- 268/09 Gorgiev	2010	The mix of different generations of employees can also contribute to the quality of the activities carried out, <i>inter alia</i> by promoting the exchange of experience
Case C-555/07 <i>Kücükdeveci vs. Swedex GMBH &amp; Co</i>	2010	Facilitation of the recruitment of young workers: 'to afford employers greater flexibility in personnel management by alleviating the burden on them in respect of the dismissal of young workers, from whom it is reasonable to expect a greater degree of personal or occupational mobility'
Case C-45/09 <i>Gisela Rosenblatt v Oellerking Gebäudereinigungsges. mbH.</i>	2010	'sharing employment between generations'
Joined Cases C-159/10 and C-160/10 <i>Fuchs and Köhler</i>	2011	'establishing an age structure that balances young and older civil servants in order to encourage the recruitment and promotion of young people, [...] can constitute a legitimate aim of employment and labour market policy'
Case C-141/11. <i>Torsten Hörnfeldt v Posten Meddelande AB</i>	2012	'makes it easier for young people to enter the labour market'

With regard to aims related to a 'labour market objective', the CJEU accepted in the *Hütter case*<sup>79</sup> that **incentivising the pursuit of secondary education** can be considered to be a legitimate aim.

<sup>79</sup> C-88/08, *Hütter* [2009] ECR I-5325.

With regard to a compulsory pensions scheme with different employer and employee contribution rates depending on age, the CJEU accepted the aim of **including young workers in the same occupational pension scheme as older workers at an early stage, providing a means for all employees to build up reasonable retirement savings to have at their disposal when they retire, while making it possible for young workers to have at their disposal a larger proportion of their wages** (due to the lower rate of employee contribution that was applied to them).

A second category of justifications (legitimate aims) brought forward in CJEU cases are **health and safety justifications under Article 2 (5) of the Directive**. For example in the case of *Prigge*<sup>80</sup>, the CJEU rejected air traffic safety as a social policy objective under Article 6(1) of the Directive, but accepted it as an aim under Article 5(2) of the Directive: "it is apparent that measures that aim to avoid aeronautical accidents by monitoring pilots' aptitude and physical capabilities with the aim of ensuring that human failure does not cause accidents are undeniably measures of a nature to ensure public security within the meaning of Article 2(5) of the Directive"<sup>81</sup>.

In addition, the CJEU also ruled as acceptable aims put forward by the Swedish government in the *Hornfeldt*<sup>82</sup> case:

- to avoid termination of employment contracts in situations which are humiliating for workers by reason of their advanced age;
- to enable retirement pension regimes to be adjusted on the basis of the principle that income received over the full course of a career must be taken into account;
- to reduce obstacles for those who wish to work beyond their 65th birthday;
- to adapt to demographic developments and to anticipate the risk of labour shortages;
- to establish a right, and not an obligation, to work until the age of 67, in the sense that an employment relationship may continue beyond the age of 65.

### Differential treatment and proportionality test

The second condition to be fulfilled for a discriminatory provision to be justified under this Directive, is for the means of achieving the legitimate aim to be 'appropriate and necessary'.

In order to decide whether a discriminatory measure is appropriate and necessary to achieve the aim, a **proportionality test** must be undertaken, in which the different interests involved must be weighted off and balanced (e.g. the interest of the employer and the interest of the employee). In this context, the CJEU has specified that a measure is **appropriate** for ensuring attainment of the aims pursued only if it genuinely reflects a concern to attain them in a consistent and systematic manner<sup>83</sup>. Moreover, the CJEU has specified that for a measure to be **necessary**, account needs to be taken of the hardship that it may cause to the persons concerned and of the benefits derived from it by society in general and by the individuals who make up society<sup>84</sup>.

In this regard, the Directive lists three types of differential treatment (the 'means') that are acceptable exceptions to the non-discrimination principle, if appropriate and

<sup>80</sup> *Prigge and Others*, C- 447/09, EU:C:2011:573, paragraph 58.

<sup>81</sup> *Prigge and Others*, C- 447/09, EU:C:2011:573, paragraph 58.

<sup>82</sup> *Hörnfeldt*, C-141/11, EU:C:2012:421.

<sup>83</sup> *Fuchs and Köhler*, C-159/10, EU:C:2011:508, paragraph 85.

<sup>84</sup> *Hörnfeldt*, C-141/11, EU:C:2012:421, paragraph 38.

reasonable to achieving the legitimate aim<sup>85</sup>. In this regard, Article 6 (1) of the Directive allows for:

- a) the setting of special conditions for certain types of people<sup>86</sup> on access to employment and vocational training, employment and occupation (incl. dismissal and remuneration);
- b) the fixing of minimum conditions of age, professional experience or seniority;
- c) the fixing of a maximum age for recruitment.

It should be noted that this list is not exhaustive, and other types of differential treatment could be acceptable as well. The CJEU stated in this regard in the *Palacios the Villa* case that Member States unarguably enjoy broad discretion in their choice of the measures capable of attaining their objectives in the field of social and employment policy<sup>87</sup>. The CJEU reiterated this in the *Mangold* case, where it stated that 'as European Union law stands at present, the Member States and the social partners at national level enjoy broad discretion in their choice, not only to pursue a particular aim in the field of social and employment policy, but also in the definition of measures capable of achieving it'<sup>88</sup>.

When Member States implement the Directive, they are not obliged to draw up a specific list of differences in treatment which may be justified by a legitimate aim<sup>89</sup>. If, in the exercise of their discretion, they decide to do so, they may include in that list examples of differences in treatment and aims other than those expressly covered by the Directive, provided that those aims are legitimate within the meaning of Article 6(1) thereof and are appropriate and necessary to achieve those aims<sup>90</sup>.

In addition, Article 6(2) states another derogation to the principle of non-discrimination, namely the fixing of a certain age for admission of entitlement to occupational social security schemes, retirement or invalidity benefits. The article moreover allows for the use, in the context of such schemes, of age criteria in actuarial calculations, provided this does not result in discrimination on the grounds of sex.

Some of the main types of differential treatment brought before the CJEU under Article 2 and 6 of Directive 2000/78 are described below.

### Remuneration and dismissal conditions

Article 6(1)(a) allows for 'the setting of special conditions on access to employment and vocational training, employment and occupation, including dismissal and remuneration conditions, for young people, older workers and persons with caring responsibilities in order to promote their vocational integration or ensure their protection.'

With regards to **remuneration conditions**, the Court has accepted in several cases that, as a general rule, recourse to the **criterion of length of service** is an appropriate means of achieving the aim of rewarding experience that enables a worker to perform

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<sup>85</sup> Article 6 (1) (a)(b)(c) and Article 6 (2) Directive 2000/78/EC.

<sup>86</sup> For young people, older workers and persons with caring responsibilities in order to promote their vocational integration or ensure their protection.

<sup>87</sup> *Mangold*, C- 144/04, EU:C:2005:709, paragraph 63.

<sup>88</sup> *Palacios de la Villa*, C-411/05, EU:C:2007:604, paragraph 68.

<sup>89</sup> *Age Concern England*, C-388/07, EU:C:2009:128, paragraph 43.

<sup>90</sup> *Rosenbladt*, C-45/09, EU:C:2010:601, paragraph 40.

his duties better, since length of service goes hand in hand with professional experience<sup>91</sup>.

However, the Court ruled in the cases of *Specht*<sup>92</sup> and *Hennigs*, that if this criteria is applied in a way that, 'on appointment, the initial classification in a particular step in a particular salary group of an employee with no professional experiences is based purely on his age', this goes beyond what is necessary and appropriate for achieving the legitimate aim<sup>93</sup>. The Directive thus precludes a measure which provides that, within each salary group, the basic pay step of an employee is determined on appointment by reference to the employee's age<sup>94</sup>.

With regards to **conditions of dismissal**, quite a few cases<sup>95</sup> have been brought before the CJEU on the issue of a **compulsory retirement age**. In this regard, the CJEU stated in the *Rosenbladt case*<sup>96</sup> that the automatic termination of employment contracts of employees who meet the conditions regarding age and contributions paid for the liquidation of their pension rights has, for a long time, been a feature of employment law in many Member States and is widely used in employment relationships. According to the Court, it is a mechanism which is based on the balance to be struck between political, economic, social, demographic and/or budgetary considerations and the choice to be made between prolonging people's working lives or, conversely, providing for early retirement<sup>97</sup>.

In the *Hornfeldt case*<sup>98</sup> the CJEU allowed for a Swedish law permitting compulsory retirement at the age of 67 without taking into account the level of retirement pension available to the person at that age. However, in the case of the *Commission vs Hungary*<sup>99</sup> the Court considered disproportionate a scheme which lowered the age of compulsory retirement for judges, prosecutors and notaries from 70 to 62 years, as it was deemed inappropriate (as it could not achieve the aim of a balanced age structure), nor was it deemed necessary (hardship caused, abruptly).

### Minimum conditions of age, professional experience and seniority

Article 6(1)(b) of the Directive allows for the fixing of minimum conditions of age, professional experience or seniority in service for access to employment or to certain advantages linked to employment.

With regard to the setting of minimum conditions of age, the CJEU has ruled in three cases that this was not appropriate:

<sup>91</sup> See also *Hennigs and Mai*, Joined cases of C-297/10 and C-298/10, EU:C:2011:560, paragraphs 74 and 75, *Danfoss*, C-109/88, EU:C:1989:383, paragraphs 24 and 25; *Cadman*, C-17/05, EU:C:2006:633, paragraphs 34 and 35; and *Hütter*, C-88/08, EU:C:2009:381, paragraph 47.

<sup>92</sup> *Specht*, C-501/12, EU:C:2014:2005.

<sup>93</sup> *Specht*, C-501/12, EU:C:2014:2005, paragraphs 75-77 and *Hennigs and Mai*, Joined cases of C-297/10 and C-298/10, EU:C:2011:560, paragraphs 74 and 75.

<sup>94</sup> *Hennigs and Mai*, Joined cases of C-297/10 and C-298/10, EU:C:2011:560, paragraphs 78.

<sup>95</sup> *Fuchs and Köhler*, C-159/10, EU:C:2011:508, *Prigge and Others*, C- 447/09, EU:C:2011:573, *Petersen*, C 341/09, EU:C:2010:4 ; *Goergiev*, Joined Cases C-250/09 and C-268/09, EU:C:2010:699, *Palacios de la Villa*, C-411/05, EU:C:2007:604 and *Age Concern England*, C-388/07, EU:C:2009:128.

<sup>96</sup> *Rosenbladt*, C-45/09, EU:C:2010:601, Paragraph 44.

<sup>97</sup> *Palacios de la Villa*, C-411/05, EU:C:2007:604, paragraph 69.

<sup>98</sup> *Hörnfeldt*, C-141/11, EU:C:2012:421.

<sup>99</sup> *European Commission v Hungary*, C-286/12, EU:C:2012:687.

- In the *Hütter* case<sup>100</sup>, an action was brought against Austrian legislation on the status of contractual public servants under which professional experience acquired before the age of 18 was disregarded when calculating salary increments. In this case, the CJEU ruled the means as not appropriate, as it had contradictory aims.
- In the *Kücükdeveci* case<sup>101</sup>, an action was brought against German legislation which disregarded employment completed before the age of 25 when calculating the notice period. The aim of the German legislation was to provide employers with greater flexibility for their personnel management, as young workers were considered to be able to react more easily in moments of dismissal. In this case, the CJEU ruled the means as not appropriate as it unduly disadvantages persons who had worked before the age of 25 in relation to persons with a comparable length of service who were older when they joined the undertaking. The CJEU especially considered the legislation inappropriate due to the fact that it applies to all workers having joined the undertaking before the age of 25, regardless of their age at time of dismissal (and thus also their so-called flexibility to react to the dismissal).
- In the *Land Berlin v Alexander Mai* case<sup>102</sup>, a collective agreement included a gradation of pay by age categories. In this case the CJEU ruled the means as not appropriate as professional experience derives from length of service, and not age.

A case where the CJEU held that a minimum condition of age was permissible is the *Colin Wolf v Stadt Frankfurt am Main* Case<sup>103</sup>. In this case, the CJEU held that a German law restricting applications to the fire service to individuals under the age of 30, because of the possession of "especially high physical capacities", is permissible as a genuine occupational requirement (for a fire-fighter).

### Maximum age for recruitment

Article 6 (1)(c) of the Directive allows for the fixing of a maximum age for recruitment, if it is based on either:

- the training requirements of the post in question; or
- the need for a reasonable period of employment before retirement.

An example of such maximum age is an employment contract which includes the provision in a collective agreement that fixes an age limit of 60 years for cabin staff (as in the case of *Lufthansa v Kumpan*).<sup>104</sup> Another example is the *Petersen case*<sup>105</sup>, which discussed a measure which set a maximum age for practising as a panel dentist (68 years). In this case, the CJEU stated that Article 6(1) does not preclude such a measure where its aim is to share out employment opportunities among the generations in the profession of panel dentists, if, taking into account the situation in the labour market concerned, the measure is appropriate and necessary for achieving that aim.

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<sup>100</sup> *Hütter*, C-88/08, EU:C:2009:381.

<sup>101</sup> *Kücükdeveci*, C-555/07, EU:C:2010:21, paragraph 40.

<sup>102</sup> *Hennigs and Mai*, Joined cases of C-297/10 and C-298/10, EU:C:2011:560.

<sup>103</sup> *Wolf*, C-229/08, EU:C:2010:3.

<sup>104</sup> *Deutsche Lufthansa*, C 109/09, EU:C:2011:129.

<sup>105</sup> *Petersen*, C 341/09, EU:C:2010:4.

Similarly, in the case of *Fuchs and Köhler*<sup>106</sup>, the CJEU accepted a provision on the compulsory retirement of permanent civil servants (prosecutors) at the age of 65. The CJEU stated in this regard that such legislation did not lack coherence, because:

- the legislation allowed them to work until the age of 68 in certain cases;
- the legislation also contained provisions intended to restrict retirement before the age of 65;
- other legislation of the Member State concerned provides for certain –particularly elected – civil servants to remain in post beyond that age; and
- other legislation of the Member State concerned provides the gradual raising of the retirement age from 65 to 67 years.

### Social security schemes conditions

In addition, Article 6(2) allows for differential treatment in relation to social security schemes, namely the fixing of occupational social security schemes of ages for admission or entitlement to retirement or invalidity benefits, including:

- the fixing under those schemes of different ages for employees or groups or categories of employees; and
- the use, in the context of such schemes, of age criteria in actuarial calculations.

Article 6(2) further specifies that such differential treatment can only be accepted if this does not result in discrimination on the grounds of sex.

The CJEU has decided on a narrow scope for the application of this provision. In the case *Dansk Jurist- og Økonomforbund*, the CJEU stated that since Article 6(2) allows Member States to provide for an exception to the principle of non-discrimination on grounds of age, that provision must be interpreted restrictively<sup>107</sup>. Moreover, the CJEU further stated in the case of *HK Danmark v Experian A/S* that the wording of Article 6(2) suggests that this provision applies only to the cases that are exhaustively listed therein<sup>108</sup>. The CJEU has further ruled that Article 6(2) of Directive 2000/78 applies only to occupational social security schemes that cover the risks of old age and invalidity<sup>109</sup>.

### Collective agreements

Article 28 of the Charter recognises the right of collective bargaining and to conclude collective agreements. In this context, Article 18 of Directive 2000/78 allows Member States to entrust social partners, at their joint request, as regards the provisions concerning collective agreements.

Collective agreements or collective bargaining agreements (CBA) are a special type of commercial agreement, usually negotiated 'collectively' between management (on behalf of the company) and trade unions (on behalf of employees). The collective agreement regulates the terms and conditions of employees in their workplace, their duties and the duties of the employer. It is usually the result of a process of collective bargaining between an employer (or a number of employers) and a trade union representing workers.

<sup>106</sup> *Fuchs and Köhler*, C-159/10, EU:C:2011:508.

<sup>107</sup> *Dansk Jurist- og Økonomforbund*, C 546/11, EU:C:2013:68, paragraph 41.

<sup>108</sup> *HK Danmark v Experian*, Case C-476/11, ECLI:EU:C:2013:590.

<sup>109</sup> *Dansk Jurist- og Økonomforbund*, C 546/11, EU:C:2013:68, paragraph 43.

In this regard, the CJEU acknowledged in the *Rosenbladt case*<sup>110</sup> that the 'nature of measures adopted by way of a collective agreement differs from the nature of those adopted unilaterally by way of legislation or regulation by the Member States in that the social partners, when exercising their fundamental right to collective bargaining, recognised in Article 28 of the Charter, have taken care to strike a balance between their respective interests'. One could thus argue, under the principle of *pacta sunt servanda*, that such agreements could include a discriminatory measure, since both parties have agreed to them in a contract.

The Directive does specify that the 'social partners', in concluding such collective agreement, should take any necessary steps to ensure that they are at all times able to guarantee the results required by Directive 2000/78<sup>111</sup>. Moreover, the Directive specifies that these collective agreements may not contain any provisions contrary to the principle of equal treatment by expressly requiring the Member States to take the measures necessary to ensure that 'any provisions contrary to the principle of equal treatment which are included in contracts or collective agreements are, or may be, declared null and void or are amended'<sup>112</sup>. The CJEU further ruled in the *Rosenbladt case* that the fact that a discriminatory measure has its basis in an agreement 'does not mean that such clauses in a collective agreement are exempt from any effective review by the courts in the light of the provisions of Directive 2000/78 and of the principle of equal treatment'<sup>113</sup>. Instead, the measure included in the collective agreement must, according to the CJEU, itself pursue a legitimate aim in an appropriate and necessary manner<sup>114</sup>. Thus, the collective agreement must be in accordance with EU law, and more particularly Directive 2000/78/EC<sup>115</sup>.

In the joined case *Hennigs v Eisenbahn-Bundesamt (C-297/10)* and *Land Berlin v Alexander Mai (C-298/10)*<sup>116</sup>, the CJEU ruled that the Directive precluded a discriminatory measure that was part of a collective agreement, after it concluded the measure did not pass the proportionality test.

### 1.3.3. Implementation and challenges

As becomes clear from the above, the Directive leaves Member States room for interpretation with regard to the application of the Directive. This interpretation is not a simple task. Ambiguity remains as to what constitutes a legitimate aim and even more so as to the proportionality of the means used to achieve this aim.

A recent report from the European Commission on the application of Directive 2000/78/EC from January 2014 highlighted that many Member States had initial difficulties in transposing Art. 6 of the Directive correctly, and that its application in practice remains a challenge<sup>117</sup>.

<sup>110</sup> *Rosenbladt*, C-45/09, EU:C:2010:601, paragraph 67 and the case-law cited.

<sup>111</sup> Recital 36 of the preamble and article 18 of Directive 2000/78/EC.

<sup>112</sup> Article 16 (b) Directive 2000/78/EC.

<sup>113</sup> *Rosenbladt*, C-45/09, EU:C:2010:601, paragraph 52.

<sup>114</sup> *Rosenbladt*, C-45/09, EU:C:2010:601, paragraph 53.

<sup>115</sup> *Prigge and Others*, C- 447/09, EU:C:2011:573, paragraph 46.

<sup>116</sup> *Hennigs and Mai*, Joined cases of C-297/10 and C-298/10, EU:C:2011:560, paragraphs 52-78.

<sup>117</sup> Joint Report on the application of Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin ('Racial Equality Directive') and of Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation ('Employment Equality Directive'), Brussels, 17.1.2014, COM(2014) 2 final; [http://ec.europa.eu/justice/discrimination/files/com\\_2014\\_2\\_en.pdf](http://ec.europa.eu/justice/discrimination/files/com_2014_2_en.pdf).



In this context, some Member States reported that concerns had been expressed about the lack of clarity or lack of understanding of the concept of indirect discrimination in national courts. The report also highlights that certain Member States pointed out that they do not yet have any case-law providing interpretation of indirect discrimination<sup>118</sup>.

#### 1.3.4. Definitions used in the remainder of the study

For the purpose of this study and on the basis of EU Directive 2000/78/EC, the definition of 'indirectly discriminatory actions' is understood as the suspension of ordinary policies (e.g. standard job contracts) so that young workers can attain a better position in the future (i.e. legitimate aim)<sup>119</sup>. This definition can be more easily understood by contrasting it with the definition of 'positive discrimination', which is the preferential treatment of members of a minority group over a majority group by sex, race, age, marital status or sexual orientation. Positive actions that then lead to positive discrimination define specific measures to eliminate, prevent or remedy the discrimination against young workers. Possible actions go beyond legislation on equal treatment by promoting substantive equality; for example, by addressing structural disadvantages (such as the disadvantage faced by younger workers due to their lack of work experience) rather than merely aiming for equal opportunities or prohibiting discrimination<sup>120</sup>.

These definitions supported the selection of the measures to be analysed in this study. However, as the study shows, youth labour policies designed as a positive discriminatory action will not necessarily lead to positive outcomes for their beneficiaries, as much depends on where and on how these measures are implemented.

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<sup>118</sup> *Ibid.*

<sup>119</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (2000). Official Journal L 303, 02/12/2000 P. 0016 – 0022.

<sup>120</sup> Broughton, A., Biletta, I., Kullander, M. (2010), 'Flexible forms of work: "very atypical" contractual arrangements', Institute for Employment Studies and Eurofound. <http://www.eurofound.europa.eu/working/studies/tn0812019s/tn0812019s.htm>.

## 2. CATEGORIES AND NATURE OF MEASURES TO SUPPORT YOUNG PEOPLE'S ACCESS TO THE LABOUR MARKET IN THE EU

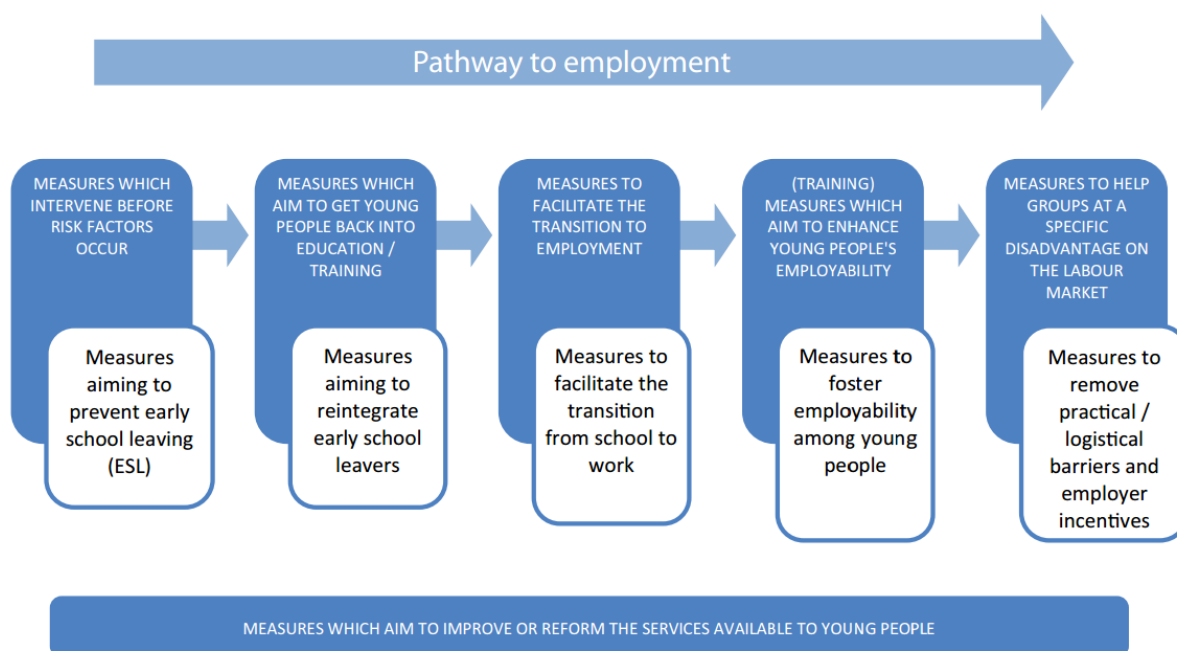
### KEY FINDINGS

- EU Member States have put in place a wide array of measures to tackle the challenges that young people face in accessing the labour market. These measures either attempt to increase the demand for labour (e.g. employer incentives), enhance the employability of young workers (e.g. active labour market policies (ALMPs)) or provide income support (e.g. subsidised employment). Policy measures vary between countries depending on the extent to which youth unemployment is a structural or cyclical problem.
- Employers' incentives are preferred by countries with a liberal market economy and ALMPs are applied mostly in coordinated market economies, where social actors cooperate closely in the design and implementation of policy. Subsidised employment is not limited to a specific type of market economy.
- Evidence suggests that countries with less flexible labour markets have had a milder experience of the recession (except those in Southern Europe) and countries with more flexible labour markets have been better able to respond to increases in labour demand shortly afterwards. Segmented labour markets are also associated with worse employment outcomes following recession.
- Policy measures must be carefully designed to mitigate the risk of displacement or substitution in the labour market when current workers are simply replaced with young unemployed people and no additional job creation takes place.
- While responsibility for employment measures resides with EU Member States, youth employment measures have also been implemented at EU level.
- An initial assessment of the European Youth Guarantee demonstrates that the measure is likely to be most effective in countries with joined-up, inclusive and coordinated approaches to youth unemployment, with good quality Public Employment Services (PES) and appropriate funding. Although Youth Guarantees can be expensive, the benefits of the measure far outweigh the costs of disengagement of young people from the labour market.

### 2.1. Categories of measures

Member States have many policy measures in place to facilitate young people's access to the labour market. Drawing on an existing study published by Eurofound<sup>121</sup>, measures can be categorised according to the stage at which Member States intervene along a young person's pathway towards employment. As Figure 8 shows, these measures include programmes aimed at reducing the number of early school leavers (ESLs); programmes aimed at reintegrating ESLs; programmes to assist youngsters in their transition from school to work; programmes that focus on the employability of young people; and national programmes that remove barriers for employers to hire young people.

<sup>121</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Eurofound Dublin. <http://www.eurofound.europa.eu/publications/htmlfiles/ef1260.htm>.

**Figure 8: Pathway to employment**

**Source:** Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Dublin.

Research has consistently shown that people with higher levels of education are less likely to be unemployed<sup>122</sup>. For instance, the framework illustrated in Figure 8 suggests a holistic approach to the issue of youth unemployment where early interventions are designed to mitigate the **risk of ESL** and to **reintegrate ESLs** in the education and vocational training system.

Later in the pathway to employment there are young people who experience unemployment despite good educational attainment. Research demonstrates that this might have long-lasting negative effects on lifetime earnings and employment status<sup>123,124</sup>. Consequently, the analysis of the effectiveness of measures to support young workers' smooth, fast and stable transition from **education to work** is crucial. A number of measures fall into this category of ALMPs targeting the **supply side** of the labour market<sup>125</sup>:

- a) Public Employment Services (PES):

<sup>122</sup> Eurofound (2011), Foundation Findings: Youth and Work, Eurofound, Dublin. <http://www.eurofound.europa.eu/publications/htmlfiles/ef1140.htm>.

<sup>123</sup> Bell, David N.F., Blanchflower, David G. (2011), Young people and the Great Recession, Discussion paper series / Forschungsinstitut zur Zukunft der Arbeit, No. 5674, <http://nbn-resolving.de/urn:nbn:de:101:1-201105173104>.

<sup>124</sup> Scarpetta, Stefano, Anne Sonnet and Thomas Manfredi (2010), 'Rising Youth Unemployment during the Crisis: How to Prevent Negative Long-term Consequences on a Generation?', In: OECD Social, Employment and Migration Working Papers, No. 106, OECD Publishing. <http://dx.doi.org/10.1787/5kmh79zb2mmv-en>.

<sup>125</sup> Piopiunik, M., Ryan, P. (2012), 'Improving the transition between education/training and the labour market: What can we learn from various national approaches?', EENEE, European Commission, p. 26; ILO (2010), Global employment trends for youth – special issue on the impact of the global economic crisis on youth, p. 58.

- i. Job search assistance and career guidance
- ii. Management of unemployment benefits (including universal minimum wage or income support)
- iii. Bringing jobseekers into ALMPs
- b) Job creation and workplace-based training
- c) Self-employment support
- d) Youth guarantee schemes
- e) Improving PES infrastructure

Measures targeting the supply side of the labour market also aim to foster young people's **employability or capabilities**. This includes improving and adapting general and vocational training to the growing demand for high-level skills in the European economy. Despite the high level of youth unemployment, employers report difficulties in filling vacancies due to a lack of skilled human capital<sup>126</sup>. There are three types of measures to improve employability that are covered in this study:

- a) Policy measures supporting Vocational Education and Training (VET), either school-based or apprenticeship-based
- b) Publicly provided employment training
- c) Workplace-based training in the private sector.

Measures targeting employability frequently involve **wage subsidies** and **incentives to private sector employers**. These will be assessed as measures designed to increase the **demand for labour**.<sup>127</sup> These measures are intended to reduce barriers faced by employers such as labour costs and the lack of experience among young workers, and they include:

- a) Cutting social security contributions through wage and non-wage costs (pension contributions, health care, child allowance and maternity leave)
- b) Lengthening probation periods for young workers and reducing the notice period
- c) Introducing more flexible working contracts (e.g. 'zero hour contracts'<sup>128</sup>)
- d) Providing incentives and concessions to employers (including workplace-based training in the private sector and a lower minimum wage for young people).

## 2.2. Policies at national level

The favoured employment strategy for young workers may depend on the institutional and socioeconomic characteristics of a Member State (see Annex 5 Methodology) and the extent to which the nature of youth unemployment is a **structural or cyclical problem**. Some of these measures can yield positive effects in the short term but have no effect or

<sup>126</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Eurofound Dublin. <http://www.eurofound.europa.eu/publications/htmlfiles/ef1260.htm>.

<sup>127</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Eurofound Dublin.

<sup>128</sup> The term 'zero hours' is not defined in UK legislation, but is generally understood to be an employment contract between an employer and a worker, which means the employer is not obliged to provide the worker with any minimum working hours, and the worker is not obliged to accept any of the hours offered. <http://www.acas.org.uk/zerohours>.

negative effects in the medium to long term. Understanding the long-term impact of different measures is difficult because of a lack of longitudinal data.

Policy measures that can lead to negative employment outcomes in the long term are both measures to foster employability among young people (e.g. VET) and measures to remove barriers to employment (e.g. employer incentives). For instance, temporary contracts could have positive effects in the short run as the cost (and risk) of hiring to employers is lower. However, in the long term this measure could decrease the probability of young people finding a permanent and stable job. Employees with temporary contracts often have fewer training opportunities and are less likely to be promoted. The same effects may be found for policy measures incentivising employers to hire. A specific example is the Finnish project 'Chances Card'<sup>129</sup>, in which young people are able to gain employment using a wage subsidy offered by the card<sup>130</sup>. A study by Eurofound<sup>131</sup> revealed that although most experts thought the outcomes were mainly positive, some employers criticised the measure, arguing that they could substitute permanent workers for young workers receiving wage subsidies. This, in turn, reduced the number of 'real' jobs available to young people<sup>132</sup>.

Some of these interventions may be regarded as 'quick fixes' and are often favoured during periods of economic crisis. These are most often measures to improve employability or incentivise employers to hire, as they are typically inexpensive to implement in the short term. However, it is also vital that governments design and implement policies with long-term benefits. While not all of these measures are categorically 'quick fixes', financial pressure in periods of austerity may force governments into choosing programmes which are simultaneously inexpensive in the short term but ineffective (and ultimately poor value for money) in the long term.

There are additional dangers in pursuing policies that target short-term improvements. One danger is that these policies carry **significant risks of displacement** (displacing existing standard employment with non-standard employment), as a recent case in the UK showed. The programme required unemployed youths to accept a work placement of up to 30 hours a week for six weeks, or they would lose their entitlement to social benefits for two weeks. Private sector employers (notably supermarkets) were encouraged to participate but withdrew from the scheme when the media, trade unions and youth organisations criticised the companies for capitalising on 'slave labour'. The opportunity to hire unpaid young people can be a perverse incentive to employers, who may offer fewer standard employment opportunities as a result. In addition, none of these schemes promised additional training or future employment<sup>133</sup>.

One research paper observed varying responses to ALMPs according to country. The authors noted that on the whole, the short-term (12-month) effects of ALMPs were more effective in 'Anglo' countries (the UK and non-European English-speaking countries) than in Nordic countries. The least affected in the short term were the 'AGS' countries

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<sup>129</sup> A physical card held by young unemployed people who register as unemployed with Public Employment Services in Finland. The Chances Card signals to the employer that employment of the young person can be subsidised by the Government.

<sup>130</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Eurofound Dublin.

<sup>131</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Eurofound Dublin.

<sup>132</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, Eurofound Dublin.

<sup>133</sup> Piopiunik, M. Ryan, P. (2012), 'Improving the transition between education/training and the labour market: What can we learn from various national approaches?' EENEE Analytical Report 13, pp. 20–22.

(AT, DE & CH). Interestingly, this trend was completely reversed in the long run<sup>134</sup>. The authors classified each group in terms of their economic 'liberalism' – whether they were liberal market economies (LMEs) or coordinated market economies (CMEs). LMEs are guided by either the market or government, whereas CMEs rely much more on '**meso-level institutions**' such as joint committees, chambers of commerce and trade unions<sup>135</sup>. 'Anglo' countries were deemed to be the most liberal, and AGS countries the most 'coordinated'. In practice, more liberal economies respond most effectively to ALMPs in the short run but worse in the long run. This may be unsurprising considering the tendency for 'short-termism' in LMEs. More liberal economies tend to **favour 'quick-fix' methods** in times of crisis as opposed to carefully deliberated long-term responses.

Countries with less flexible labour markets (excluding those in Southern Europe) have tended to be less affected by economic crisis, with unemployment rates increasing more gradually than in Member States with more flexible labour markets<sup>136</sup>. This has notable policymaking implications for countries in the midst of economic crisis. However, the effect of a more flexible labour market in economic recovery is less clear. Lithuania (one of the countries hit most severely by the crisis) adopted a policy of simplifying firing procedures. In theory, this initiative makes hiring workers less of a commitment for an employer; hence recruitment rates are intended to rise. Both Estonia and Spain are following Lithuania's example with that goal firmly in mind<sup>137</sup>. However, in practice, employers may simply fire existing employees without recruiting new staff. While the effects of increasing flexibility in the labour market during periods of growth are uncertain, less flexible labour markets tend to be better insulated from the effects of economic crisis.

In a study which analysed temporary contracts in Germany, Italy and Great Britain attention was also paid to over-qualification in employment<sup>138</sup>. Over-qualified workers were protected from unemployment in the short term, but faced greater risk of unemployment and had lower-status careers in the long term. The effects were worse in **tightly regulated and highly segmented labour markets**. In addition, temporary employment carried higher unemployment risk but future occupational status was protected and temporary posts acted as a stepping stone to permanent employment<sup>139</sup>.

Subsidised employment, by comparison, has not always yielded the same benefits as temporary employment (see France and Italy case studies in section 3). Although short-term subsidised employment can have a positive effect on the chance of finding unsubsidised employment, this effect diminishes as the length of subsidised employment increased (see the French case study)<sup>140</sup>. An assessment of training and employment programmes in western Germany in the early 2000s found the effect on participants in

<sup>134</sup> Piopiunik, M. Ryan, P. (2012), 'Improving the transition between education/training and the labour market: What can we learn from various national approaches?' EENEE Analytical Report 13, p. 32.

<sup>135</sup> Piopiunik, M. Ryan, P. (2012), 'Improving the transition between education/training and the labour market: What can we learn from various national approaches?' EENEE Analytical Report 13, pp. 14–15.

<sup>136</sup> O'Higgins, N. (2010), 'The impact of the economic and financial crisis on youth employment: Measures for the labour market recovery in the European Union, Canada and the United States', ILO, p. 37.

<sup>137</sup> O'Higgins, N. (2010), 'The impact of the economic and financial crisis on youth employment: Measures for the labour market recovery in the European Union, Canada and the United States', ILO, p. 37.

<sup>138</sup> Gebel, M., (2009), Op.Cit.; Scherer, S. (2004), 'Stepping Stones or Traps? The Consequences of Labour Market Entry Position for the Further Career Chances in Germany, Italy and Great Britain', Work, Employment and Society, Vol. 18, No. 2, 369–394.

<sup>139</sup> Gebel, M. (2009), Op.Cit.; Scherer, S. (2004), 'Stepping Stones or Traps? The Consequences of Labour Market Entry Position for the Further Career Chances in Germany, Italy and Great Britain', Work, Employment and Society, Vol. 18, No. 2, 369–394.

<sup>140</sup> Van Ours, J.C. (2004), The locking-in effect of subsidized jobs. *Journal of Comparative Economics*, 32(1), 37–55.

finding unsubsidised employment was small or absent, except for socially disadvantaged groups with low educational attainment. In some cases there was evidence of a 'training trap' where participants in traineeships had a lower chance of finding employment than non-participants (see case studies)<sup>141</sup>.

A recent piece of research<sup>142</sup> emphasises the **importance of forward-looking policies** for youth employment and argues that the challenging financial climate provides the perfect opportunity to implement these initiatives. Since countries are experiencing a period of reduced labour demand, the opportunity cost for increasing the duration of educational participation is relatively low. Labour market problems for the poorly educated are chronic in nature, thus actions such as raising the school leaving age are best undertaken as early as possible and made permanent<sup>143</sup>.

### 2.3. Policies at EU level

Welfare and social policies to support the transition from school to work are primarily responsibilities of Member States. Nevertheless, guidelines and actions can be suggested and coordinated at EU level to stimulate relevant policymaking in this area. This has been the case with the Youth on the Move initiative, the Youth Employment Initiative and the Youth Guarantee promoted by the European Commission and European Parliament.

As part of the Europe 2020 growth strategy, the European Commission has launched a flagship initiative called **Youth on the Move** to improve education and employment outcomes for young people. The overarching aims are to improve the chances of employment by offering work experience in other countries, providing high-quality apprenticeships and traineeships and improving the quality of training and education in Europe<sup>144</sup>. The initiative is also designed to promote youth mobility in education and employment, ensure a quick transition to the labour market and promote higher education in Europe. The Youth on the Move initiative was the first time the Commission had encouraged Member States to introduce a Youth Guarantee for young people via improvement of their PES. In addition, targets for young people extend back to 2010. The EU Youth Strategy for 2010–18 has two overall objectives: (i) to provide more and equal opportunities for young people in the labour market, and (ii) to encourage young people to participate actively in society<sup>145</sup>. Youth on the Move has provided the impetus for the resulting Youth Opportunities Initiative, the Youth Employment Package, the Youth Employment Initiative and Youth Guarantee<sup>146</sup>.

On 20 December 2011, the Commission adopted the **Youth Opportunities Initiative** as part of the EU2020's Youth on the Move flagship initiative. The initiative called on Member States, with the help and support of the EU, to work on preventing early school leaving; helping youngsters develop skills relevant to the labour market; ensuring work experience and on-the-job training and helping young people find a good quality first job. The Commission also urged Member States to make better use of the European

<sup>141</sup> Wunsch, C. & Lechner, M. (2008), 'What did all the money do? On the general ineffectiveness of recent West German labour market programmes', *Kyklos*, Vol. 61, No. 1, 134–174.

<sup>142</sup> O'Higgins, N. (2010), 'The impact of the economic and financial crisis on youth employment: Measures for the labour market recovery in the European Union, Canada and the United States', ILO, pp. 34–35.

<sup>143</sup> O'Higgins, N. (2010), 'The impact of the economic and financial crisis on youth employment: Measures for the labour market recovery in the European Union, Canada and the United States', ILO, pp. 34–35.

<sup>144</sup> For more information about Youth on the Move initiative see: <http://ec.europa.eu/social/main.jsp?catId=956>. (Accessed 05.06.2014).

<sup>145</sup> For more information about the EU Youth strategy see: [http://ec.europa.eu/youth/policy/youth\\_strategy/index\\_en.htm](http://ec.europa.eu/youth/policy/youth_strategy/index_en.htm). (Accessed 05.06.2014).

<sup>146</sup> European Youth Forum (2012), A youth guarantee for Europe. Towards a rights-based approach to youth employment policy.

Social Fund (ESF), which had €30 billion of funding uncommitted to projects at that time. To this end, the Commission put forward a set of concrete actions to be financed directly by EU funds, one of which involved using €4 million to help Member States set up youth guarantee schemes to ensure young people are either in employment, education or training within four months of leaving school.

The **Youth Employment Package** was introduced by the Commission on 5 December 2012 as a follow-up to actions for youth laid out in the wider Employment Package and includes: (i) a proposal to Member States to establish a Youth Guarantee; (ii) second-stage consultation of EU social partners on a Quality Framework For Traineeships; (iii) the announcement of a European Alliance for Apprenticeships, and (iv) ways to reduce obstacles to EU-wide mobility for young people.

Under the **Youth Guarantee (YG)**, Member States should put in place measures to ensure that young people up to the age of 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving school or becoming unemployed. The 2013 European Parliament resolution on 'Tackling youth unemployment: possible ways out'<sup>147</sup> also invites 'the Member States to take action to implement Youth Guarantee schemes in an ambitious manner at national level. It calls for the extension of the target groups to include young people under the age of 30, including graduates and those leaving training systems without qualifications'<sup>148</sup>.

The **Youth Employment Initiative (YEI)** was launched on 12 March 2013 to support young people not in education, employment or training (NEET) in the Union's NUTS Level 2 regions with youth unemployment rates above 25 %. The resources available in the Youth Employment Initiative are to be used to reinforce and accelerate measures outlined in the December 2012 Youth Employment Package. In particular, the funds are available for EU countries to finance measures to implement the Council's Youth Guarantee Recommendation<sup>149</sup> in eligible regions. Indeed, in order to help Member States start the implementation of the Youth Guarantee, the YEI reinforced financial resources available under existing EU funds such as the ESF and other cohesion policy funding instruments. To this end, it made €6 billion available for the period 2014–2020. Half of that amount comes from the ESF and the other half from a new dedicated youth employment budget line.

### 2.3.1. The European Youth Guarantee

The Nordic countries pioneered the implementation of youth guarantees in the 1980s and 1990s. These include Sweden (1984), Norway (1993), Denmark (1996) and Finland (1996)<sup>150</sup>. More recently, other EU countries have introduced similar youth employment programmes. These include Austria (*Ausbildungsgarantie*), Germany, the Netherlands and Poland<sup>151</sup>.

<sup>147</sup> European Parliament resolution of 11th of September 2013 on tackling youth unemployment: possible ways out (2013/2045 (INI)) <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1301998&t=d&l=en>.

<sup>148</sup> European Parliament resolution of 11th of September 2013 on tackling youth unemployment: possible ways out (2013/2045 (INI)). <http://www.europarl.europa.eu/oeil/popups/summary.do?id=1301998&t=d&l=en>.

<sup>149</sup> Youth Guarantee Recommendation agreed by the EU's Council of Employment and Social Affairs Ministers on 28 February 2013.

<sup>150</sup> ILO (2012), Youth Guarantees: A response to the youth employment crisis? *Employment Policy Brief*, Geneva.

<sup>151</sup> ILO (2012), Youth Guarantees: A response to the youth employment crisis? *Employment Policy Brief*, Geneva.



The concept places emphasis on the earliest possible activation of unemployed young people<sup>152</sup>. This is designed to reduce the extent of disengagement of young people from the labour market and, by extension, to reduce the associated negative effects, such as isolation, risk of mental and physical health problems and the risk of being drawn toward anti-social lifestyles<sup>153</sup>. To do so, countries such as Finland and Sweden set deadlines for the PES to provide support to young unemployed people to minimise the time they spent inactive. Subsequently, a **European Youth Guarantee** has been promoted by the European Parliament to ensure young people do not go without employment for more than four months<sup>154</sup>.

To make the **European Youth Guarantee** a reality, the European Council created the European Employment Initiative, through which €6 billion will be allocated to NUTS 2<sup>155</sup> regions with more than 25 % youth unemployment for the period 2014–2020<sup>156</sup>. Of the total, €3 billion will come from the European Social Fund (ESF)<sup>157</sup>. An additional €2 billion was pledged by European leaders during the 'youth summit' in Berlin in 2013<sup>158</sup>; however, so far this has remained only a political commitment. Total funding for the Youth Employment Initiative to date is €8 billion. In June 2013, the Commission also published a Communication 'A call to action on youth unemployment'<sup>159</sup> that summarises steps to be taken by Member States to tackle youth unemployment.

Following the Commission's Youth Guarantee Recommendation and its endorsement by the European Council in June 2013, 20 Member States with regions experiencing youth unemployment rates above 25 % were asked to develop and submit a National Youth Guarantee Implementation Plan (NYGIP) by the end of 2013, with the remaining eight Member States having to submit one by March 2014. These plans should, *inter alia*, set out how the YG will be implemented at national level; what specific measures are to be taken as part of its implementation; the respective roles of public authorities and other organisations; the partnership arrangements between responsible public authorities, employment services, education and training institutions, social partners, youth organisations and other stakeholders; how progress will be monitored and evaluated and the timetable of implementation. In addition, the NYGIPs should also outline youth employment reforms and measures, including the YG which will be co-financed by the ESF and YEI<sup>160</sup>.

Since January 2014, the Commission has been assessing NYGIPs already submitted (see below), and is providing feedback through bilateral meetings with Member States,

<sup>152</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>153</sup> Eurofound (2012), Youth Guarantee: Experiences from Finland and Sweden.

<sup>154</sup> European Parliament (2012), More EU efforts needed to tackle youth unemployment, say MEPs, Plenary Session Youth/Employment policy, 24 May 2012.

<sup>155</sup> Nomenclature of Territorial Units for Statistics (NUTS).

<sup>156</sup> European Council (2013a), European Council 7/8 February 2013 Conclusions (Multiannual Financial Framework). Brussels.

<sup>157</sup> European Council (2013a), European Council 7/8 February 2013 Conclusions (Multiannual Financial Framework). Brussels.

<sup>158</sup> Berlin Summit: Merkel tackles youth unemployment, July 03, 2013. <http://www.spiegel.de/international/europe/merkel-holds-youth-unemployment-summit-in-berlin-with-eu-leaders-a-909198.html>.

<sup>159</sup> European Commission (2013) COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS, Working together for Europe's young people A call to action on youth unemployment. <http://ec.europa.eu/esf/main.jsp?catId=67&langId=en&newsId=8150>.

<sup>160</sup> European Commission (2014 a), *Employment: 17 Member States have submitted Youth Guarantee Implementation Plans*, MEMO/14/13, 15.1.2014. [http://europa.eu/rapid/press-release MEMO-14-13\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-13_en.htm).

the provision of technical feedback on the implementation plans and, in some cases, 'Youth Guarantee technical missions' sent to specific Member States<sup>161</sup>.

From both the submitted NYGIPs and the operation of the YG in a number of Member States, it is clear that fundamental differences exist within EU countries with respect to the design of national YG programmes<sup>162</sup>. These differences concern the types of measures, eligibility criteria, duration, compensation and priorities of the policy.

For example, between 2014 and 2020, €170 million has been allocated to Denmark from the **European Social Fund** for youth employment and their priorities are involvement in entrepreneurship and SMEs, improving VET and supporting disadvantaged youth in accessing useful education. One of the key components of the Danish approach to youth employment is increasing the number of young people completing education<sup>163</sup>. In comparison, in 2012 in Austria €610 million was spent collectively on active labour market policies for young people, subsidies for apprenticeships and measures for young people undertaken by the federal social office. However, future budget estimations are difficult since reform of the education system forms part of the approach and the costs are not given separately<sup>164</sup>. The YG in Austria is a combination of the Training Guarantee (*Ausbildungsgarantie*) and Future for the Youth (*Aktion Zukunft Jugend*) measures. The former measure guarantees an apprenticeship position for certain groups including young people up to 18 years, socially disadvantaged youth, young people with learning disabilities and, increasingly, those who have dropped out of education. If someone is not able to find an apprenticeship position in a company, he or she can start an apprenticeship programme in a supra-company apprenticeship training entity (see Austria case study). This form of apprenticeship, including its final exam, corresponds exactly with a company-based apprenticeship. The second measure – Future for the Youth – offers young people from 19 to 24 intensified job placements and counselling from the employment services, (re-)training, (up-)skilling or special employment subsidies. The young unemployed should receive a job, (re-)training/ (up-)skilling or subsidised employment within three months.

Whilst the Youth Guarantee has been trialled with younger groups, it is generally accepted that an **upper age of 30** is reasonable since structural barriers to employment can persist (especially for young people completing further education)<sup>165</sup>. Anecdotal evidence has suggested that in these age groups demand outstrips supply for individualised measures<sup>166</sup>. In Sweden, participants in the YG rose from 10,000 in 2008 to over 53,000 in 2010<sup>167</sup>.

Early assessment of the scheme shows that YGs tend to be more effective for those young people who are already close to the labour market and are less effective for hard-to-reach young people with complex needs<sup>168</sup>. However, meeting the needs of

<sup>161</sup> European Commission (2014b), Speech by President Barroso: 'Youth Guarantee: Making it Happen', SPEECH-14-304, High-level Conference on Youth Employment, Brussels, 8.4.2014, [http://europa.eu/rapid/press-release\\_SPEECH-14-30](http://europa.eu/rapid/press-release_SPEECH-14-30).

<sup>162</sup> ILO (2012), Youth Guarantees: A response to the youth unemployment crisis? *Employment Policy Brief*. Geneva.

<sup>163</sup> Danish Youth Guarantee Implementation Plan, Danish Ministry of Employment 2014.

<sup>164</sup> Youth Guarantee Implementation Plan (YGIP) Austria, Ministry of Education and Women's Affairs, 2014.

<sup>165</sup> European Youth Forum (2012), A youth guarantee for Europe. Towards a rights-based approach to youth employment policy.

<sup>166</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>167</sup> Eurofound (2012), Youth Guarantee: Experiences from Finland and Sweden.

<sup>168</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

disadvantaged young people is not beyond the measure. For instance, assistance to employers from social workers to ease the integration of disadvantaged young people has been found to be a useful instrument, as well as targeted subsidies for the employment of young people with low academic attainment<sup>169</sup>.

In Finland ambitious operational targets for the YG (designing an employment plan within a set period) were almost met in its early years, and improvements in its operation led to 83.5 % of young people who registered with the PES in 2011 receiving their personalised plan within one month<sup>170</sup>. However, both Finland and Sweden found it more difficult to meet their targets during years of **acute financial crisis**<sup>171</sup>.

The concept of the YG is widely praised, and the available evidence measuring its effectiveness with respect to labour market outcomes is also largely positive. In Finland, in 2011, the PES managed to meet their target of reducing youth unemployment to less than 17 %<sup>172</sup>. In Sweden, in 2008, young people aged 24 found a job faster with the YG than a control group via other PES measures. However, participants were just as likely as the control group to be unemployed within one year of completing their intervention<sup>173</sup>. The effect on reducing the period of job search also diminished in 2009, suggesting the measure is less effective during times of acute economic crisis<sup>174</sup>.

Austria observed a high drop-out rate for the measure, but 58 % of participants were integrated into the labour market after three months, and this figure rose to 63 % after 12 months<sup>175</sup>. Common factors of success in the implementation of a YG are rapid interventions for targeted groups of young people, established administrative capacity and **budget flexibility and quality education and training systems** to accommodate the specific needs of participants<sup>176</sup>.

The first four Youth Guarantees (Finland, Sweden, Netherlands and Austria) all began in countries that had few young people with poor labour market prospects, quality VET systems and governments with the financial capability to enact the policy<sup>177</sup>. However, these underlying factors of success do not hold across the EU. Other countries may need investment in capacity building and infrastructure before a Youth Guarantee becomes a viable policy option<sup>178</sup>. Further challenges (aside from capacity) across the EU include the difficulties (and expense) of effectively evaluating the programme and making the most of available data. Many countries do not have a strong track record in public policy evaluation and may find this aspect difficult<sup>179</sup>.

The YG is very effective at placing young people in 'activity' within a short time period and reducing the **associated risks of disengagement** from the labour market; however, the long-term impact of this measure is less well understood. A weakness of the Youth Guarantee is that it depends on other public policies (e.g. availability of

<sup>169</sup> Scharle & Weber (2011), Youth Guarantees: PES approaches and measures for low skilled young people. Thematic Synthesis Paper.

<sup>170</sup> ILO (2013), Eurozone job crisis: Trends and policy responses.

<sup>171</sup> Eurofound (2012), Youth Guarantee: Experiences from Finland and Sweden.

<sup>172</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>173</sup> ILO (2013), Youth guarantees: a response to the youth employment crisis?

<sup>174</sup> ILO (2013), Youth guarantees: a response to the youth employment crisis?

<sup>175</sup> ILO (2013), Youth guarantees: a response to the youth employment crisis?

<sup>176</sup> ILO (2013), Youth guarantees: a response to the youth employment crisis?

<sup>177</sup> FEPS (2012), The European Youth Guarantee: A reality check.

<sup>178</sup> FEPS (2012), The European Youth Guarantee: A reality check.

<sup>179</sup> European Commission (2013), Thematic Event on 'Practical support for the design and implementation of Youth Guarantee Schemes.' Background Paper for Workshop 5: Ensuring effective assessment and continuous improvement of the schemes. Brussels, 17–18 October 2013.

internships / traineeships) and the wider labour market situation, such as the extent of job creation and the capacity of the PES<sup>180</sup>. The YG is also less successful when the labour market is unstable, when youth unemployment is not limited to young people with low educational attainment and when the quality of VET is low. In countries where this is the case, the budget of the YG may need to comprise a larger proportion of GDP to be effective<sup>181</sup>. Furthermore, the introduction of a YG may not on its own alleviate existing structural problems for young people entering the labour market<sup>182</sup>. Nevertheless, a YG can be very effective in countries with quality training and education systems, when the PES have the financial and administrative capacity to respond in a timely manner and when the measure is aimed at the correct target group(s).

International Labour Organisation (ILO) estimates suggest that the Youth Guarantee can be implemented at an **annual cost of 0.5–1.5 % of GDP**, including administrative and compensation costs<sup>183</sup>. The latest total estimated cost of establishing the Youth Guarantee in the Eurozone is €21 billion a year, or 0.22 % of GDP<sup>184</sup>. However, inaction is expected to be more costly, with the economic cost of youth unemployment being €153 billion (1.21 % of GDP) a year<sup>185</sup>. Evidence on impact and effectiveness of YGs is limited. On 1 April 2014 a public hearing aimed at examining the progress made on the establishment and implementation of the Youth Employment Initiative in the eligible regions was organised by the European Parliament (Committee on Budgets in cooperation with the Committee on Employment and Social Affairs).

To highlight the importance of the Youth Guarantee the Commission, under the patronage of President Barroso, hosted a high-level Conference in Brussels on 8 April 2014 on the implementation of the YG. It was attended by over 370 key practitioners, experts and political figures involved in the implementation of the Council Recommendation on establishing a Youth Guarantee<sup>186</sup>. As pointed out by the EU Commissioner for employment Andor, this shift towards delivery and implementation reflects additional priorities in that while political momentum was essential in the early stages, the emphasis must now also be on immediate action<sup>187</sup>.

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<sup>180</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>181</sup> FEPS (2012), The European Youth Guarantee: A reality check.

<sup>182</sup> Eurofound (2012), Youth Guarantee: Experiences from Finland and Sweden.

<sup>183</sup> ILO (2012), Youth Guarantees: A response to the youth employment crisis? *Employment Policy Brief*.

<sup>184</sup> ILO (2012), Eurozone Job Crisis: Trends and Policy Responses. *Studies on growth with equity*.

<sup>185</sup> Eurofound (2012), NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe. Publications Office of the European Union, Luxembourg.

<sup>186</sup> European Commission, Conference in Brussels on 8 of April 2014 on the implementation of the Youth Guarantee. <http://ec.europa.eu/social/main.jsp?langId=en&catId=1079&eventsId=978&furtherEvents=yes>.

<sup>187</sup> European Commission (2014d) <http://ec.europa.eu/social/main.jsp?langId=en&catId=1079&eventsId=978&furtherEvents=yes>.

### 3. CASE STUDIES ON SELECTED YOUTH EMPLOYMENT MEASURES IN MEMBER STATES

#### 3.1. Austria

##### KEY FINDINGS

- Austria is categorised as a coordinated market economy and has a strong tradition of delivering high quality vocational education and training (VET) via apprenticeship schemes. Vocational education and training plays an important role and has been integrated into youth-specific labour market interventions. The dual apprenticeship system is very effective and the youth unemployment rate in Austria is among the lowest in the EU.
- Austria employs a training guarantee (Ausbildungsgarantie) and supra-company apprenticeship training (Überbetriebliche Berufsausbildung, ÜBA) which are designed to enhance the employability of young people. These are combined with the Future for Youth Action Programme (Aktion Zukunft Jugend) which is an active labour market policy (ALMP) integrating a range of existing measures designed to manage the transition into employment for young people.
- The supra-company (subsidised and government-led) training programme seems to offer a good alternative for those young people unable to secure an apprenticeship place with a private sector employer. This is especially important as it counterbalances some structural challenges in the Austrian educational system, which indirectly discriminates against groups such as migrants, children of parents with low educational attainment and other socially disadvantaged groups. However, it is recommended that private sector employers should provide more apprenticeship opportunities rather than simply employing young people who were trained at public expense.
- Available evaluations and policy experts confirm that there is a good and extensive offer of labour market initiatives targeting young people in Austria. There is evidence that training programmes provide high return on investment. While assessment of the Future for Youth Action Programme is limited to uptake statistics and qualitative reports, the Austrian Government is firm in its belief that the measure has successfully re-engaged young people since 2009.
- The active role of the Public Employment Services is noted as a key success factor across policy measures; however, experts also admit that the current offer might be insufficient for those at risk of dropping out of either school or training measures.

#### National context

**Austria** defines young workers as those between the ages of 15 and 24. For labour market interventions however, there is a tendency to further divide the group into 15–19-year-olds<sup>188</sup> and 20–24-year-olds<sup>189</sup>. The concept underlying this division into

<sup>188</sup> The focus in the younger age group is on training and completing some form of initial training whereas labour market insertion is more important among the older age group.

<sup>189</sup> Interview with Expert.

two age groups is the idea that younger people from 15–19 are more likely to lack formal training or qualifications. However, those aged 20–24 may have more training experience and better qualifications and, as a result, require different forms of assistance<sup>190</sup>. For the former group (15–19), a strong focus has been placed on providing opportunities to complete different forms of training or a qualification. For the latter group (20–24), there is a greater focus on offering opportunities to enter the labour market.

The key features of the Austrian labour market are a **high level of regulation and employment protection as well as strong involvement of social partners** (which is similar to the Finland case study; however, Finland has more flexible employment protection legislation). Based on a continental employment-centred welfare model, social partners have an important position in Austria and are heavily involved in education and training. In the area of youth measures the social partners play a crucial role. They have responsibility over VET, while trying to find answers to pressing issues in the area of youth employment. The Austrian labour market is characterised by its well-functioning PES and a variety of ALMPs aimed at specific target groups, including young people. Evidence suggests that the focus on young people in the Austrian PES<sup>191</sup> has had a positive impact on youth employment figures.

Together with the Netherlands and Germany, Austria is one of the EU Member States which have experienced relatively **low youth unemployment rates** throughout the last decade as well as during the most recent crisis. In stark contrast to labour market developments in other EU countries, in 2010 and 2011 youth unemployment rates declined in Austria. In 2012, the average youth unemployment rate for the EU28 reached 22.9 % compared to 8.7 % in Austria<sup>192</sup>. Latest available Eurostat statistics show that in June 2014 youth unemployment in Austria was at 9.0 %<sup>193</sup>. This evidence suggests that youth unemployment in Austria is determined by cyclical more than structural issues.

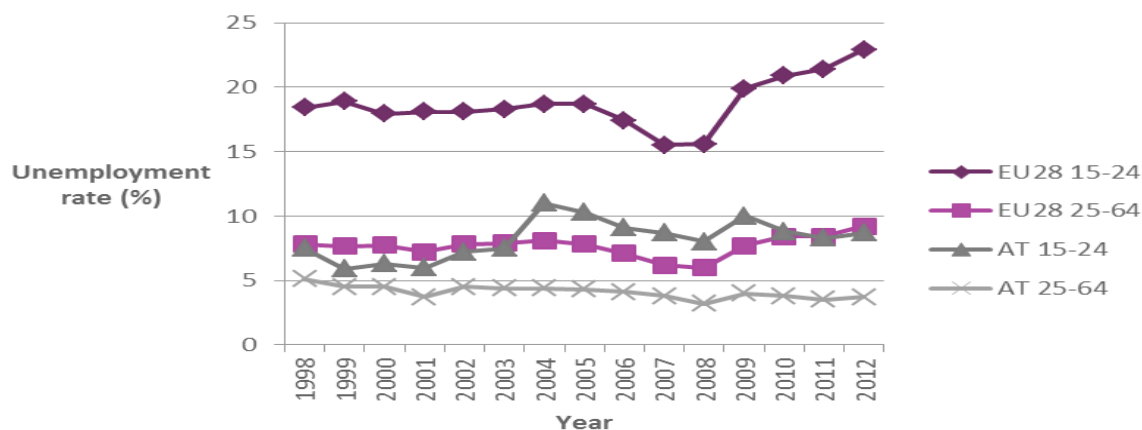
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<sup>190</sup> Workers' representatives tend to highlight that in many cases employers feel that young people do not have the necessary basic skills to engage in apprenticeship training – which is one of the reasons why there has been a focus on providing young people with the opportunity to finish some form of initial training or education.

<sup>191</sup> Austria has been cited as good practice example for public employment services and has developed services specifically targeted at young people. To this end, AMS (Austrian PES) hosted an EU Peer Review in March 2011 on PES approaches and measures for young people.

<sup>192</sup> EEO (2010), EEO Review: Youth Employment Measures 2010.

<sup>193</sup> Eurostat: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF) 121/2014 - 31 July 2014 (Accessed: 05.06.2014).

**Figure 9: Unemployment rate (%) by age in Austria, 1998–2012**

**Source:** Eurostat, LFS<sup>194</sup>.

It was highlighted that in Austria, due to the **dual apprenticeship system**, 'young male unemployment rates increased less than prime-age workers'<sup>195</sup>. A range of different studies highlight the positive impact Austria's VET system has on youth employment; specifically its apprenticeship system which, together with the Swiss and German system, is relatively exceptional within Europe (although Denmark and Norway share some similarities)<sup>196</sup>. Young people undertaking VET and university graduates engaging in apprenticeships both help reduce the youth unemployment rate in Austria<sup>197</sup>. This system is different from all of the other case studies.

On average, young people registered with the PES remained in unemployment for 67 days in 2012<sup>198</sup>. While youth unemployment and time spent in unemployment remain relatively low, some groups of young people find it more difficult to get a foothold in the labour market.

One focus has been on the **transition between school and work**, for example through the provision of information and guidance. To do so, the Austrian PES runs 63 information centres across the country, attended by around 500,000 people annually; 200,000 of whom are under the age of 20. Moreover, since 2009, visiting one of these information centres has become compulsory for those in year 7 or 8 at school (aged 13–14).

In 2012, the unemployment rate for young people under 25 was 7.6 %, but 12.3 % for young migrants. Research has suggested that because pupils decide on their future

<sup>194</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>195</sup> O'Higgins, N. (2010), The Impact of the Economic and Financial Crisis on Youth Employment: Measures for Labour Market Recovery in the European Union, Canada and the United States, ILO Employment Sector, Employment Working Paper No. 70, p. 8.

<sup>196</sup> Trinko (2012), Ausbildungsgarantie in Österreich.

<sup>197</sup> Interview with Policy expert.

<sup>198</sup> Trinko (2012), Ausbildungsgarantie in Österreich.

educational pathways<sup>199</sup> at a young age, **disadvantaged groups** such as pupils with a migrant background may end up concentrated in lower-level education pathways<sup>200</sup>.

Generally, discrimination against young people is not a widely discussed topic but there is evidence that it is present in Austria and other countries (see Finland case study). Representatives from the Austrian Trade Union interviewed for this report confirmed that young people are confronted with a series of challenges in the labour market, especially when trying to get a foothold in the world of work. As with other countries, in Austria young people increasingly find themselves with **less favourable working arrangements**<sup>201</sup> than their older counterparts, especially at the beginning of their career. Moreover, anecdotal evidence suggests<sup>202</sup> that **discrimination** against young people in the labour market concerns some specific groups such as young females with a migration background. They might find it difficult to secure a company-run apprenticeship due to prejudice and therefore might engage in supra-company apprenticeship training instead.

A similar issue has also been raised in connection with young asylum seekers currently living in Austria, who find it difficult to engage in training programmes and are at risk of employers rejecting their job applications on the basis of accent or ethnicity<sup>203</sup>. At the same time, expert interviews also confirmed that currently Austria spends a relatively high proportion (50–60 %) of its budget for ALMPs on young people. This can be interpreted as a **positive form of discrimination** as young people do not account for 50–60 % of unemployed people in Austria yet receive 50–60 % of funding for unemployment<sup>204,205</sup>.

## Policy context

Policy interventions targeting young people in Austria traditionally have a strong focus on **young people with disabilities**. Other target groups include **unskilled or low-skilled young people**. Besides the PES, the issue of unskilled young people as well as drop-outs are dealt with by different territorial employment pacts by the Austrian Länder<sup>206</sup>. Evidence of nuanced and targeted policy interventions tends to be an indication that the main policy instruments deal well with the mainstream cohort of young people. This is less evident in countries such as Poland where policies to combat youth unemployment are a novelty, and thus less developed.

**Young people with a migrant background**<sup>207</sup> are another important target group for policy interventions, although they tend to also be included in the group of low-skilled

<sup>199</sup> At the age of 10, students either attend Gymnasium or lower secondary school (Hauptschule) which is likely to have an effect on future educational and career pathways. There are pilot projects for a new type of secondary school ('Neue Mittelschule') unifying both school types.

<sup>200</sup> Steiner and Wagner (2007), in EEO, 2010: p. 3.

<sup>201</sup> For example in terms of less favourable employment protection resulting from short-term contracts, project-based work and other forms of atypical working arrangements.

<sup>202</sup> Interview with Policy expert.

<sup>203</sup> OTS (2010), 'Jung, dynamisch, migrantisch – Chancengerechtigkeit für Jugendliche mit Migrationshintergrund auf dem Arbeitsmarkt'.

<sup>204</sup> Kluge, J. (2010), The effectiveness of European active labor market programs. *Labour Economics*, 17(6), 904–918.

<sup>205</sup> On average, around €1 billion is spent on these measures (excluding unemployment benefits) on an annual basis. About 50–60% of this amount is spent on young people.

<sup>206</sup> EEO (2010), EEO Review: Youth Employment Measures, 2010.

<sup>207</sup> Persons of migrant background within the PES are defined as 'persons who have/had foreign nationality and persons who have changed their citizenship (first generation) and co-insured persons of first generation migrants (second generation)' (BMASK, 2013, p. 108).



young people. According to research<sup>208</sup>, young migrants continue to have difficulty accessing the labour market, including through the apprenticeship system, and 'have not received the attention they deserve'<sup>209</sup>. The PES has, however, set up a Managing Diversity programme 'designed to create a better framework for the inclusion of this target group both in PES measures and in the labour market'<sup>210</sup>. Although the approach does not exclusively target young migrants, reports show that this group benefits more significantly from the Youth Coaching (*Jugendcoaching*)<sup>211</sup> programme than any other group<sup>212</sup>. With structural labour market challenges for women in Austria, young women are another target group for policy interventions which receive less political attention.

Despite some problems regarding specific subgroups in Austria<sup>213</sup>, a high proportion of young people participate in VET, which is an important factor contributing to the **smooth transition from education to employment for young people**<sup>214</sup>. In fact, 59 % of 25–34-year-olds in Austria have vocational education at ISCED level 3 or 4; only the Czech Republic and Slovakia have higher proportions of young people with the same level of vocational education in Europe<sup>215</sup>.

According to the OECD<sup>216</sup>, the vocational training system attracts around 80 % of each age cohort which participates in some form of VET pathway in Austria. The VET system is largely shaped around the Austrian apprenticeship training system as well as the system of vocational schools and colleges. The former consists mostly of dual apprenticeships with **company-based training** and external job-specific courses, although **supra-company training** has been introduced in more recent years. The latter refers to technical and vocational education at both intermediate and higher level. One key feature of this highly differentiated VET system is its dual apprenticeship system in which around 40 % of each age cohort participates. Dual apprenticeships (*betriebliche Lehre*) are available for all young people who are aged 14, after completing the last compulsory grade at school (year nine)<sup>217</sup>. The apprentice spends around **80 % of their time in on-the-job training** in the company to build up job-specific skills and knowledge tailored to the needs of the employer. The remainder of the time is spent in specialised technical and vocational training institutions to acquire job-specific knowledge<sup>218</sup>. Since 2008, young people have also had the opportunity to complete a dual apprenticeship together with A-level qualifications which grant access to a university course on completion<sup>219</sup>.

In recent years, the government has put in place measures to further increase the quantity and quality of apprenticeship offers in Austria. One example of such a measure is an initiative to increase apprenticeship offers by helping employers to set up apprenticeships together with financial incentives, such as bonus payments for companies that take on young people after their vocational training as apprentices, or

<sup>208</sup> Dornmayr and Wieser (2010), Bericht zur Situation der Jugendbeschäftigung und Lehrlingsausbildung.

<sup>209</sup> EEO (2010), EEO Review: Youth Employment Measures, 2010, p. 5.

<sup>210</sup> BMASK (2013b), Youth and Work in Austria, Reporting year 2012/2013.

<sup>211</sup> Since 2012, Youth Coaching has offered vocational information and guidance for disadvantaged groups of young people in the final year of school (year 9). The programme is, however, not yet available throughout the country.

<sup>212</sup> BMASK (2013b), Youth and Work in Austria, Reporting year 2012/2013.

<sup>213</sup> EEO (2010), EEO Review: Youth Employment Measures, 2010.

<sup>214</sup> EEO (2010), EEO Review: Youth Employment Measures, 2010.

<sup>215</sup> Hoeckel (2010), in: EEO (2010), EEO Review: Youth Employment Measures.

<sup>216</sup> OECD (2013), Education at a glance 2013: Austria Hoeckel (2010), in: EEO (2010), EEO Review: Youth Employment Measures.

<sup>217</sup> Achleitner, Dagmar / Wallner, Josef: Die Lehre. Duale Berufsausbildung in Österreich, 12. überarbeitete Auflage, Bmwfj, August 2009, S. 4.

<sup>218</sup> Achleitner and Wallner (2009), Die Lehre. Duale Berufsausbildung in Österreich, p. 4.

<sup>219</sup> Dornmayr and Nowak (2012), 'Lehrlingsausbildung im Überblick 2012', p. 13.

funding of pilot tests and innovative projects to increase quality standards of apprenticeships (*betriebliche Lehrstellenförderung*)<sup>220</sup>.

In practice, the number of apprenticeship places has been decreasing in recent years. Data comparing the numbers of apprenticeship offers between 1980 and 2011 show that since 1980 the number of apprenticeship places has fallen by roughly 66,000 places<sup>221</sup>.

According to the Austrian Public Employment Service (AMS), interest in apprenticeship opportunities is growing, with an increasing number of young people wanting to do an apprenticeship in the future<sup>222</sup>. In response to the gap between demand and supply for apprenticeship places, the Austrian training guarantee features supra-company training centres which offer places to those who wish to complete an apprenticeship but have been unable to get an apprenticeship with a private employer. Demand outstripping supply for youth employment measures was also observed in the UK and Poland.

### 3.1.1. Training guarantee (Ausbildungsgarantie) and supra-company apprenticeship training (Überbetriebliche Berufsausbildung, ÜBA)

In 1998, the *Jugendausbildungs-Sicherungsgesetz* (JASG, Youth Training Guarantee Act) was passed, which provided the basis for today's training guarantee<sup>223</sup>. The law was reformed in 2008<sup>224</sup> to accommodate a greater need for action in the area of youth employment and as a response to the decline in company-run apprenticeship offers.

Austria's dual apprenticeship system forms the basis for the training guarantee. The training guarantee provides those school leavers seeking to engage in an apprenticeship but unable to find an apprenticeship place in the private sector with an opportunity to engage in supra-company apprenticeship training (*Überbetriebliche Lehrausbildung*). Moreover, young disabled or disadvantaged people have the opportunity to engage in the training guarantee/ÜBA via the integrated vocational training scheme (IBA – *Integrative Berufsausbildung*).

#### Short-term effectiveness

The numbers of participants in supra-company apprenticeship training have increased consistently since 2001<sup>225</sup>. For 2011/2012, a total of 11,942 young people throughout Austria engaged in the ÜBA or a preparatory course which leads towards participation in the programme. Of these, a total of 9,832 participants were part of ÜBA1+ÜBA2<sup>226</sup>. An additional 2,018 took part in the integrated vocational training scheme targeting young disabled people. A detailed analysis of participants reveals that the proportion of women and migrants engaged in the programme is significantly higher than in traditional apprenticeship programmes. Moreover, participation is skewed by geographical areas,

<sup>220</sup> BMASK (2014), Schwerpunkt Jugendbeschäftigung: [http://www.sozialministerium.at/site/Arbeit/Arbeitsmarkt/Arbeitsmarktpolitik\\_in\\_Oesterreich/Schwerpunkt\\_Jugendbeschaeftigung](http://www.sozialministerium.at/site/Arbeit/Arbeitsmarkt/Arbeitsmarktpolitik_in_Oesterreich/Schwerpunkt_Jugendbeschaeftigung).

<sup>221</sup> Dornmayr, Helmut / Nowak, Sabine: Lehrlingsausbildung im Überblick 2012, Ibw, S. 13.

<sup>222</sup> AMS (2014), 'Arbeitsmarktlage Ende Februar 2014', [http://www.ams.at/docs/001\\_monatsbericht.pdf](http://www.ams.at/docs/001_monatsbericht.pdf).

<sup>223</sup> Peer review (2012).

<sup>224</sup> The responsibility of the Austrian PES to focus its attention on the group of young people is now legally enshrined.

<sup>225</sup> Figure 10 only includes data up until February 2012.

<sup>226</sup> Trinko (2012), Ausbildungsgarantie in Österreich, p.4.

with 28 % of participants coming from Vienna<sup>227</sup>, followed by 26 % from Lower Austria<sup>228</sup>.

### Medium-term effectiveness

Although this scheme was initially designed to help participants to shift gradually to company-run apprenticeships, participants increasingly stay on the programme until completion. This trend started in 2005, with data showing that between 2005 and 2009 the number of young people who moved into regular apprenticeships during the programme decreased from 25 % to 14 %<sup>229</sup>. Drop-out rates are comparatively high with around 23 % dropping out of either ÜBA or IBA<sup>230</sup>. Young people dropping out without alternative destinations have poor labour market prospects<sup>231</sup>. Information from the Federal Ministry of Labour, Social Affairs and Consumer Protection shows that around 60 % of young people were placed in company-run apprenticeships or employment in their final year of supra-company training<sup>232</sup>.

In view of the ÜBA programme's outcomes, Eurofound<sup>233</sup> highlights that 'satisfaction with supra-company apprenticeships is high among participants and ... even if their labour market integration rates are lower than those achieved by company-based apprentices, this is due to the fact that the latter are more exposed to employers during their training, and thus have a better chance of being retained'.

The total costs associated with this programme for 2011–2012 were €187 million. As a peer review in the framework of the mutual learning programme highlights, while the programme is efficient in integrating young people into the labour market, it **costs more** than traditional vocational or educational pathways. With a cost of €16,425 per participant per year (more than 10 times the participant cost of training courses in Poland and almost triple the cost of training in Italy), supra-company training requires more funding than company-run apprenticeship training at €6,392 or vocational secondary schools or general education high schools at €10,282<sup>234</sup>.

### Long-term effectiveness

A recent evaluation of the supra-company training programme carried out by the Austrian Trade Union *Österreichischer Gewerkschaftsbund* (OGB)<sup>235</sup> **highlights a high return on investment in this policy programme as well as good labour market outcomes**. Based on data from the last five years, it takes a minimum of five years and a maximum of seven years for the initial costs of the programme to be recovered. Moreover, the findings show a strong outcome in terms of labour market integration of former participants. On average around 70 % of participants enter the labour market after successfully completing the programme. This compares to 40 % for those who do

<sup>227</sup> It is highlighted that in cities such as Vienna there is generally a lack of apprenticeships, while in more rural tourism areas such as Salzburg and Tyrol there are more apprenticeships available than applicants (Peer review doc, 2012).

<sup>228</sup> Dornmayr and Nowak (2012), 'Lehrlingsausbildung im Überblick 2012', pp. 52–55.

<sup>229</sup> Gregoritsch, Petra (2010), Zur Situation der Lehrausbildung in Österreich. Entwicklungen 2009 bis 2014 AMS Info 158/2010, Vienna.

<sup>230</sup> Bergmann and Schelepa (2011), in Eurofound, 2012.

<sup>231</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>232</sup> Refernet Austria (2011), in Peer review doc, 2012.

<sup>233</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people, p. 37.

<sup>234</sup> Peer review document, 2012.

<sup>235</sup> Hofbauer and Kugi-Mussi (forthcoming).

not successfully complete the programme. The training programme in Italy reported a similar market entry rate of 87.7 %.

One of the key success factors of these policies is the **involvement of the social partners** in the design and implementation of the programme.

However, the OGB<sup>236</sup> stresses that this programme should only be seen as an alternative to traditional apprenticeships for those young people unable to secure a traditional apprenticeship place with an employer. According to research, the vast majority participating in this measure would prefer to complete their apprenticeship with an employer. Therefore, the OGB stresses the need for employers to continue providing apprenticeship places<sup>237</sup>. In this respect, the OGB believes that priority should be given to ÜBA 1 to prevent employers from investing less in their own training provision.

In order to combat skills shortages in the Austrian labour market, the OGB calls on employers to contribute financially to apprenticeships since there has been a recent decline in offers for company-run apprenticeships. The argument is that the state should not effectively subsidise apprenticeships for companies if companies simply hire young people who have completed their apprenticeship via the state-funded ÜBA. This is a concern for trade unions across the EU as it effectively acts as an indirect public subsidy to private companies in sectors which require apprenticeships.

The Federation of Austrian Industries (IV)<sup>238</sup> also agrees that priority should be given to traditional apprenticeships, as participants achieve better results. However the IV also claims that the education system should improve young people's basic skills, such as reading and mathematics, before they access apprenticeships scheme.

### 3.1.2. Future for Youth Action Programme (Aktion Zukunft Jugend)

Introduced in 2009, the Future for Youth Action Programme (*Aktion Zukunft Jugend*) is an Austrian policy initiative which guarantees that jobseekers between the ages of 20 and 24 are offered some form of employment, targeted training or subsidised jobs within six months of registration with the PES. The programme focuses on 20–24-year-olds who are likely to have already completed some form of training and education and aims at preventing long-term youth unemployment or inactivity among this group.

#### **Short- and medium-term effectiveness**

A total of €120 million was invested in this programme in 2009, with the same budget set out for the following year, aiming at reaching around 40,000 young people. However, it remains difficult to disentangle the effect of this initiative from other interventions. More recent documents do not refer to a specific budget for the Future for Youth Action Programme, which will be financed through the general budget of the AMS<sup>239</sup>.

In terms of participation, the Austrian Ministry for Labour, Social Affairs and Consumer Protection notes that 'this policy priority bore fruit', referring to 2010 data showing that 54 % of people supported by PES were between 19 and 24 years old<sup>240</sup>. Moreover, it highlights that the Future for Youth Action Programme made it possible for 80,532 young people to attend a training course offered by the Austrian PES and 145,173 young job-

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<sup>236</sup> Interview with Trade Union representative.

<sup>237</sup> Trinko (2012), *Ausbildungsgarantie in Österreich*.

<sup>238</sup> Interview with Employers' representative.

<sup>239</sup> BMASK, [http://www.sozialministerium.at/cms/site/attachments/7/6/7/CH2124/CMS1249976411510/yqip\\_austria\\_\(kopie\).pdf](http://www.sozialministerium.at/cms/site/attachments/7/6/7/CH2124/CMS1249976411510/yqip_austria_(kopie).pdf).

<sup>240</sup> BMASK (2011), [http://tanja-fajon.si/assets/briefing\\_on\\_youth\\_employment\\_measures\\_in\\_austria.pdf](http://tanja-fajon.si/assets/briefing_on_youth_employment_measures_in_austria.pdf).

seekers moved from unemployment to employment. In 2009, only 1,900 young people who registered first with the PES remained unemployed for longer than six months<sup>241</sup>.

More recent data show that in 2013 a total of 95,500 young people aged 20 to 24 years took up a job and a further 53,845 young unemployed people engaged in training courses offered by the AMS<sup>242</sup>. In comparison, uptake of the Youth Contract in the UK over a similar period was only 4,690 (see UK case study). A further 8,000 people were placed in company-run apprenticeships subsidised by the Austrian PES and 9,143 young people enrolled in supra-company apprenticeship training.

To date, no evaluations of this programme are available. This might be due to the fact that the Future for Youth Action Programme is less of an actual policy programme than an amalgamation of a mix of previously existing measures. The Ministry of Labour, Social Affairs and Consumer Protection believes that **the campaign has been highly successful in re-engaging young people since 2009**<sup>243</sup>. However, the issue of whether young people had to move home in order to engage in a training or job offer has been raised in parliament as a potential drawback<sup>244</sup>.

### 3.2. Finland

#### KEY FINDINGS

- Finland is representative of the Social Democratic Model of welfare common to Scandinavian countries, with generous universal benefits covering a wide range of social risks and coordinated involvement of social partners. Finland has a medium level of youth unemployment in the context of the EU.
- The evidence suggests the Youth Guarantee, a holistic measure to enhance the employability of young people, is effective in the short term. The measure is a mixed-methods personalised approach to entering the labour market. Perhaps the strongest aspect of the policy measure is its inclusivity of a very wide range of young people and the flexibility of the budget. However, although the measures are widely praised, there is little available evidence on return on investment, the medium to long-term effects of the measure and the cost of placing a young person in employment.
- The close cooperation between stakeholders and partners in Finland's YG infrastructure means young people are well supported within the existing framework. Finland supports young people better over time in comparison to other Member States (e.g. the UK). This underpins the effectiveness of the measure and this qualitative explanation accounts (at least partially) for the Youth Guarantee being described as an example of best practice at EU level.
- In the case of the Finnish Career Start programme (largely alternative education and training courses), early assessments of its pilot phase have been extremely positive. The measure appears to be a good support mechanism for

<sup>241</sup> For more information about see: [http://www.parlament.gv.at/PAKT/VHG/XXIV/AB/AB\\_01668/fname\\_160620.pdf](http://www.parlament.gv.at/PAKT/VHG/XXIV/AB/AB_01668/fname_160620.pdf). (Accessed 05.06.2014)

<sup>242</sup> BMASK, [http://www.sozialministerium.at/cms/site/attachments/7/6/7/CH2124/CMS1249976411510/yqip\\_austria\\_kopie.pdf](http://www.sozialministerium.at/cms/site/attachments/7/6/7/CH2124/CMS1249976411510/yqip_austria_kopie.pdf).

<sup>243</sup> Interview with National representative.

<sup>244</sup> For more information see: [http://www.parlament.gv.at/PAKT/VHG/XXIV/J/J\\_02105/imfname\\_158861.pdf](http://www.parlament.gv.at/PAKT/VHG/XXIV/J/J_02105/imfname_158861.pdf). (Accessed 05.06.2014)

disadvantaged young people with multiple barriers to entering the labour market (addressing a key need).

- Overall, Finland appears to have in place strong foundations, infrastructure and networks to facilitate effective ALMPs for young people. The only negatives found were very nuanced and related to qualitative reports that the Public Employment Services may not reach disengaged young people who are not formally registered with these services.

## National context

The definition of 'young worker' in Finland corresponds with the EU definition of 15–24 years; however, some policy instruments do extend to the age of 30, such as the Youth Guarantee (from 2013)<sup>245</sup>.

Finland is representative of the **Social Democratic Model** of Scandinavian countries with generous universal benefits covering a wide range of social risks. The country has a **medium level of employment protection legislation (EPL) and moderate youth unemployment**, which rose to 21.2 % in January 2014<sup>246</sup>. There are also a relatively large proportion of young people on temporary contracts in Finland (40 % in 2012)<sup>247</sup>. However, estimates vary significantly according to the time of year when measurements are taken, as temporary contracts for young people are often for seasonal employment in the summer. Despite some variation in estimates, the proportion of young people in temporary employment in Finland has risen in recent years<sup>248</sup>. Student involvement in the labour market is common, not least due to a long standing tradition where students work part-time in summer. Institutional practices such as internships and work experience placements during school years are common (this was also found to be the case in the UK, but not in Italy or Poland – see case studies)<sup>249</sup>. In addition, there are some programmes offering dual training approaches (similar to those in Germany) which combine tertiary education with practical work experience in companies<sup>250</sup>.

Longitudinal survey data report a worrying trend in Finland. There is evidence that discrimination against older workers diminished between 1977 and 2008, but **discrimination against young people increased** over the same period (the Austrian case study had similar findings for young vulnerable groups)<sup>251</sup>. Results from the 'Working Life Barometer' survey<sup>252</sup> found that the youngest workers felt less encouraged to contribute to the development of workplace-related initiatives<sup>253</sup> and had lower access

<sup>245</sup> ILO (2013), Eurozone job crisis: trends and policy responses.

<sup>246</sup> Official Statistics of Finland (OSF): Labour force survey [e-publication]. ISSN=1798-7857. January 2014. Helsinki: Statistics Finland [http://tilastokeskus.fi/til/tyti/2014/01/tyti\\_2014\\_01\\_2014-02-25\\_tie\\_001\\_en.html](http://tilastokeskus.fi/til/tyti/2014/01/tyti_2014_01_2014-02-25_tie_001_en.html).

<sup>247</sup> Finnish Ministry of Employment and the Economy, 2012.

<sup>248</sup> Eurofound (2013), Working conditions of young entrants to the labour market.

<sup>249</sup> Spangar (2012), Peer review on 'The dual training system – Integration of young people into the labour market'.

<sup>250</sup> Spangar (2012), Peer review on 'The dual training system – Integration of young people into the labour market'.

<sup>251</sup> Anna-Maija Lehto and Hanna Sutela (2008) Working conditions in the three decades 1977-2008. <http://www.tsr.fi/tsarchive/files/TietokantaTutkittu/2007/107274Loppuraportti.pdf>.

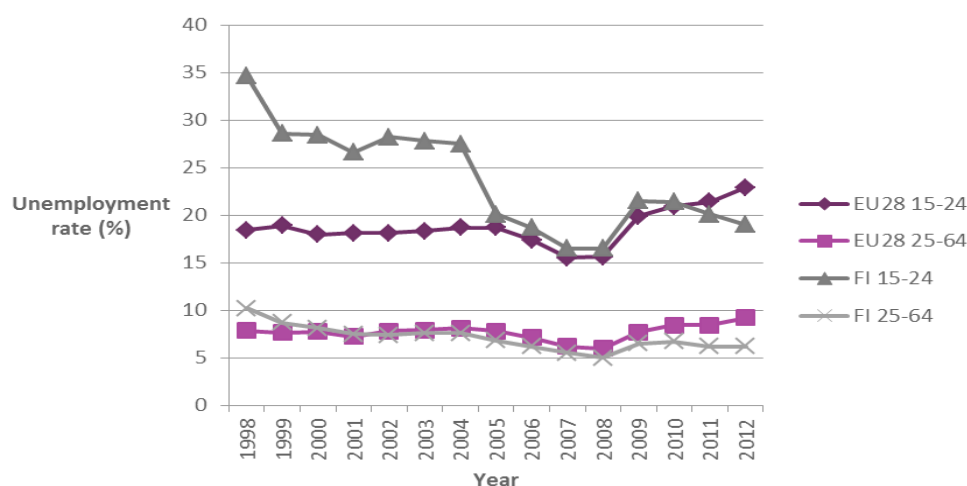
<sup>252</sup> Maija Lyly-Yrjänäinen (2013) Working Life Barometer autumn 2012. Preliminary information. [http://www.tem.fi/files/35605/TEMrap\\_6\\_2013.pdf](http://www.tem.fi/files/35605/TEMrap_6_2013.pdf).

<sup>253</sup> Maija Lyly-Yrjänäinen (2013) Working Life Barometer autumn 2012. Preliminary information. [http://www.tem.fi/files/35605/TEMrap\\_6\\_2013.pdf](http://www.tem.fi/files/35605/TEMrap_6_2013.pdf).

to training opportunities than other age groups<sup>254</sup>. Policy measures including training and work placements may ameliorate this situation as young people benefiting from such measures would feel more comfortable in the working environment and require less training by their employer. The Institute of Occupational Health also found that on average 42 % of young workers earned less than €2,000 a month compared to only 24 % of older workers, although the survey did not account for differences in experience or seniority and working position<sup>255</sup>. Self-reports of discrimination in surveys and evidence of disengagement of young workers in employment suggest that young workers in Finland may not be in an ideal situation.

Youth unemployment in Finland has decreased almost continuously in periods of economic growth and increased only in periods of recession. This suggests that the Finnish labour market is mostly affected by cyclical economic factors (similar to the Austrian case study) and existing strategies to tackle youth unemployment are relatively successful.

**Figure 10: Unemployment rate (%) by age in Finland, 1998–2012**<sup>256</sup>



**Source:** Eurostat, LFS.

Although there is anecdotal evidence about the rise in numbers of young people not in education, employment or training (NEET), this does not appear to be hugely problematic in Finland (which is very unlike the situation in the UK case study for example). The NEET rate increased during the crisis period (especially 2007–2009), but declined steadily thereafter and was 4.7 % below the EU average in 2012<sup>257</sup>. This would indicate that the **policy measures and/or economic conditions in Finland facilitate engagement of young people** into education, employment and training.

Finnish labour market policy measures are not easily categorised as either labour demand side or labour supply side policies. **Programmes are often described as**

<sup>254</sup> Maija Lyly-Yrjänäinen (2013) Working Life Barometer autumn 2012. Preliminary information. [http://www.tem.fi/files/35605/TEMrap\\_6\\_2013.pdf](http://www.tem.fi/files/35605/TEMrap_6_2013.pdf)

<sup>255</sup> Finnish Institute of Occupational Health: [http://www.ttl.fi/fi/tutkimus/hankeet/tyo\\_ja\\_terveys\\_haastattelututkimus/Sivut/default.aspx](http://www.ttl.fi/fi/tutkimus/hankeet/tyo_ja_terveys_haastattelututkimus/Sivut/default.aspx).

<sup>256</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>257</sup> Annex: Table 12.

**holistic or person-centred approaches**<sup>258</sup> and networking is emphasised as a main method<sup>259</sup>. In addition, Finland spends a (relatively) high proportion of GDP (>1 %) on ALMPs in the context of the EU; for instance, Austria spends closer to 0.5 % of its GDP and Italy 0.6 % while the EU average is closer to 0.8 %<sup>260</sup>. France was the only country studied with a larger spend at 1.2 % of GDP<sup>261</sup>. Although Finland spends almost double the proportion that is spent in Austria, the well-established apprenticeship system in Austria may make public spending more efficient since it is spent within the (good quality) existing infrastructure.

## Policy context

The Finnish education system facilitates the transition from education to employment mostly via institutional vocational education and training (VET)<sup>262</sup>. In fact, more than 60 % of NEETs in Finland have previously worked. By comparison, in almost half of EU Member States the majority of NEETs declare no previous work<sup>263</sup>. In an EU context, this signifies a high level of labour market engagement for young inactive people. A further indication that Finland's youth labour market is mostly affected by cyclical rather than structural factors is **declining long-term unemployment** among 15–24-year-olds. Apart from an increase in 2010, the figure has remained just over 1 % since 2000. This is an important statistic as long-term unemployment among young people can be an indicator of a failure to make the transition from education to employment.

The policy measures discussed below are the Youth Guarantee (YG)<sup>264</sup> and 'Career Start' (Ammattistartti)<sup>265</sup>. The YG was selected as the measure is highly regarded within the EU, recently leading to a Council recommendation for its implementation<sup>266</sup>. Finland's YG is cited as an example of best practice so evaluation of the measure is particularly relevant. 'Career Start' was selected as it is a recent policy approach to address particularly disadvantaged young people who are at risk of becoming NEET.

### 3.2.1. Youth Guarantee

Initiated in 2005 and subsequently revised in 2010 and 2013, the **Youth Guarantee** (YG) is widely praised for its success and described as an example of **best practice** for labour market interventions for young people. The principle behind the YG is a public-private-people partnership approach, involving partners such as government ministries, municipalities, trade unions, employer associations and young people themselves<sup>267</sup>. Since Finland involves social partners throughout the development and implementation of policy measures, very little discontent was registered in interviews. This is in stark

<sup>258</sup> Nevala (2009), Peer review on 'Project learning for young adults: a social integration programme helping young people back into work and education'.

<sup>259</sup> Arnkil (2010), EEO Review: Youth employment measures 2010.

<sup>260</sup> Kluve, J. (2010), The effectiveness of European active labor market programs, *Labour Economics*, 17(6), 904–918.

<sup>261</sup> Kluve, J. (2010), The effectiveness of European active labor market programs, *Labour Economics*, 17(6), 904–918.

<sup>262</sup> Arnkil (2010), EEO Review: Youth employment measures 2010.

<sup>263</sup> Eurofound (2012), NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, Luxembourg.

<sup>264</sup> For more information about the Youth Guarantee in Finland see <http://www.nuorisotakuu.fi/>. (Accessed 21.03.2014).

<sup>265</sup> For more information about Career start see: <http://www.edu.fi/ammattikoulutus/ammattistartti>. (Accessed 21.03.2014).

<sup>266</sup> Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01).

<sup>267</sup> ETUC (2013), Youth guarantee in Europe: an overview.



contrast to Poland, for example, where the social partners tend to be highly critical of the government intervention (see Polish case study).

The YG begins with a personalised needs assessment and drawing up of an employment plan with an advisor from the public employment services (PES) within the first month of becoming unemployed (reduced to 2 weeks following the 2010 revision). The young person is then guaranteed an offer of a job, work trial, study place, period in a workshop or rehabilitation within three months of becoming unemployed<sup>268</sup>. From 2013, €60 million per year is spent implementing the YG and the scheme is to be extended to individuals up to the age of 30<sup>269</sup>. From 2013–2016, €27 million rising to €52 million per year will also be spent on a skills programme for young adults as part of the YG. **High spending on ALMPs is considered a worthwhile investment** as it reduces long-term economic and social costs from labour market disengagement and social exclusion<sup>270</sup>. By comparison, other countries such as the UK rely more on market effects to reduce unemployment (see UK case study).

### Short-term effectiveness

An early assessment of Finland's YG was positive with respect to its operational aims and objectives. In its early years, personalised employment plans were drawn up for 60–80 % of new jobseekers within the time frame, a figure which reflected challenges relating to operational change<sup>271</sup>. Initial objectives of the guarantee had been to provide this service to 100 % of those registering in PES; however, as a result of the economic crisis, demand for these services increased dramatically and only after increased funding and staffing in PES did improvements in service provision materialise. The success rate (percentage of registered young people who received an assessment within the first month) of the YG was estimated at 79.2 % in 2010 and improved to 83.5 % in 2011 as a result of an increased number of advisors and reduced waiting times<sup>272</sup>. **Budget flexibility** can also allow policy measures to respond to changes in demand for services and is an important component of their early effectiveness, as measures also tend to be more successful if they are available for individuals as soon as they become unemployed.

### Medium-term effectiveness

The length of intervention also appears to have a role in the effectiveness of the YG. The most successful interventions were subsidised employment and (longer-term) vocational labour market training. From a month-long activation measure 16 % of young people participating were employed within three months of completing the programme, but 41 % taking part in a 12-month activation measure were employed within the same period (i.e. within three months of completing the programme)<sup>273</sup>. Training and work placements of short duration were less effective at placing young people in employment

<sup>268</sup> Nuoriso Takuu (2013), Youth guarantee – the first months and next steps.

<sup>269</sup> Friedrich Ebert Stiftung (2013a), A long overdue signal to Europe's youth. Opportunities and obstacles to implementation of the European Youth Guarantee. Brussels.

<sup>270</sup> European Commission (2013), Working together for Europe's young people. A call to action on youth unemployment.

<sup>271</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>272</sup> ILO (2013), Eurozone job crisis: Trends and policy responses.

<sup>273</sup> Nio & Sardar (2011), Työvoimapolitiisilta toimenpiteiltä sijoittuminen vuonna 2009. TEM-analyyseja. Ministry of Labour, Helsinki.

than placements with longer durations<sup>274</sup>. This is also the case in France, where longer-term vocational training has demonstrated more positive results (see France case study).

### Long-term effectiveness

In 2010, 20.8 % of young people in Finland were unemployed or inactive for three months<sup>275</sup>. For 2011, the PES was set a target youth unemployment rate of 17 % and achieved it by a small margin. However, in the same period the economic situation improved in Finland, therefore the change cannot be wholly attributed to the YG, although it may be a significant contributor<sup>276</sup>. Wider research findings suggest the YG was still important as other Member States saw increases in unemployment or inactivity for young people despite economic growth over the period considered. Disentangling the effects of a labour market policy in isolation is often very difficult, although official employment and unemployment rates can be an indirect indicator. Significantly, **the YG is effective in helping young people avoid long periods of unemployment or inactivity** which can lead to 'wage penalties' and 'scarring' in the long term<sup>277</sup>.

The YG also addresses more structural issues in Finland. There is a relatively high (>20 %) level of skill mismatch between labour supply and demand in the country<sup>278</sup>. This means that there are differences in educational attainment between employed and unemployed people. A report from the OECD found that the risk of unemployment for low-skilled youth who did not complete upper secondary schooling is three times that of graduates of tertiary education in seven OECD countries (EE, FI, NO, CH, SE, CZ & US)<sup>279</sup>. However, at the same time the proportion of NEETs with tertiary education is increasing and data from 2010 found this was the case for more than 25 % of NEETs aged 25–29 in Finland<sup>280</sup>. In addition, Finland had the lowest proportion of NEETs in this age group without any work experience in the EU (8.7 %). These findings reflect structural aspects of Finland's education system and transition to the labour market, with a high uptake of tertiary education<sup>281</sup> and involvement in the labour market at a young age (even if it is not always sustained). The evaluation of the YG in Finland found that the process improved the relationship between the young person and the authorities, helping to prevent disengagement and rebuilding trust in institutions<sup>282,283</sup>.

#### 3.2.2. Career Start (*Ammattistartti*)

Career Start is a transition programme for young people who did not gain a place in vocational education and training (VET) in an upper secondary school. Aimed at 15- and

<sup>274</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>275</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>276</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>277</sup> Eurofound (2012), NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, Luxembourg.

<sup>278</sup> ILO (2013), Global employment trends for youth 2013: A generation at risk.

<sup>279</sup> Scarpetta & Sonnet (2012), Challenges facing European labour markets: is a skill upgrade the appropriate instrument?

<sup>280</sup> Eurofound (2012), NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe, Luxembourg.

<sup>281</sup> Bell & Blanchflower (2011), Young people and the great recession, Discussion paper series; No. 5674.

<sup>282</sup> Eurofound (2012), Recent policy developments related to those not in employment, education or training (NEETs).

<sup>283</sup> Eurofound (2012), Youth Guarantee: Experiences from Finland and Sweden.

16-year-olds (but with an upper age limit of 20)<sup>284</sup> and typically lasting 20 to 40 study weeks, the programme provides **opportunities to try out different vocational courses**, develop study skills, vocational skills, life skills and workplace training.

### Short-term effectiveness

1,900 of 2,800 participants whose progress was followed in the pilot phase progressed into education, training or employment on completion of the programme<sup>285</sup>, which is quoted as a success rate of approximately 70 % in academic and grey literature<sup>286</sup>. The programme was swiftly mainstreamed due to its high success rate with a subset of young people who might be classified as vulnerable or disadvantaged with respect to labour market access. The Ministry of Education has subsequently set a target of 90 % of participants entering education, training or employment as a result of the programme (80 % to VET and 10 % to further study).

An evaluation found that trainees progressed along their pathways easily, which suggests high programme effectiveness and that the options presented to participants were appropriate for their needs<sup>287</sup>. The evaluation also explained that the personnel involved were professional and considerate, with good networks. A network-based approach is part of the programme, providing young people with good access to employer representatives, counsellors and so forth to address any barrier(s) they may have to entering employment or training.

There is also some evidence (as reported in a Survey of the National Board of Education) that **the measure reached the target group of Early School Leavers** – young people unsure about their future career and young people with grades below requirements for VET studies<sup>288</sup>. The measure reaches approximately one in four young people failing to progress from lower to upper secondary education, who are a high risk group for unemployment and exclusion<sup>289</sup>.

To date there have been no evaluations of the medium- and long-term effectiveness of Career Start, but there is some longitudinal data on its short-term impacts. In 2006–2007, approximately 54 % of participants moved on to follow-up studies or employment, improving to 72 % in 2007–2008 and almost 70 % in 2008–2009. The estimates of effectiveness were taken from surveys in 16 of the 42 organisations running Career Start. Between 2006 and 2009, Career Start accounted for around 30 % of VET providers so the effectiveness is significant in both percentage and total numerical terms<sup>290,291</sup>.

<sup>284</sup> Vehviläinen (2011), Ammatilliseen peruskoulutukseen ohjaava ja valmistava koulutuskokeilu (Ammattistartti) 2006–2010. Kooste hankkeiden loppuraporteista.

<sup>285</sup> Jappinen (2010), Onnistujia opinpolun siirtymässä: Ammatilliseen peruskoulutukseen ohjaavan ja valmistavan koulutuskokeilun (ammattistartti) vaikuttavuus. Loppuraportti. Opetushallituksen julkaisu.

<sup>286</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>287</sup> Eurofound (2012), Recent policy developments related to those not in employment, education and training (NEETs).

<sup>288</sup> Eurofound (2012), Effectiveness of policy measures to increase the employment participation of young people.

<sup>289</sup> Jappinen (2010), Onnistujia opinpolun siirtymässä: Ammatilliseen peruskoulutukseen ohjaavan ja valmistavan koulutuskokeilun (ammattistartti) vaikuttavuus. Loppuraportti. Opetushallituksen julkaisu.

<sup>290</sup> Jappinen (2010), Onnistujia opinpolun siirtymässä: Ammatilliseen peruskoulutukseen ohjaavan ja valmistavan koulutuskokeilun (ammattistartti) vaikuttavuus. Loppuraportti. Opetushallituksen julkaisu.

<sup>291</sup> Interview with Academic expert.

### Medium- and long-term effectiveness

Interview respondents stated that the strengths of Career Start related to its versatility in providing personalised employment and training pathways, the quality of service provision by PES, the range of options available and the positive impact of small peer support groups of young jobseekers. The challenges for the measure were the heterogeneity of students and supporting them day-to-day, integrating the pilot into overall policy, supporting a diverse range of opportunities and preparing students for the realities of working life<sup>292</sup>. Unfortunately, since the measure is still in its infancy, the evaluation of Career Start in the medium to long term is limited to qualitative evidence in interview.

With respect to medium- to long-term effectiveness, there are some components of the measure which suggest it will be successful in these time frames. For instance, the measure has a person-centred holistic approach which has contributed to the medium- and long-term success of other ALMPs. To date there have been no critical examinations of the measure with respect to metrics outside its operational targets, such as the likelihood of participants retaining employment for six months or more. It is unfortunate that there are no evaluations of the measure in this context which would help improve the understanding of its medium- to long-term effects, and how it might impact on the employability of young people over time. Preliminary analysis highlighted in interviews<sup>293</sup> suggests that the measure has some of the key components present in other measures which have demonstrated success elsewhere, and the outlook is therefore positive for its medium- and long-term effectiveness. In particular, the measure is supported by Finland's excellent infrastructure and coordinated systems to deliver active labour market policies for young people. Its future success is also likely to be determined by maintaining **personalised employment and training pathways** which are especially helpful for disadvantaged young people<sup>294</sup>.

### 3.3. France

#### KEY FINDINGS

- France is a market economy with a largely contribution-based welfare state. The education system is based on full-time academic schooling.
- In France, high youth unemployment has been a quasi-structural issue in recent years. The crisis has further emphasised some of the structural issues young people face in the French labour market, most notably a lack of fluidity in school-to-work transitions and difficulties in accessing full-time permanent employment in a highly segmented and unionised labour market.
- The most widely used youth employment measures in France are designed to provide income support for young people and/or increase the demand for labour via financial incentives for employers. Almost one in four people under the age of 26 are currently engaged in some form of subsidised work.
- The Contrat Unique d'Insertion (CUI – Single integration contract), which is an assisted contract designed to facilitate the transition into the labour market for

<sup>292</sup> Jappinen (2010), Onnistujia opinolon siirtymissä: Ammatilliseen peruskoulutukseen ohjaavan ja valmistavan koulutuskokeilun (ammattistartti) vaikuttavuus. Loppuraportti. Opetushallituksen julkaisu.

<sup>293</sup> Interview with Academic expert.

<sup>294</sup> Interview with Academic expert.

young people, has been reviewed as positive overall. The active role of local missions for young people (public employment services for young people) helped to re-activate long-term unemployed young people. Although the measure represents a milestone in the French labour market, youth unemployment is still high. It has therefore been recommended that the policy be amended to reach young people in more deprived areas, who are furthest removed from the labour market.

- The Contrat de Professionalisation (CdP Professionalisation contract) is a subsidy scheme for employers hiring young people and has compulsory training elements. Therefore, young people can build up their skills and competencies to compensate for the fact that employment is less sustainable in the non-market sector. Evidence of the effectiveness of this measure is mixed as the levels of educational attainment of beneficiaries have increased, but the measure is still underutilised due to a shortage of apprenticeship positions.
- While some of these programmes have been evaluated positively, it has been claimed that the impact of subsidising work contracts on the employment of young people depends on the educational level of the beneficiary and on the sector in which the work takes place. Young people with a formal qualification and subsidised employment in the private sector have better labour market prospects.
- Subsidised employment in the private sector contributes to job creation but can lead to substitution effects (i.e. employers would have hired a new employee anyway). When private sector subsidised employment is not available, subsidised employment in the non-market sector (such as community service) can be a viable alternative but tends to be less sustainable in the long term.
- There is mixed evidence on whether policies providing subsidised employment are open to abuse by employers. This is less likely to occur when contracts for young people are protected by collective agreements (as with apprenticeships).

### National context

Like other European countries, France defines young workers as those aged 15 to 24. In previous years reports on the labour market situation of young people have increasingly considered the age cohort of 15 to 29 in their analyses<sup>295</sup>.

#### France is a market economy with a largely contribution-based welfare state.

France also has a **minimum wage** in place for all workers, the *Salaires minimum de Croissance* (SMIC). Another key feature of the French system is **high levels of regulation and employment protection** (similar to those in the Italian case study) as well as a high level of collective bargaining coverage (98 %)<sup>296</sup>. However, social partners tend to be less involved in the design and implementation of labour market interventions than in other European countries (as in the Finnish case study) and French social partners have not played a very important role in recent youth-specific policy interventions.

Eurostat figures for France show that while overall unemployment in France has been closely following the EU average, the proportion of 15–24-year-olds exceeded the EU average prior to the beginning of the most recent economic crisis (see Figure 11). In

<sup>295</sup> See for example DARES (2012), *Emploi et chômage des 15-29 ans en 2011*.

<sup>296</sup> ETUI (2013), *France, National Industrial Relations*.

June 2014, the seasonally adjusted youth unemployment rate in France was 22.4 %, slightly higher than the EU28 rate of 22.0 %<sup>297</sup>.

**Figure 11: Unemployment rate (%) by age in France, 1998–2012**<sup>298</sup>



**Source:** Eurostat, LFS.

Experts highlight that youth unemployment was an issue in France prior to the crisis, which has reinforced pre-existing structural unemployment issues such as a **lack of fluidity between school and work** and difficulties faced by young people in securing full-time employment in permanent contracts<sup>299</sup>. According to one study, 'The crisis has merely amplified what has become a quasi-structural phenomenon: in the past 30 years, the youth unemployment rate has never fallen below 15 % and has regularly exceeded 20 %'<sup>300</sup>. This is similar to reports of structural unemployment for young people in the UK and Polish case studies.

The structural nature of high youth unemployment in France has also been described as a **generational issue**<sup>301</sup> with young entrants finding it increasingly difficult to get a foothold in the labour market and/or to secure a long-term employment contract. Even if in employment, young people find it increasingly difficult to secure a permanent contract (CDI – *Contrat Durée Indeterminée*) as opposed to temporary contracts (CDD – *Contract de Durée Determinée*). Currently, around one young person in three<sup>302</sup> is employed under a CDD or another type of temporary job contract<sup>303</sup>.

<sup>297</sup> Eurostat 2014 [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31072014-BP/EN/3-31072014-BP-EN.PDF) 121/2014 - 31 July 2014.

<sup>298</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>299</sup> Gineste, S. (2010), EEO Review: Youth Employment Measures, 2010.

<sup>300</sup> Aeberhardt et al. (2011), in Lefresne (2012), Youth Unemployment and Youth Employment Policy, Lessons from France.

<sup>301</sup> While private companies have been cautious about recruiting new employees since the crisis, young people have also been affected by a drastic decrease in hiring of civil servants. As Askenazy and Erhel (2012, p. 9) highlight, 'in order to limit public spending, the government has replaced only half of retirees, including teachers. Consequently, the permanent job opportunities for a given generation declined by about five percent, and by up to ten percent for educated young women.'

<sup>302</sup> The high prevalence of short-term contracts applies to both graduates and young people without a degree, although it is higher for the latter group. Around 60% of graduates are first employed under a temporary contract, compared to 80% of young people without a degree. Labour market security improves more quickly for graduates, however, with only 30% in insecure employment after two years, compared to 60% of those without a degree (Lefresne, 2012, p. 5).

<sup>303</sup> Lefresne (2012), Youth Unemployment and Youth Employment Policy, Lessons from France.

The over-representation of young people in short-term work placements has been mentioned as one of the reasons why youth unemployment has been more responsive to the economic crisis<sup>304</sup> (see also Italy case study).

As with some other European countries, France also has an issue with high numbers of young people engaging in internships/traineeships (*stages*) which do not necessarily lead to more permanent employment. According to latest official data, in 2012, a total of 1.6 million young people were engaged in an internship compared to only 600,000 in 2006<sup>305</sup>. In contrast with other European countries, in 2006 France adopted an **explicit regulated approach to internships and traineeships** through a number of laws to protect young people from being trapped in a series of low-paid, short-term internships<sup>306</sup>.

Moreover, the French education system has also been mentioned as one of the reasons for the decline in numbers of employed young people.<sup>307</sup> Experts have also highlighted the potentially problematic increase in the number of university graduates in France which may have led to a **devaluation of degrees and qualifications**<sup>308</sup>. A mismatch between labour market demands and education provision was also noted in the Polish case study.

A group disproportionately affected by unemployment, subsidised work contracts and low wages in France are young people from disadvantaged areas. The annual report of the National Observatory of Urban Zones in Difficulty<sup>309</sup> (*Zones Urbaines Sensibles/ZUS*) shows that more than 41 % of 15–24-year-old males from **disadvantaged areas** are unemployed compared to only around 19 % of males of the same age group living in other urban areas. Subsequently a special action plan called Hope for Suburbs (*Plan Espoir Banlieues*) has been established to address some of these structural challenges<sup>310</sup>. Significantly, unemployment is higher for young people in ZUS irrespective of educational attainment, with 38 % of diploma holders residing in ZUS being unemployed compared to 22 % living elsewhere<sup>311</sup>. Regional disparities in outcomes were also found in the Italian, Polish and UK case studies; in the first case along the line of the North–South divide, in the latter two cases among urban versus rural areas.

## Policy context

There is a long history of labour market interventions targeting young people in France, which first put in place policies to integrate young people into the labour market at the end of 1970. Over the last two decades, French labour market rules as well as policies have been subject to **intense reform**, and a large number of laws and reforms were passed between 2007 and 2011<sup>312</sup>.

In order to facilitate the transition into the labour market of young people, subsidised work contracts have been a popular instrument in the country.

<sup>304</sup> Lefresne (2012), Youth Unemployment and Youth Employment Policy, Lessons from France.

<sup>305</sup> CESE (2012), L'emploi des jeunes.

<sup>306</sup> Eurofound (2012), France: ERM comparative analytical report on Recent Policy Developments related to those Not in Employment, Education and Training.

<sup>307</sup> OECD (2010), in Lefresne (2012), Youth Unemployment and Youth Employment Policy, Lessons from France

<sup>308</sup> Interview with Academic Expert.

<sup>309</sup> ONZUS (2009), Annual Report, in EEO (2011), p. 28.

<sup>310</sup> This was launched in February 2008, and combines, *inter alia*, education/training, employment, housing, transport and childcare measures, is specifically aimed at vulnerable young people living in disadvantaged areas/neighbourhoods and seeks to help 200,000 young people aged under 26 integrate in the labour market.

<sup>311</sup> CEREP (2012), Quand l'École est finie... Premiers Pas dans la Vie Active d'une Génération, Enquête 2010.

<sup>312</sup> Askenazy and Erhel (2012), The French Labour Market and the (not so) Great Recession.

**Subsidised work contracts** take the form of either (i) financial assistance paid to employers hiring young people, or (ii) deductions in employers' social security contributions for young people. Financial assistance can take the form of lump sum payments or regular wage subsidies paid over a longer period. Current examples for these measures include the two measures subject to the present analysis: *Contrat Unique d'Insertion* (CUI) for the market and non-market sector and *Contrat de Professionnalisation* (CdP) which combines work experience and training towards a recognised qualification. Evaluations show that CdP has had a positive impact since 2005 and transition rates after completion are generally high.

In addition to these forms of subsidised work, internships can be considered as a form of indirect subsidised employment. While they are not directly subsidised, internships are exempt from social security contributions – which is an indirect subsidy for employers and potentially positive discrimination towards young workers. However, France has also implemented a reform of its social security system making it easier for younger people to access unemployment benefits in the wake of the crisis. Under the reformed system, young unemployed people are now able to access unemployment insurance after having worked 4 out of the previous 28 months, which is much easier to attain for young people who have only been able to gain temporary or seasonal employment<sup>313</sup>.

### 3.3.1. The Single Integration Contract (*Contrat Unique d'Insertion, CUI*)

Available since 2010, the Single Integration Contract (CUI) is a form of assisted employment contract in France which, if certain conditions are met, offers a reduction of wage and non-wage costs to employers. The basic idea behind this measure is to subsidise certain employment contracts which will, in turn, reduce the overall costs to employers of employing young people. While the CUI is open to different groups experiencing difficulties entering the labour market such as the over-50s, people with disabilities or social benefit recipients, young people under 26 are its main target group. It is compulsory for beneficiaries of CUI to receive some form of training or relevant workplace experience from the employer. The employment contract and the request for state subsidy need to be agreed between the employer and the beneficiary as well as either the French Public Employment Service (PES – *Pôle Emploi*), or in some cases a regional authority. After a contract has been drawn up, the employer also needs to provide a mentor, typically a company employee, to assist the beneficiary in their professional experience<sup>314</sup>. Extension of the subsidy is subject to a positive evaluation of the beneficiaries.

Within the subsidised work categories there are two forms of subsidised work contract available. The first is the ***Contrat Unique d'Insertion (CUI – Single integration contract) for the private sector (CUI-CIE)*** which entitles private sector employers to financial assistance without any specific exceptions from social contributions. The second is the ***Contrat d'Accompagnement dans l'Emploi (CUI-CAE – Contract of assistance in employment)*** for employers other than private sector companies, such as public sector or non-profit organisations. Employers are entitled to financial assistance, with specific exemptions from social security contributions. Under the CUI-CIE employers who offer a permanent or fixed-term contract (6 to a maximum 24

<sup>313</sup> Giniste (2010), EEO Review: Youth Employment Measures, 2010, France, p. 6.

<sup>314</sup> For more information about the Single Integration Contract see: <http://travail-emploi.gouv.fr/informationspratiques,89/les-fiches-pratiques-du-droit-du,91/contrats,109/le-contrat-unique-d-insertion-cui,10996.html>. (Accessed 05.06.2014)



months) pay reduced social security charges of up to 47 % of the minimum wage. Under the CUI-CAE, the cost of labour is subsidised at 80 %, while for the CUI-CIE the subsidy is 30 %. For the employer to receive the subsidy the worker concerned has to work for a minimum of 20 hours a week<sup>315</sup>.

From a financial point of view, CUI-CAE is more expensive than CUI-CIE. As financial planning from the French Senate reveals<sup>316</sup>, a total of €135.6 million for CUI-CIE and €1,807 billion for CUI-CAE is forecast for 2014. Moreover, for 2014, 340,000 new CUI-CAE contracts are forecast with an estimated cost of €1 billion as well as 40,000 new CUI-CIE contracts with an estimated cost of €77.1 million. The CUI has the largest gross spend of all policy measures examined in the case studies. Although the UK had a larger allocated budget for the Youth Contract at £1.2 billion (€1.51 billion; see UK case study), uptake of the measure was very low, requiring less spend than the CUI.

A more recent version of the CUI is the so called *Emploi d'Avenir* ('Future oriented job') contract. Set up in 2012, it is another labour market intervention targeting young people from the age of 16 to 25 with low or no qualifications<sup>317</sup>. As this programme is a very recent labour market intervention its efficiency remains unclear<sup>318</sup>. The initial target of creating 100,000 work contracts by the end of 2013 was exceeded<sup>319</sup>. The French Government plans to create a further 150,000 positions before the end of 2014.

### Short-term effectiveness

There has been a strong political commitment to this measure, and participant numbers have grown constantly since its introduction in 2010. In 2009, the French government was planning for 50,000 new projects in CUI-CIE with 90 % state funding over a period of 12 months as well as 30,000 entrants to CUI-CAE.

It was estimated in 2010 that 40 % of young people taking part in the programme found employment with a CUI contract<sup>320</sup>. More recent data from 2012 provide a good overview of the distribution of the CUI across different sectors as well as beneficiary groups<sup>321</sup>. Specifically, at the end of 2012 a total of 25,721 people were engaged in a CUI-CIE contract and 224,716 were engaged in a CUI-CAE contract. The number of new starts varied significantly throughout 2014 for both contracts. Moreover, a considerable number of contracts were prolonged – in the case of the CUI-CIE, between 352 and 437 per semester, whereas in the case of the CUI-CAE, between 48,344 and 66,608 extensions took place during the first trimester of 2014<sup>322</sup>.

For the CUI-CIE, the vast majority (71.4 %) of contracts are located in the tertiary (i.e. service) sector. Within the services sector, the most popular areas are trade (22.5 %), tourism and catering (14.2 %) and business support services (13.2 %). The next most popular sector is industry (13.9 %), followed by the construction sector (12.3 %). As for the CUI-CAE, which is located in the not-for-profit sector, the majority of contracts are

<sup>315</sup> French Ministry of Labour (2013b), Le contrat unique d'insertion (CUI): dispositions générales.

<sup>316</sup> French Sénat (2014), Projet de loi de finances pour 2014: Travail et emploi.

<sup>317</sup> French Ministry of Labour (2014b), Les emplois d'avenir.

<sup>318</sup> Interview with Government official.

<sup>319</sup> French Ministry of Labour (2014b), Les emplois d'avenir.

<sup>320</sup> Interview with Local Mission representative.

<sup>321</sup> French Ministry of Labour (2013), Les contrats aidés du Plan de Cohésion Sociale (CIE,CAE,CAV, CI-RMA)

<sup>322</sup> French Senate: financial law regarding employment (2014), <http://www.senat.fr/rap/a13-159-8/a13-159-85.html>

set up with associations and foundations (47.7 %), followed by public schools (18.8 %) and municipalities (15.5 %).

While both CUI-CAE and CUI-CIE are not exclusively available for young people, the majority of participants are under 26 years old, including a considerable proportion of long-term unemployed young people (10.4 % for CUI-CIE and 8.2 % for CUI-CAE). In 2012, the proportion of women was higher in CUI-CAE (63.9 %) than in CUI-CIE (43.6 %). There have also been a considerable proportion of people with educational attainment higher than the French bachelor degree (18.4 % in CUI-CIE and 14.7 % in CUI-CAE).

The length of contracts for both CUI-CIE and CUI-CAE typically vary from 6 to 24 months with some exceptions for shorter contract duration or permanent contracts. In addition, the number of hours agreed in the contract may vary. Data from 2012 reveal an important difference between the two contracts. In CUI-CIE, approximately one third of contracts are fixed-term contracts and the rest are open-ended contracts. In comparison 99 % of contracts in CUI-CAE are fixed-term. This raises the **issue of employment sustainability** of CUI-CAE contracts.

The number of hours also varies considerably between the two types of contract. The majority (70 %) of employees in CUI-CIE work 35 hours a week or more, but in CUI-CAE the majority of employees (>60 %) worked less than 26 hours a week, with only around 10 % working 35 hours a week or more.

### Medium- and long-term effectiveness

A number of formal evaluations of the Single integration contract have shown positive results<sup>323</sup>. However, reports highlight that positive outcomes are more likely for those participating in the CUI-CIE rather than the CUI-CAE. In 2011, the *Conseil d'Orientation pour l'Emploi* (COE – Council for employment) found that subsidised work contracts in the private sector led to better labour market prospects (especially stable employment) than subsidised work in the not-for-profit sector. A 2010 evaluation by DARES<sup>324</sup> reports that 74 % of participants who completed a CUI in the private sector found a job after six months of completing the programme. In comparison, only 32 % engaged in a CUI in the not-for-profit sector secured stable employment after six months. However, disadvantaged groups of young people who were unable to secure employment in the private sector tend to engage in the CUI-CAE, and worse employment outcomes may be a natural consequence.

Moreover, DARES evaluations show that the **CUI-CIE has helped re-activate long-term unemployed young people**<sup>325</sup>. For example, data from 2010 suggest that engaging in this programme increased activation rates from an average of 9.3 % to 16 % for long-term unemployed males and to 16.9 % for females. A year-on-year comparison of CUI-CIE outcomes shows an increasing trend in activation rates.

It is difficult to assess the effects of a measure in the long term because longitudinal studies are rarely carried out. However, the majority of the stakeholders involved in this study confirmed that **this measure is a stepping stone for integration into the**

<sup>323</sup> See for example Fontaine (2012), Les effets macroéconomiques du CUI.

<sup>324</sup> DARES (2011), LES CONTRATS D'AIDE À L'EMPLOI EN 2010: maintien des entrées à un haut niveau pour soutenir un emploi encore fragilisé par la crise.

<sup>325</sup> DARES (2011), LES CONTRATS D'AIDE À L'EMPLOI EN 2010: maintien des entrées à un haut niveau pour soutenir un emploi encore fragilisé par la crise.

**labour market.** In practice, due to extensive use the programme has become a major feature of French employment policy<sup>326</sup>. This is also due to the active role of the local mission for young people, who are able to support the implementation of the measure.

According to the employer representative for third sector organisations, the measure offers a concrete opportunity to train young people who otherwise would not have had the opportunity<sup>327</sup>. In fact, one of the key success factors of this measure is compulsory training<sup>328</sup>. An evaluation also estimated that 10 months after the end of the programme, 40 % of young people benefiting from the measure found a job<sup>329</sup>. However it seems that 80 % of the jobs created are fixed-term posts.

Overall, the single integration contract (CUI) has received positive feedback; however, a number of observations can be derived from the evaluation of this policy programme. It is important to note that this policy measure brings together two different measures operating in the private and non-market sectors. The design and outcomes of the two strands of the CUI vary significantly from each other. The quality of training seems to play a relevant role. In the short and medium term the measure improves young people's '**soft skills**' to enhance their employability<sup>330</sup>.

As an expert observed, the success of the measure depends on the **educational attainment** of the young person. Young people with a formal qualification are more likely to enter employment on completion<sup>331</sup>. This varies by sector. According to an expert interview, the difference between the two measures is that the CUI-CAE targets young people unable to find work in the private sector<sup>332</sup>. While employment prospects are much worse in the non-market sector compared to the private sector, there has been a stronger focus on training in the CUI-CAE due to the nature of participants.

The economic climate of the country is also relevant. The measure seems to be effective, but it is not as successful in meeting the needs of young people from more deprived urban areas and less developed regions in France than it is in other areas<sup>333,334</sup>. Therefore the measure should strive to strike a balance between a centralised and regional approach to **target more hard-to-reach and disadvantaged groups**. Moreover, it has been reported that in France the support for initiatives in the private sector decreased throughout 2011<sup>335</sup>. Even so, in the light of a sharp increase in unemployment due to the most recent financial crisis, at the end of 2012 the French Government issued a statement saying that it would reinforce its focus on subsidised work contracts such as the CUI-CIE<sup>336</sup>.

Finally, the French media has regularly reported on abuses linked to this type of work contract<sup>337</sup>. While this policy tool is widely used, there is a perception that it allows for **abuse** from certain enterprises. These enterprises, occasionally located within public administration, can employ somebody under this contract for a limited period of time,

<sup>326</sup> Interview with Academic expert.

<sup>327</sup> Interview with Third sector employer representative.

<sup>328</sup> Interview with Academic expert.

<sup>329</sup> Interview with Local mission representative.

<sup>330</sup> Interview with Academic expert.

<sup>331</sup> Interview with Academic expert.

<sup>332</sup> Interview with Youth representative.

<sup>333</sup> Interview with Academic expert.

<sup>334</sup> EEO (2011), European Employment Observatory Review, Youth employment measures, 2010.

<sup>335</sup> INSEE (2011), Bilan 2011 – Politiques d'emploi.

<sup>336</sup> Direction de l'information légale et administrative (2012), Contrats aidés: quel impact sur l'emploi?

<sup>337</sup> Interview with Youth representative.

e.g. six months, and rather than extending the contract or offering a permanent position, they can hire another person under the CUI-CIE shortly afterwards. This seems to contrast with the observation of some other stakeholders who feel the measure is compliant with employment protection legislation<sup>338</sup>. In practice this is not always the case. When the CUI takes the form of an internship, less protection is applied and young people risk being exposed to precarious working conditions. However, when the CUI is based on apprenticeship schemes, they are better regulated and employment protection is in evidence. In other words, once a CUI contract is signed, the beneficiary is entitled to the same rights that apply to all other staff members and when present, collective agreements are applied to all workers<sup>339</sup>. As a consequence, **differential treatment** based on age rarely occurs and the measure does not lead to discrimination when it is based on the general legal employment protection and collective agreements (see section 1.3)<sup>340</sup>.

### 3.3.2. Professionalisation Contract (Contrat de Professionnalisation, CdP)

The *Contrat de Professionnalisation* (CdP – Professionalisation contract) which originated from the French social partners has been in operation since 2004. The two key objectives for young people are to (i) facilitate their labour market integration, and (ii) help them complete initial vocational training and acquire work-related experience to obtain an accredited qualification<sup>341</sup>. The measure combines work experience with formal training to integrate young people into the labour market. The programme targets young people under the age of 26 without any professional qualifications, as well as those wishing to complete training at any level. Therefore it is also open to older participants with a history of long-term unemployment. Companies are encouraged to hire young people for a specific period of time, ranging from 6 to 24 months. During this time the young person combines work with formal training to obtain a recognised vocational qualification. At the end of the programme, participants gain a vocational qualification certificate (*Certificat de Qualification Professionnelle*, CQP), a title or professional qualification supported by the collective, by professional sectoral agreement or within the National Qualifications Framework.

The measure is available for employers in both the private and non-market sectors (with the exception of local authorities and administrative public service institutions)<sup>342</sup>. Under the Professionalisation contract, employers are offered financial incentives in the form of a €1,000 one-off subsidy if they employ a person aged between 26 and 45. If the beneficiary is over 45 the subsidy is doubled<sup>343</sup>. The Emergency plan for youth (*Le Plan D'Urgence Jeunes*), launched in April 2009 in response to the economic crisis, foresaw additional financial incentives for employers if a CdP was converted into a permanent employment contract<sup>344</sup>. Under certain conditions (for instance for workers earning less

<sup>338</sup> Interview with Academic expert.

<sup>339</sup> For more information about The Single Integration Contract see <http://travail-emploi.gouv.fr/informations-pratiques,89/les-fiches-pratiques-du-droit-du,91/contrats,109/le-contrat-unique-d-insertion,10997.html> (Accessed 05.06.2014).

<sup>340</sup> Interview with OECD expert.

<sup>341</sup> French Ministry of Labour (2014), Contrat de Professionnalisation.

<sup>342</sup> ARF (2014), Contrat de professionnalisation.

<sup>343</sup> ARF (2014), Contrat de professionnalisation.

<sup>344</sup> French Prime Minister (2010), Plan d'urgence pour l'emploi des jeunes.

than €15.25 per hour), the CdP also allows employers to have social security contributions waived<sup>345</sup>.

### Short-term effectiveness

It is suggested that the CdP provides a real opportunity for work experience and training. Even when employees only have work experience of three to six months, it is suggested that this experience is appreciated by employers<sup>346</sup>.

Uptake of the CdP has generally been good and has increased consistently over the past few years<sup>347</sup>. By the end of 2012, a total of 154,000 people under 26 were engaged in a CdP<sup>348</sup>. The number of contracts increased by 17 % between 2011 and 2012. This increase was predominantly due to a rise in the number of contracts in the service sector (+19 %) and industry (+16 %). Moreover, there was an increase in the proportion of young people under the age of 26 new to the programme (from 17 % in 2010 to 19 % in 2011)<sup>349</sup>. However, the average contract duration has decreased<sup>350</sup>. In 2011 39 % of new contracts were for 6 to 11 months and only 18.4 % were for 12 months or more<sup>351</sup>.

An evaluation from 2012<sup>352</sup> shows that most people on a CdP are under 26 and only have limited work experience. While 85 % of participants have previous work experience this rarely exceeds one year. Prior to engaging in the programme 44 % of participants were already working, 37 % were engaged in training or education, 13 % were unemployed and 6 % were inactive<sup>353</sup>.

The majority of participants (72 %) engaged in this programme to prepare for a professional qualification while studying and working at the same time. Thirty-four percent found it important to engage in a paid activity, 15 % reported it was the only employment opportunity available and 13 % engaged in the programme because they were advised to by an employer<sup>354</sup>.

### Medium- and long-term effectiveness

The vast majority of participants in the programme have a qualification equivalent to or below ISCED 4 (post-secondary non-tertiary education level according to the International Standard Classification of Education)<sup>355</sup>, which corresponds with the target group for this measure. Evaluations of the CdP show very positive labour market

<sup>345</sup> Service Public (2014b), Réduction Fillon: réduction des cotisations patronales sur les bas salaires.

<sup>346</sup> Interview with Third sector employer representative.

<sup>347</sup> French Sénat (2014), La génération perdue ? L'Union européenne face au chômage des jeunes.

<sup>348</sup> French Sénat (2014), La génération perdue ? L'Union européenne face au chômage des jeunes; Director, Union Nationale des Missions Locales.

<sup>349</sup> DARES (2012a), Le Contrat de Professionnalisation en 2011: Plus d'Entrées qu'en 2010 et des Contrats plus courts.

<sup>350</sup> DARES (2012a), Le Contrat de Professionnalisation en 2011: Plus d'Entrées qu'en 2010 et des Contrats plus courts.

<sup>351</sup> DARES (2012a), Le Contrat de Professionnalisation en 2011: Plus d'Entrées qu'en 2010 et des Contrats plus courts.

<sup>352</sup> DARES (2012b), Le contrat de Professionnalisation: l'insertion des bénéficiaires varie surtout selon le métier préparé.

<sup>353</sup> DARES (2012b), Le contrat de Professionnalisation: l'insertion des bénéficiaires varie surtout selon le métier préparé.

<sup>354</sup> DARES (2012b), Le contrat de Professionnalisation: l'insertion des bénéficiaires varie surtout selon le métier préparé.

<sup>355</sup> Unesco Institute for Statistics: <http://www.uis.unesco.org/Education/Pages/international-standard-classification-of-education.aspx>.

outcomes after participation. This is interesting as the majority of young people engaged in the programme had only limited labour market experience prior to participation<sup>356</sup>. The *Groupement d'employeurs pour l'insertion et la qualification* (GEIQ – the Sectoral and inter-professional 'Grouping of Employers for Inclusion and Qualification'), for example, found that after completing this programme, 80 % of participants were able to transition into the labour market straight away. Moreover, in many cases previously **fixed-term work contracts were converted into open-ended contracts for successful participants**. GEIQ also found that CdP have proved to be highly effective in recruiting individuals with low qualifications and with labour market entry difficulties; especially young people<sup>357</sup>.

The *Délégation Générale à L'Emploi et la Formation Professionnelle* (DGEFP – General Delegation for Employment and Vocational Training) reported that the programme resulted in more than 75,000 young people being recruited across 37,000 companies in 2010. Under the framework of the emergency plan for youth employment which was launched in 2009, the government aimed for 170,000 CdPs to be signed between June 2009 and June 2010; an increase of 30,000 on 2008<sup>358</sup>.

The above figures are at odds with stakeholder observations. A trade union representative for young people observed that recently only 2,000 people have been permanently hired under CdP. In practice, CdP did not reach its full potential due to a lack of demand for young workers and a shortage of apprenticeship positions. More generally, not all large companies<sup>359</sup> are fully complying with French legislation which obliges them to create 5 % of apprenticeships internally<sup>360</sup>. It is suggested that large firms prefer to hire older and more experienced workers and pay a fine rather than complying with the law<sup>361</sup>. By targeting long-term unemployed and low-skilled individuals the measure is less attractive to employers.

Both trade union and employer representatives observed that because of specific arrangements under this contract workers might perceive that they are being treated differently. However, average educational attainment levels in the programme have increased recently, improving its image<sup>362</sup>. As stakeholders have highlighted, more employer involvement should be required when designing the policy to increase its effectiveness<sup>363</sup>.

The CdP was also designed to combat quasi-structural issues in France, with the aim of supporting young people without professional qualifications or seeking to complete professional training. The picture emerging from evaluation is mixed, as **career development and employment security issues persist**<sup>364</sup>.

Subsidised work contracts for people experiencing difficulties in entering the labour market is a widely used ALMP in France. Almost one quarter of people under the

<sup>356</sup> DARES (2012), *Le contrat de Professionnalisation: l'insertion des bénéficiaires varie surtout selon le métier préparé*.

<sup>357</sup> Dif, M. (2012), *National Report on Traineeships – France*, in Hadjivassiliou, P. K., Rickard, C., Pesce, F., Samek, M. et al, *Study on a Comprehensive Overview on Traineeship Arrangements in Member States*, Final Synthesis Report prepared for the European Commission, 31.5.2012.

<sup>358</sup> EEO (2011), *European Employment Observatory Review, Youth employment measures, 2010*, p. 21.

<sup>359</sup> For the French legislation large companies are those with more than 225 employers.

<sup>360</sup> Interview with Youth representative.

<sup>361</sup> Interview with Youth representative.

<sup>362</sup> Interview with Academic expert.

<sup>363</sup> Interviews with Academic expert and youth representative.

<sup>364</sup> Lefresne (2012), *Youth Unemployment and Youth Employment Policy, Lessons from France*.

age of 26 are currently engaged in some form of subsidised work such as the CUI. The Professionalisation contract was set up with the aim of supporting young people without any professional qualification or seeking to complete any stage of professional training. While some of the programmes have been evaluated positively, it has been claimed that the impact of subsidised work contracts on the ability of young people to access employment and, therefore, become financially independent has been limited.

Experts have also highlighted a series of adverse effects as well as long-term challenges in connection with these public policy interventions. While some of the programmes have been evaluated positively, young people are still struggling to become financially independent. It has also been highlighted that the high proportion of state-subsidised jobs has failed to promote mobility across career paths and, moreover, has contributed to the **decline in the number of standard employment contracts**, a similar outcome to the Polish case study.

Trade unions also remain critical about youth employment measures such as hiring subsidies as well as a reduction in non-wage costs for several reasons<sup>365</sup>. One reason is that trade unions believe these measures imply that young people are a burden for companies. Moreover, trade unions reject the idea that companies do not have to contribute anything in return. In their opinion, hiring subsidies and/or a reduction in non-wage costs may result in deadweight loss (i.e. the company would have hired somebody anyway), or bear the risk of only postponing unemployment<sup>366</sup>. It has also been highlighted that during times of austerity these measures conflict with government's commitments to reduce public deficits. It has also been suggested that in order to increase the effectiveness of subsidised contracts these contracts should be targeting more disadvantaged populations<sup>367</sup>.

### 3.4. Italy

#### KEY FINDINGS

- Italy has a southern model of welfare with insurance mechanisms financed by payroll taxes. Italy has very high youth unemployment compared to other EU Member States and a highly segmented and protected labour market. Vocational education and training takes place at school.
- In Italy, youth unemployment has become a structural problem in the labour market, particularly since unemployment has not been linked to educational attainment in recent years. This is the result of various barriers (e.g. skill mismatch) that hinder successful transitions from school to work.
- Reforms have been introduced to liberalise fixed-term contracts and ease the hiring process for employers. They have mainly affected young workers, who currently have fewer protections and benefits in periods of unemployment than older workers. In addition to this age demographic difference there is also a regional divide.

<sup>365</sup> Gineste (2010), EEO Review: Youth Employment Measures, 2010, France.

<sup>366</sup> Also confirmed by Interview with OECD expert.

<sup>367</sup> Also confirmed by Interview with OECD expert.

- Youth employment measures in Italy are designed to both increase the demand for labour and enhance the employability of young workers. Italy has also tried to incentivise young people to become self-employed.
- The intervention *Formazione e innovazione per l'occupazione* or Training and Innovation for Employment (FIXO) is an active labour market policy (ALMP) designed to solve the mismatch between labour supply and demand which has prevented skilled young people in Italy from entering the labour market. The measure has proven effective, but it has limited scope and therefore limited impact. Youth local plans (*Piani Locali Giovani – PLG*), by contrast, are a measure to facilitate self-employment of young people. As access to loans is very strict, interventions to encourage youth self-employment are limited.
- In some cases traineeships have been used as a tool to reduce the cost of labour and there is evidence of the risk of a 'training trap'. However, the measure is now transitioning toward the application of apprenticeship schemes.
- By focusing on skilled people the measure suggests that there is limited political emphasis on 'hard to reach' young people, who are those most exposed to multiple disadvantages and discrimination.
- The country has many initiatives at local, regional and national level. Despite this, Local Youth Plans have tried to enhance the design of these policies as they are fragmented. Co-ordinated labour market policies are few and far between and the Public Employment Services (PES) are not very active in helping young people.

### National context

With respect to labour market interventions Italy defines young workers as those aged 16–24. The benchmark age for entry to the labour market is 15<sup>368</sup>. Most recently the country has extended the age range of policies for young workers because of the crisis. Apprenticeship contracts are extended up to age 32<sup>369</sup> and the Youth Guarantee to 29<sup>370</sup>. Historically the country has favoured measures supporting the demand side of the labour market by reducing the cost of labour and offering incentives to employers – in a similar way to the UK case study<sup>371</sup>.

Italy has a **Southern model of welfare** where benefits are not universal, but rely on insurance mechanisms financed by payroll taxes, which link financial support to the previous revenues of claimants (with some adjustment). This system is characterised by differing benefits and managing bodies and the fact that **social spending tends to be skewed toward specific risks such as old-age pensions**<sup>372</sup>. There has been consistently **high employment protection** despite the country seeking to introduce greater labour market flexibility since the 1990s (similar to the French and Polish case studies). Older workers are typically overprotected with respect to type of contract, social security and entry wages. The reforms introduced to liberalise fixed-term contracts<sup>373</sup> and ease the hiring process for employers<sup>374</sup> have mainly affected young

<sup>368</sup> Law 262/2000: Protection of young workers.

<sup>369</sup> Interview with Government official.

<sup>370</sup> Interview with Youth representative.

<sup>371</sup> Interviews with Employer representative and Academic expert.

<sup>372</sup> Ferrara, M. (1996), 'The Southern Model of Welfare in Social Europe', *Journal of European Social Policy*, Vol. 6, No. 1, 17–37.

<sup>373</sup> Law 368/2001.

<sup>374</sup> Law 30/2003.



workers, who currently have fewer protections and benefits in periods of unemployment than older workers. In addition, extending working life and recent pension reform have further reduced labour demand and the quality of jobs. As a result **dualism** between older workers ('insiders') and younger workers ('outsiders') has become the main feature of the Italian labour market<sup>375</sup>.

As Figure 12 shows, the pre-crisis unemployment rate of young people in Italy was always higher than the EU average. Unemployment of workers aged 25–64 has been similar to or lower than the EU average in the same period.

**Figure 12: Unemployment rate (%) by age in Italy, 1998–2012**



Source: Eurostat, LFS.

The **high level of youth unemployment** indicates structural problems in the transition from education to work. This is confirmed by the presence of a large proportion of NEET young people in comparison with the EU average (an emerging problem in the UK case study as well)<sup>376</sup>. A study from Eurofound also shows that being NEET in Italy does not depend on educational attainment, as the cohort of NEETs aged 20–24 (those who have completed secondary school) has expanded significantly since 2008 (from 16 % in 2008 to 20 % in 2010)<sup>377</sup>.

Research has concluded that low participation of young people in the labour market seems to be involuntary and the result of various barriers (e.g. distance from the labour market, skills mismatch, vulnerabilities or preference for prior work experience) that hinder successful transitions from school to work. The Polish case study reported similar findings regarding a mismatch between education provision and labour market demands for skills.

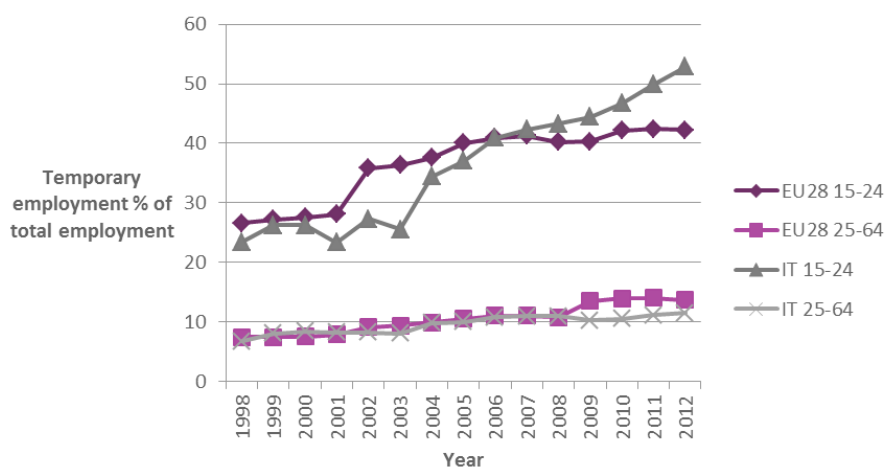
Dualism in the Italian labour market is evident as **young people are disproportionately employed in temporary contracts** in comparison with their European counterparts and with Italian workers aged 25–64. When considering that these atypical forms of contract account for 20 % of all existing jobs, this dualism appears to be more dramatic<sup>378</sup>.

<sup>375</sup> Boeri T., Garibaldi P. (2007), 'Two-tier Reforms of Employment protection Legislation: A Honeymoon Effect', *Economic Journal*, Vol. 117.

<sup>376</sup> Annex: Table 12.

<sup>377</sup> Eurofound (2012), NEETs: Young people not in employment, education or training: Characteristics, costs and policy responses in Europe.

<sup>378</sup> Interview with Employer representative.

**Figure 13: Temporary employment in Italy as a % of total employment ages 15–24, 1998–2012**

**Source:** Eurostat, LFS.

It has been argued that stricter employment protection legislation (EPL) and increased public spending on active labour market policies (ALMPs) have a clear impact on young workers in Italy. More restrictive EPL is associated with higher costs for employers, thereby reducing offers of permanent employment to young people<sup>379</sup>. In the last decade fixed-term contracts in dependent employment have been deregulated, and subsequently the proportion of people in flexible and atypical employment (including 'artificial' self-employment and self-dependent work)<sup>380</sup> has increased above the EU average<sup>381</sup>.

Studies carried out in Italy have demonstrated that policies promoting temporary employment can improve labour market access, but this depends on the design of the policy and contextual factors<sup>382</sup>. Italian companies, for instance, tend to use temporary contracts as a **labour cost reduction strategy** rather than as a screening system to select new workers<sup>383</sup>. This is a common complaint or concern across all of the country case studies. However, employers maintain that temporary workers are preferred not because of the costs of their labour, since this is higher than for regular workers, but rather because the process for their dismissal, when necessary, is more flexible<sup>384</sup>.

<sup>379</sup> European Parliament (2013b), Combining the Entry of Young People in the Labour Market with the Retention of Older Workers.

<sup>380</sup> As Lodovici and Semenza (2012) observed, new contractual forms such as 'collaboration contracts' increased the number of self-employed and freelance workers who work for a single employer with low autonomy and high dependency. Firms find these contracts advantageous in terms of flexibility and keeping labour costs down.

<sup>381</sup> O'Higgins, N. (2010), The Impact of the Economic and Financial Crisis on Youth Employment: Measures for Labour Market Recovery in the European Union, Canada and the United States, ILO Employment Sector, Employment Working Paper No. 70.

<sup>382</sup> Berton F., Pacelli L., Devicienti F. (2009), *Are temporary jobs a port of entry into permanent employment? Evidence from matched employer-employee data*. Department of economics and public finance – Università di Torino, Working paper n.6.

<sup>383</sup> Interview with Trade union representative

<sup>384</sup> Interview with Employer representative

Regarding working conditions, studies carried out in the last decade have concluded that there is a wage penalty for temporary workers of 12–13 % in comparison with workers on open-ended contracts with similar job profiles<sup>385</sup>. Similarly, another study found that the loss incurred by a lower entry wage was not offset by a more rapid career path later<sup>386</sup>.

A further analysis argued that low-income jobs combined with career discontinuity and soft payroll taxes do not ensure social security coverage and sufficient pension income, mirroring findings from the UK case study<sup>387</sup>.

In this context ALMPs, which were designed to compensate for strict EPL, have instead created temporary rather than permanent jobs<sup>388</sup>. As observed by the European Commission, Italy is also characterised by the widespread **use (and abuse) of traineeships among young people**, including graduates<sup>389</sup>.

## Policy context

As indicated above, in Italy the labour market situation for young workers is worse than for prime-age workers<sup>390</sup>. This may be partly due to the progressive liberalisation of non-standard contracts and creation of precarious employment in conjunction with strict EPL for permanent employment. Several strategies and initiatives have recently been introduced to address the situation for young people.

In Italy, according to Constitutional Law no. 3/2001 regions have legislative and executive powers in all subjects that are not expressly covered by state legislation<sup>391</sup>, including youth policies. This is very important in the context of employment interventions for young people. For instance, in 2010 Framework Programme Agreements (APQs – *Accordi di Programma Quadro*) a total budget of €66 million was signed at central level (Presidency of the Council of Ministers – Youth Department) and regional level with the aim of increasing the social inclusion of young people. As a result of decentralisation there is regional variation in the implementation of policies for young people.

In 2010, the Ministry of Labour and Social Policies, the Ministry for Youth and the Ministry of Education, University and Research presented an Action Plan for the Employability of Youths (Italia 2020 – *Piano di azione per l'occupabilità dei giovani attraverso l'integrazione tra apprendimento e lavoro*). The aim of the plan was to support the integration of school and work by revitalising the role of the universities as active actors in ALMPs. By comparison the Austrian and Finnish case studies had much better evidence of proactive social partner integration in policy design and implementation. €1

<sup>385</sup> Picchio M. (2006), *Wage differentials and temporary jobs in Italy*, UCL Discussion paper n.33.

Picchio M. (2007), *The dynamics of unemployment, temporary and permanent employment in Italy*, Dipartimento di Economia – Università Politecnica delle Marche, Quaderni di Ricerca, n.286.

<sup>386</sup> Rosalia A., Torrini R. (2006), *The generation gap: relative earnings of young and old workers in Italy*. Banca di Italia – Temi di discussione, n.639.

<sup>387</sup> Borella M., Segre G. (2008), *Le pensioni dei lavoratori parasubordinati: prospettive dopo un decennio di gestione separata*, Cerp, WP n.78.

<sup>388</sup> European Parliament (2013b), *Combining the Entry of Young People in the Labour Market with the Retention of Older Workers*

<sup>389</sup> European Commission (2012c), *Study on a Comprehensive Overview on Traineeship Arrangements in Member States*, Report prepared by IES, IRS and BIBB for DG EMPL. <http://bookshop.europa.eu/en/study-on-a-comprehensive-overview-on-traineeship-arrangements-in-member-states-pbKE3012495/>

<sup>390</sup> European Commission (2011), *Commission staff working document on EU indicators in the field of youth*.

<sup>391</sup> Italy doesn't have a national youth law, but youth is constitutionally protected (art.31 of the Italian Constitution).

billion of funding was planned to be invested in the plan, including funds from the 'Right to the Future' (*Diritto al Futuro*)<sup>392</sup> initiatives, a package of measures to tackle the precarious position faced by many young people. The measures had a budget of €300 million from the Youth Department (€216 million) and other public and private sources.

An important tripartite intersectoral agreement was signed on 27 October 2010 to 'revitalise' apprenticeships. The agreement was signed by the government, regional authorities (responsible for implementation) and the social partners, including the major trade unions and employer associations<sup>393</sup>. The agreement identified problems regarding the employment of young people, and set out a number of guidelines to reform 'professional' apprenticeships (*apprendistato professionalizzante*) and defined a better framework for traineeships, in order to avoid abuses of these contracts and other similar contractual arrangements. The agreement therefore required an implementation phase both at regional level, to clarify existing rules, and at national level, to improve the general regulatory framework.

Subsequent labour market reform in 2012 is the latest attempt to change the legislative framework applying to traineeships and internships. Following this reform, traineeship guidelines were signed by the Conference of the Regions in January 2013. These guidelines present a national framework and the regions have to legislate accordingly.

Regarding proposals to convert precarious employment into stable employment, trade unions have started focusing more on 'outsiders'<sup>394</sup> by organising **second-level collective agreements**. However the Protocol on pensions, employment and competitiveness (Law 247/2007), which attempted to limit the misuse of fixed-term contracts for companies was repealed by legislative decree 112/2008 (subsequently converted into law 133/2008)<sup>395</sup>, which reintroduced **job-on-call contracts** and established that the maximum contract duration of 36 months for temporary contracts can be amended by collective bargaining (including at local level)<sup>396</sup>.

#### 3.4.1. Training and innovation for employment (Formazione e innovazione per l'occupazione)

The **FIXO programme (*Formazione e innovazione per l'occupazione* – Training and Innovation for Employment)** was introduced in 2006 following reform of the Italian university system, which reduced the length of tertiary education from five to three years and tried to make training and/or work experience compulsory for the attainment of a degree<sup>397</sup>. Since it began, the programme has explored different types of intervention (establishment or enhancement of placement offices in Italian universities; traineeships and apprenticeships, support for firm start-ups, networking among different stakeholders at both local and national), and operates nationwide. FIXO is mainly aimed at increasing the employment rate of young graduates (and in its most recent form also

<sup>392</sup> National report: First cooperation cycle of the EU Youth Strategy 2010–2012.

<sup>393</sup> Eurofound (2011) 'Italy. EIRO CAR on 'Helping young workers during the crisis: contributions by social partners and public authorities'. <http://www.eurofound.europa.eu/eiro/studies/tn1101019s/it1101019g.htm>.

<sup>394</sup> Interview with Trade union representative.

<sup>395</sup> Law 133/2008 for urgent dispositions for economic development, simplification, competitiveness, financial stability and fiscal equal distribution.

<sup>396</sup> European Employment Observatory, EEO Review: Youth Employment Measures, 2010, Italy.

<sup>397</sup> Decree: 3. November 1999: Regulation regarding autonomy of the universities (*Regolamento recante norme concernenti l'autonomia didattica degli atenei*).

for young people holding a high school diploma), favouring a smooth, fast and stable transition from education to employment.

### Short-term effectiveness

Data from activation of the first stage of FIXO found that the number of young people enrolled on the programme was 35,250 compared to 227,950 students graduating in 2009. This information suggests **the measure has limited scope** as it only reached approximately 10 % of graduates in 2009.

Importantly, of the 35,250 students who enrolled, less than half undertook training (15,905 training and 734 company-based tutoring). During training, students receive €200 a month and employers receive €2,300 to cover the cost of tuition. 1,129 young people were involved in training in innovation for unemployed graduates. Students receive between €500 and €1,000 a month (depending on regional law), while universities and employers receive €2,500 and €3,000 respectively to cover the cost of training. This type of funding is similar to that described in the Austrian case study, but different from the Polish case study where participants are paid 120 % of unemployment benefit for taking part in training and work experience.

Furthermore, the specific training course to develop skills for technological innovation and research products in enterprises has been completed by 1,165 young university graduates. In addition, 82 university spin-off schemes have been created due to the technical assistance and support offered by the FIXO programme, while 700 young graduates and PhD holders have completed traineeships.

Regarding the regional distribution of the measure, the largest share of beneficiaries among students was from the South of Italy (52.2 %), followed by the North (29.8 %) and then the Central region (17.8 %). Conversely, firms' requests to take part to the programme were mainly from the North (40.7 %). Companies were predominantly private sector, particularly the service (28.8 %) and manufacturing (13 %) sectors. However these data do not show the variability between regions. The percentage of training in the public sector peaked in the South (37 %) and is much lower in the North West (7.8 %).

This scenario suggests that there are more barriers for students from the South in accessing the labour market as the measure is more relevant for them. This also demonstrates the weakness of the industrial fabric of the South. In fact, data from 2010–2012 found lower interest from companies in the South, despite extensive promotion of the measure in this region<sup>398</sup>. As one representative of the Italian agency for work claims, 'there is not a high level of trust toward the public administration and very often small and medium enterprises, which are of a limited size and do not have a human resource department, believe that the administrative burdens of these agreements are too heavy, therefore they prefer not to subscribe to the programme'<sup>399</sup>.

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<sup>398</sup> Italia lavoro – Area transizione istruzione lavoro – FIXO II. Indagine sulle modalita' di realizzazione dei project work. Innovazione da parte delle Università.

<sup>399</sup> Interviews with Government official and Employers' representative.

## Medium- and long-term effectiveness

The second stage of the programme is mostly apprenticeships, stemming from the first stage of the programme. Therefore this aspect of the measure is discussed as part of the medium- to long-term effectiveness of the measure.

**The FIXO programme has achieved good results** in supporting young people in their transition into work and in developing skills relevant to the labour market in a challenging environment. A total of 15,905 young university graduates have participated in training with a drop-out rate of <1 %. The rate of entry into the labour market was 11.6 % (1,597 participants) at the point of completion. This rate is higher than the national average (~10 %) for traineeships carried out outside the FIXO programme. Crucially, 60 % of young graduates who had completed a post-graduate traineeship found a job compared to 44 % of those who did not. However, no data are available regarding the type of contract they were offered.

It must be noted that there is some variation regarding the medium-term effectiveness of the measure. The training appeared to be more effective with respect to occupational outcomes for engineering graduates (19.5 %) rather than humanities and literature graduates (6.6 %). For engineering graduates the measure facilitated access to the labour market, while for humanities and literature graduates the programme helped in the development of soft skills competencies but this was not sufficient to meet labour market demands.

Also, the training appeared to be less effective in the South, although the measure is still perceived as a positive experience. In the North the measure has been used instead of a probation period for newly hired workers<sup>400</sup>. Analyses in both parts of the country reported a distorted use of traineeships. Young graduates were used to compensate for staff shortages.

An expert from the Italian Public Research Centre on Education and Social Policies (Isfol) and a trade union representative confirmed these findings by explaining that Italian companies might have adopted traineeships to reduce labour costs<sup>401</sup>. Moreover, with respect to social benefits, traineeships are not covered by any form of protection, and in the absence of proper guidance from Public Employment Services (PES) they might become a 'training trap' where young people move in and out of training schemes but not into employment<sup>402</sup>.

There is a lack of longitudinal and tracking studies for this measure so no formal conclusions on its long-term effectiveness can be drawn. However, interview responses indicate that **the measure seems to have had a minor impact on reducing unemployment**, but not on increasing employment, due to its small budget<sup>403,404</sup>.

<sup>400</sup> Italia Lavoro: i risultati degli uffici di placement: uno strumento strategico per l'occupazione.

<sup>401</sup> Interviews with Government official and trade union representative.

<sup>402</sup> Caroleo F.E. and F. Pastore (2005), 'La disoccupazione giovanile in Italia. La riforma della formazione come alternativa alla flessibilità', *Economia e Lavoro*, 39(2), 49–66 (also available in P.R. Gelmini and M. Tiraboschi, (2006), *Scuola, Università e mercato del lavoro dopo la Riforma Biagi*, Giuffrè, Milano, Chap. 2; and as CELPE Discussion Paper, n. 83, October).

<sup>403</sup> Interview with Government official.

<sup>404</sup> Interview with Trade union representative.

Spending on ALMPs in Italy decreased to 0.4 % of GDP in 2010,<sup>405</sup> which is relatively low in the context of the EU where the average is closer to 0.8 % of GDP<sup>406,407</sup>.

The above considerations have led to a modification of the measure toward company-apprenticeship schemes, which has been positively received by employers, as this is a chance to improve students' 'skills mismatch'<sup>408</sup>. The second stage of the measure was introduced in 2012 and has so far resulted in 415 apprenticeship contracts.

Although it is still too early for a proper assessment of the impact of the second stage of the measure, observations from respondents and early data extraction reveal that it is a step in the right direction, because i) each contract requires training towards a formal qualification (56 % of the contracts stipulated aim at a master degree title), ii) the apprenticeship is of a decent length (47 % of contracts will last 24 months), iii) despite its small scope, the scheme allocates sufficient resources to participants (€6,000 per participant excluding technical assistance costs), iv) the contracts stipulated have a high labour market entry rate (87.7 %)<sup>409</sup>, and are predominantly permanent contracts, and v) apprenticeships are protected since they are regulated under national law and agreed on in collective bargaining agreements<sup>410</sup>.

### 3.4.2. Youth local plans (*Piani Locali Giovani* – PLG)

***Piani Locali Giovani* (PLG – Youth local plans)** was a pilot measure introduced in 2006 under the more general framework of the 'Right to Future' action and 'National fund for youth policies' (*Fondo nazionale politiche giovanili*). The initiative was promoted and implemented by a network of 83 municipalities in 27 territorial areas of 16 regions, and supported by the Presidency of the Council of Ministers, Youth Department, and lasted until 2010. The PLG sought to support the activities of young people under the age of 35. This was to be achieved through a wide range of measures: fiscal deductions, financial support for start-up companies, promotion of self-employment among young people and support to associations of self-employed workers (cooperatives) and on-the-job traineeships. For the purposes of this study, when possible, the analysis focuses on the actions supporting self-employment and access to credit.

#### Short-term effectiveness

The budget for PLG was €8.5 million in total (less than a sixth of the cost of the YG in Finland), of which 47 % was from local level and 53 % from the national fund for youth policies<sup>411</sup>. The share of funding from local authorities reached 112 % of the amount originally planned. Analysis from 2010 reveals that in the 27 territories that took part in the project, 344 partnerships were created, involving 104 public bodies, 67 universities and 73 private companies. At the end of 2009 the PLG was able to reach 85,000 young people through 262 actions. However, only 5,862 people were identified as beneficiaries,

<sup>405</sup> Interview with Academic expert.

<sup>406</sup> Kluve, J. (2010), 'The effectiveness of European active labor market programs', *Labour Economics*, Vol. 17, No. 6, 904–918.

<sup>407</sup> Interview with Academic expert.

<sup>408</sup> Interview with Employers' representative .

<sup>409</sup> Interview with Government official.

<sup>410</sup> Law 167/2011. Consolidated act on apprenticeship.

<sup>411</sup> Ministero della Gioventù *I piani locali giovani – Investimento capital umano, democrazia*.

through actions focused on employment (55.2 %), housing (7.4 %), access to credit (32.8 %) and technical assistance (32.8 %) <sup>412</sup>.

Partial data from 2008 reveal that actions relating to employability and self-employment reached 1,520 beneficiaries (€3.086 per beneficiary), while actions to support access to credit reached 175 young people <sup>413</sup>. **Overall the short-term effectiveness of the measure can be rated as partly satisfactory.**

### Medium- and long-term effectiveness

Due to a lack of data the medium- and long-term effects of the PLG are difficult to assess. This can be attributed to the absence of a system to monitor youth actions at local level. Nevertheless, available research on the pilot enables some reflections to be made on the sustainability of the policies for young people and on the role of public and private actors.

The evaluation report for youth policies for the period 2007–2013 reveals that the approach promoted by the **PLG was innovative and holistic** and considered employment, housing and credit access in the context of young people <sup>414</sup>.

The project was also successful in supporting partnerships within and between municipalities and other partners (i.e. private companies and universities) <sup>415</sup>. Moreover, the PLG coordinated the plethora of actions that were put in place at local level after devolution of Italian public administration in the 1990s. Some of the initiatives have now been mainstreamed into the national policy for young people and several municipalities have set up multidisciplinary groups to design policy for young people <sup>416</sup>.

Nevertheless, the policy has some drawbacks. **The sustainability of actions is low**, especially in the South. After the termination of measures very few businesses continued their activities <sup>417</sup>. As the trade union representative suggested, self-employment measures might be regarded as an indirect form of income support (i.e. passive labour market policies). This position might appear far too pessimistic, but a major involvement of the banking sector was pivotal to leverage entrepreneurship and investment <sup>418</sup>. In reality the criteria to access credit were stringent.

In conclusion, several reforms and actions have been introduced to support the transition from school to work and improve working conditions for young people. However a set of mutually coherent labour market policies to tackle this issue is not yet in place. Italy appears to be continually attempting to develop an innovative approach to tackle youth unemployment.

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<sup>412</sup> Presidenza del Consiglio dei Ministri Dipartimento della Gioventù – Politiche giovanili di modello europeo.

<sup>413</sup> Ministero della Gioventù *I piani locali giovani – Investimento capital umano, democrazia*.

<sup>414</sup> Corte dei Conti *Indagine di controllo su Fondo per politiche giovanili*.

<http://politichegiovanili.it/news/corte-dei-conti-pubblicati-gli-esiti-dellindagine-condotta-su-fondo-per-le-politiche-giovanili>.

<sup>415</sup> Presidenza del Consiglio dei Ministri Dipartimento della Gioventù – Politiche giovanili di modello europeo.

<sup>416</sup> Interview with Local governing body representative.

<sup>417</sup> Interview with youth representative.

<sup>418</sup> Iser (2013), *Politiche giovanili di modello europeo. Ipotesi per una valutazione qualitativa degli interventi promossi da Anci col finanziamento del Fondo Nazionale Politiche Giovanili*.



### 3.5. Poland

#### KEY FINDINGS

- Poland has recently transitioned from a centrally planned economy to a market economy and has a relatively high level of youth unemployment in the context of the EU. Poland does not have a longstanding tradition of youth employment measures.
- Poland has a very high proportion of young people on temporary contracts in comparison with other EU countries. In practice the labour market is highly segmented with persistent use of fixed-term employment, including civil law contracts.
- Vocational education and training (VET) is provided at school. Graduates of tertiary education have increased in number and graduates of VET have decreased. This is partly due to recent economic reform, but also because VET was mainly delivered via state-controlled firms, many of which are now privatised or dismantled. There is currently extensive skill mismatch in the Polish labour market.
- Work Practice (work experience) and Training Courses are two measures designed to enhance the employability of young people and address skill mismatches. Both measures have positive employment effects for young people; however, they were associated with temporary rather than permanent employment outcomes. This may be a concern for young people as there is a risk of 'training traps'.
- Dissatisfaction with Public Employment Services (PES) is common and infrastructure for delivery of active labour market policies (ALMPs) in Poland may not be able to meet the demand of young people.

#### National context

In publications by Eurofound and the European Commission young people in Poland are defined in line with typical EU definitions of ages 15–24<sup>419,420</sup>. However in some contexts the age range for young people is sometimes extended as far as 34<sup>421</sup>. The higher than usual age bracket is considered a response to a high unemployment rate amongst graduates (who often finish university aged 25 or older), who are one of the key groups requiring support to enter the labour market<sup>422</sup>.

**The unemployment rate in Poland is highest for 18–19-year-olds** (29.0 % for men, 23.4 % for women)<sup>423</sup> and youth unemployment for ages 15–24 is not too dissimilar from the EU28 average (26.5 % compared to 22.9 % in 2012). From a historical perspective youth unemployment is relatively low in comparison to the early

<sup>419</sup> European Commission (2011), The European Social Fund: Giving young people a better start in life.

<sup>420</sup> Interview with Trade Union representative.

<sup>421</sup> Central Statistical Office of Poland (2010), Entry of young people into the labour market in Poland in 2009.

<sup>422</sup> Program 'MŁODZI NA RYNKU PRACY' Działania na rzecz zmniejszenia bezrobocia młodzieży, MPIPS, Warszawa 2012.

<sup>423</sup> Central Statistical Office of Poland (2010), Entry of young people into the labour market in Poland in 2009.

2000s<sup>424</sup> when the country experienced structural problems associated with economic reforms.

There is also significant regional variation in youth unemployment. In 2009, it was 9.7 % in Warsaw (City) compared to 26.3 % in the *Wielkopolskie Voivodship* (an industrialised province); a finding which was very similar to the French case study.<sup>425</sup> Coordinating education, employment and labour market policies is put forward as a method to improve the situation in Poland.<sup>426</sup>

**Figure 14: Unemployment rate (%) by age in Poland, 1998–2012**



Source: Eurostat, LFS<sup>427</sup>.

There are many structural aspects of Poland's labour market that need to be considered in the context of youth employment measures. Firstly, Poland only relatively recently moved from a centrally planned economy to a market economy and some aspects of the labour market suggest the country is still somewhat in economic transition. Eurofound reported that existing structural patterns of unemployment have been exacerbated by the recent economic crisis, which was also observed in the UK and Italy case studies<sup>428</sup>.

Poland has **a relatively low level of employment protection legislation (EPL)** (OECD 2008 index was 2.4)<sup>429</sup>. However, EPL is relatively high for permanent employees but quite low for temporary employees<sup>430</sup>. This has led to recent controversy about

<sup>424</sup> OECD (2009), *Jobs for Youth: Poland*.

<sup>425</sup> Mrozowicki (2011), Poland: EIRO CAR on 'Helping young workers during the crisis: contributions by social partners and public authorities'.

<sup>426</sup> Sienkiewicz, L. (2009), *Rough times: solving the youth employment puzzle*.

<sup>427</sup> EU28 figures for 1998–2001 are estimates based on available data.

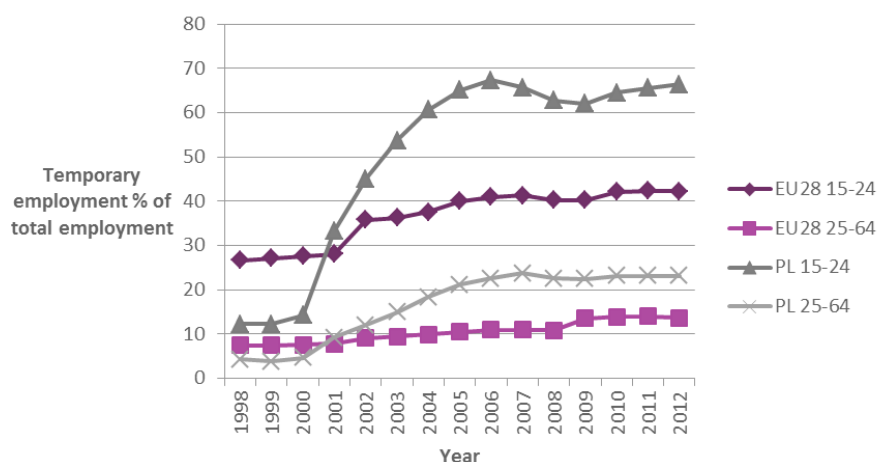
<sup>428</sup> Eurofound (2011), *Helping young workers during the crisis: contributions by social partners and public authorities*.

<sup>429</sup> Venn, D. (2009), 'Legislation, Collective Bargaining and Enforcement: Updating the OECD Employment Protection Indicators', OECD Social, Employment and Migration Working Papers, No. 89, OECD Publishing. <http://dx.doi.org/10.1787/223334316804>.

<sup>430</sup> According to the 2013 OECD's Employment Protection Legislation (EPL), Poland's EPL in 2013 was as follows: I) Permanent contracts: (i) the EPL score for protection of permanent workers against individual and collective dismissals is 2.39 (vs. an OECD average of 2.29); (ii) the EPL score for protection of permanent workers against individual dismissal is 2.20 (vs. an OECD average of 2.04); (iii) the EPL score

employment contracts which are regulated under civil rather than labour law, where an alternative option might be to make existing contracts more flexible (a concept known as 'flexicurity')<sup>431</sup>. There is a risk that this could lead to a **dualism** in the labour market, where older workers predominantly have secure permanent contracts ('insiders') and younger workers predominantly have insecure temporary contracts ('outsiders'); similar to the French and Italian case studies. This is particularly pertinent for Poland which has the second highest incidence of temporary contracts for young people in the EU<sup>432,433</sup>. For example, in 2012 the proportion of young people on temporary contracts was 65 %, while in 2013 this rose to 68.6 %<sup>434,435</sup>. This very high incidence of temporary and precarious employment of young people has been the subject of intense debate for a number of years. To this end, Polish trade unions have been asking that such contracts are better regulated. In particular, they advocate for temporary contracts to have a limit to their duration<sup>436</sup>.

**Figure 15: Temporary employment in Poland as a % of total employment by age, 1998–2012**



Source: Eurostat, LFS<sup>437</sup>.

for specific requirements for collective dismissal is 2.88 (vs. an OECD average of 2.91); and (iv) the EPL score for regulation on temporary forms of employment is 2.33 (vs. an OECD average of 2.08), II) Temporary contracts: (i) the EPL score for fixed-term contracts is 0.50 (vs. an OECD average of 2.08); (ii) the EPL score for Temporary work agency employment is 1.83 (vs. an OECD average of 2.08): <http://www.oecd.org/employment/emp/oecdindicatorsofemploymentprotection.htm>.

<sup>431</sup> OECD (2009), Jobs for Youth: Poland.

<sup>432</sup> European Commission (2013a), Starting Fragile – Gender Differences In The Youth Labour Market, Final Report prepared for DG Justice by Fondazione Giacomo Brodolini (FGB) and Istituto per la Ricerca Sociale (IRS), April, [http://ec.europa.eu/justice/gender-equality/files/documents/130902\\_starting\\_fragile\\_report\\_2013\\_en.pdf](http://ec.europa.eu/justice/gender-equality/files/documents/130902_starting_fragile_report_2013_en.pdf).

<sup>433</sup> Vidovic, H. (2013), Labour Market Developments and Social Welfare, Vienna Institute for International Economic Studies (wiiw), November.

<sup>434</sup> Eurofound (2013a), Young People and Temporary Employment in Europe, January. <http://www.eurofound.europa.eu/emcc/erm/studies/tn1304017s/index.htm>.

<sup>435</sup> European Commission (2014a), Assessment of the 2014 National Reform Programme and Convergence Programme for Poland, Commission Staff Working Document, SWD(2014) 422 final, Brussels, 2.6.2014, [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

<sup>436</sup> Eurofound (2013b), Working Conditions of Young Entrants to the Labour Market, <http://www.eurofound.europa.eu/docs/ewco/tn1306013s/tn1306013s.pdf>.

<sup>437</sup> EU28 figures for 1998–2001 are estimates based on available data.

The proportion of young people in temporary employment in Poland is under intense scrutiny as it is much higher than the EU average (66.4 % compared to 42.2 % in 2012). In 2008, the automotive sector came to an agreement to move some young workers from fixed-term to open-ended contracts as this was seen as the main issue facing the sector<sup>438</sup>. A 2011 government report found that 60 % of first-time employees (aged 15–29) were on temporary contracts and 40 % on permanent contracts<sup>439</sup>.

As the Commission pointed out in its June 2014 country-specific recommendations (CSR) for Poland, labour market segmentation persists, with the **extensive use of fixed-term employment**, including civil law contracts. While fixed-term contracts are often described as a stepping stone to permanent employment, this is not the case for the majority of workers in Poland, which has a **low transition rate from fixed-term employment to permanent employment**. This tends to negatively influence productivity and the quality of human capital<sup>440</sup>.

Following economic transition, the numbers of tertiary education graduates have risen while those of vocational graduates have fallen. This is not only due to political change, but also because delivery of vocational education and training (VET) was mainly via state-controlled firms, many of which are now privatised or dismantled<sup>441</sup>. Despite ongoing efforts to reform the VET system to increase both its quality and take-up since the 2012/2013 school year, there is a need to further facilitate access to good quality apprenticeships and work-based learning, to strengthen cooperation between schools and employers and to reach out to non-registered youth, in line with the objectives of a youth guarantee<sup>442</sup>.

In addition, there is no requirement for the PES to provide job search assistance and monitoring, which is unusual in Europe<sup>443</sup>. Job search assistance with sanctions to unemployment benefit for non-compliance has been consistently found to be a low-cost and effective intervention to reduce unemployment<sup>444</sup>.

Employers are currently also campaigning for a change in the structure and content of education to provide more appropriate vocational skills to reflect the demands of the labour market (particularly in terms of skills gaps) and the needs of employers<sup>445</sup>. This is a view shared by trade unions, who describe the current education system as inefficient because it does not promote VET, apprenticeships or lifelong learning<sup>446</sup>. Innovation is currently poor due to a lack of cooperation between businesses that finance R&D and

<sup>438</sup> Eurofound (2011), Helping young workers during the crisis: contributions by social partners and public authorities.

<sup>439</sup> Krystyna Szafraniec (2011) 'Giovani' [http://zds.kprm.gov.pl/sites/default/files/pliki/mlodzi\\_2011\\_printerfriendly.pdf](http://zds.kprm.gov.pl/sites/default/files/pliki/mlodzi_2011_printerfriendly.pdf).

<sup>440</sup> European Commission (2014b), Council Recommendation on Poland's 2014 National Reform Programme and Delivering a Council Opinion on Poland's 2014 Convergence Programme, COM(2014) 422 final, Brussels, 2.6.2014, [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

<sup>441</sup> OECD (2009), Jobs for Youth: Poland.

<sup>442</sup> European Commission (2014b), Assessment of the 2014 National Reform Programme and Convergence Programme for Poland, Commission Staff Working Document, SWD(2014) 422 final, Brussels, 2.6.2014, [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

<sup>443</sup> Kuddo, A. (2009), Employment services and ALMPs in Eastern European and Central Asian countries.

<sup>444</sup> Van Den Berg et al (2004), 'Punitive Sanctions and the Transition Rate from Welfare to Work', Journal of Labor Economics, Vol. 22, No. 1, 211–241.

<sup>445</sup> Interview with Employer representative.

<sup>446</sup> Eurofound (2011), Helping young workers during the crisis: contributions by social partners and public authorities.

other important stakeholders. Closer links between science and industry at a regional level are recommended<sup>447</sup>.

There is a systematic **mismatch** between education policy and demand in the labour market in Poland. There are too many humanities graduates, too few science, technology, engineering and mathematics (STEM) graduates and falling numbers of VET graduates and students (VET is perceived as less prestigious than higher education). Employers also frequently report this mismatch between education policy and demand in the labour market<sup>448</sup>. A more general structural issue for young people is a tendency for employers to choose candidates with work experience, while the majority of young people (71 %) tend to have their first work experience *after* completing education (similar to the Italy case study)<sup>449</sup>.

## Policy context

Youth employment measures in Poland are predominantly **supply side ALMPs**. However, in 2011 ALMP funding was reduced by 50 % as a response to budgetary constraints<sup>450</sup>. Indeed, following criticism from social partners about the reduction in spending on ALMPs, Poland is currently in the process of major PES reform<sup>451</sup>. Young people and their integration into the labour market is a key target group of this reform, and as part of youth guarantee related developments, the aim is to increase capacity and service quality of the PES by employing more individual client advisors in local labour offices (LLOs). They would then be able to offer more personalised guidance and advice<sup>452</sup>.

In April 2014 an amendment of the law on promotion of employment and labour market institutions was approved (although its implementation is still pending). The law includes a package of new activation measures and tools supporting the employment of young and older workers<sup>453</sup>.

Regulations on temporary employment have recently been relaxed to promote job creation. From 2009–2012, 95 % of young workers moving into employment were on temporary contracts<sup>454</sup>. Seventy percent of young people employed in Poland were on non-standard contracts in 2012. The majority reported taking these jobs because they were unable to find a permanent position<sup>455</sup>. There is also no formal monitoring or research on non-standard forms of employment<sup>456</sup>.

<sup>447</sup> European Commission (2011), The European Social Fund: Giving young people a better start in life

<sup>448</sup> Interview with Employer representative.

<sup>449</sup> Mrozowicki (2011), Poland: EIRO CAR on 'Helping young workers during the crisis: contributions by social partners and public authorities'.

<sup>450</sup> Polakowski, M. (2012), Youth Unemployment in Poland <http://library.fes.de/pdf-files/id/09477.pdf>.

<sup>451</sup> Mrozowicki, A. (2014), Reform of Employment Services in Pipeline – Poland, Eurofound/EIRO, <http://www.eurofound.europa.eu/eiro/2013/12/articles/pl1312029i.htm>.

<sup>452</sup> Heads of Public Employment Services (HoPES), (2013), HoPES Catalogue of Measures for implementation of the Youth Guarantee, Response from the European network of Heads of Public Employment Services (HoPES) to Calls for Action agreed at the Berlin Conference on Youth Employment on 3rd July 2013, November.

<sup>453</sup> European Commission (2014a), Assessment of the 2014 National Reform Programme and Convergence Programme for Poland, Commission Staff Working Document, SWD(2014) 422 final, Brussels, 2.6.2014, [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

<sup>454</sup> Eurofound (2013), Young people and temporary employment in Europe, Luxembourg.

<sup>455</sup> Eurofound (2013), Young people and temporary employment in Europe, Luxembourg.

<sup>456</sup> Sroka, J. (2010), 'Poland: Flexible forms of work: "very atypical" contractual arrangements'.

Until 2003 there was no limit to the number of times fixed-term contracts could be renewed. As a result, there was a large growth in temporary contracts; however total employment in Poland in this period did not change significantly<sup>457</sup>. In 2012, trade unions in Poland demanded that fixed-term contracts be limited to 24 months, while employer associations argue that this move should be accompanied by more flexibility to terminate a contract before its end date<sup>458</sup>.

Service contracts were introduced as a response to the economic crisis. They are covered by civil rather than labour law, and many do not include coverage by social security regulations<sup>459</sup>. People on civil law contracts are not entitled to unemployment benefit or health care services, although they can still opt into voluntary insurance schemes<sup>460</sup>. Recommendations from the European Council for Poland indicated that these types of contracts create labour market segregation and in-work poverty, while extended probationary periods for permanent contracts can be an effective substitute (and are better regulated)<sup>461</sup>. From 2008 to 2010 the percentage of workers on civil law contracts increased from 15.5 % to 21 %<sup>462</sup>.

Crucially, the Polish government recently recognised the labour market segmentation and has therefore put the issue on the political agenda. To this end, it announced that all types of contracts would be covered by obligatory social security contributions, with the first proposal already tabled to cover the contracts of mandate. However, according to the Commission's recent assessment there is neither an effective control system within the National Labour Inspectorate (*Państwowa Inspekcja Pracy*) nor labour law enforcement in terms of shorter and smoother judicial procedures to reduce the excessive use of civil law contracts<sup>463</sup>. As a result, one of its 2014 CSRs to Poland is stepping up efforts to ensure a better transition from fixed-term to permanent employment and reducing the excessive use of civil law contracts<sup>464</sup>.

According to a trade union representative interviewed for this report, there has been a recent push from trade and youth organisations to improve the situation for young people with respect to youth-related policy. The issues they identified included: young people being prioritised for redundancy, a lack of quality career advice and guidance during education, exploitation, low remuneration, and dissatisfaction with (and disengagement from) the labour market<sup>465</sup>. This push is mirrored by employers. Lewiatan

<sup>457</sup> Schmid, Günther (2010), Non-standard employment and labour force participation: A comparative view of the recent development in Europe, Discussion paper series / Forschungsinstitut zur Zukunft der Arbeit, No. 5087.

<sup>458</sup> Eurofound (2013), Young people and temporary employment in Europe, Luxembourg.

<sup>459</sup> ETUI (2013), Atypical forms of employment contracts in times of crisis.

<sup>460</sup> Eurofound (2013), Young people and temporary employment in Europe, Luxembourg.

<sup>461</sup> Country-Specific Recommendations 2012 for Poland available on <http://register.consilium.europa.eu/pdf/en/12/st11/st11267.en12.pdf>.

<sup>462</sup> Eurofound (2013), Young people and temporary employment in Europe, Luxembourg.

<sup>463</sup> European Commission (2014a), Assessment of the 2014 National Reform Programme and Convergence Programme for Poland, Commission Staff Working Document, SWD(2014) 422 final, Brussels, 2.6.2014, [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

<sup>464</sup> European Commission (2014b), Assessment of the 2014 National Reform Programme and Convergence Programme for Poland, Commission Staff Working Document, SWD(2014) 422 final, Brussels, 2.6.2014, [http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

<sup>465</sup> Interview with Trade Union representative.

The anti-crisis regulations were not specifically targeted at young people and were temporary in nature. There were no assessments of the regulations with respect to young people so no judgements could be made regarding the regulations and youth unemployment (or any associated outcomes).

(the Polish Confederation of Employers) organised conferences in 2011 and 2014 on this precise topic<sup>466</sup>.

The following sections examine two supply side ALMPs. The first is Work Practice, a measure which focuses on offering work experience to unemployed people. The second is Training Courses which aim to improve vocational and general skills amongst unemployed people and jobseekers<sup>467</sup>. While neither measure explicitly limits participation to people under 25, young people are prioritised in both cases. No demand side measures were assessed as the recent anti-crisis regulations were not specifically targeted at young people and were considered inconsequential in the context of youth unemployment<sup>468</sup>.

### 3.5.1. Work Practice

**Work practice**, which was first introduced in 1991, is a programme by which local labour offices (LLOs) offer internships of up to 12 months to young unemployed people aged up to 25 (and university graduates up to 27)<sup>469</sup>. To initiate the internship, a contract is signed between the LLO and employer rather than using a formal employment contract. Work Practice schemes last 6 or 12 months<sup>470</sup>. Participants are paid the equivalent of 120 % of unemployment benefit during this period<sup>471</sup>. In 2012, €205.7 million was spent on the programme and 110,516 young people participated in internships<sup>472</sup>. The programme is designed to help young unemployed people with barriers to entry in the labour market gain (sometimes their first) work experience. Among young unemployed people, it is the most popular programme; for example, in 2010, 187,600 (50 % of young unemployed people) people enrolled on this scheme<sup>473</sup>. On completion of the programme, participants receive a reference from the employer (including details of tasks performed and skills acquired) and confirmation from the LLO about their participation in the programme<sup>474</sup>.

#### Short-term effectiveness

An interview respondent mentioned that there is **wide ranging variability in the quality of work practice** provision under the scheme<sup>475</sup>. For graduates of technical or Science, Technology, Engineering and Mathematics (STEM) subjects, finding good work practice is not difficult. However, for other students the reality of work practice is that they are often given menial, mundane or simple tasks unrelated to what they have previously studied. Anecdotal reports also suggest that the scheme is subject to nepotism, and that young people from rural areas may find it difficult to access good

<sup>466</sup> Interview with Employer representative.

<sup>467</sup> Ministry of Labour & Social Policy, Poland (2011), Peer country paper Youth Guarantees. High unemployment rate among young people as one of the biggest problems in the Polish labour market.

<sup>468</sup> Interview with Trade Union representative.

<sup>469</sup> Ministry of Labour and Social Policy (2013), PES Paper, Peer Review 'PES Approaches to Low-skilled Adults and Young People: Work First or Train First?', Lithuania, June.

<sup>470</sup> Peer country paper Youth Guarantees: High unemployment rate among young people as one of the biggest problems in the Polish labour market.

<sup>471</sup> European Commission (2010), EEO Review: Youth Employment Measures.

<sup>472</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>473</sup> Peer country paper Youth Guarantees: High unemployment rate among young people as one of the biggest problems in the Polish labour market.

<sup>474</sup> Eurostat (2011), Labour market policy statistics. Qualitative Report: Poland 2011.

<sup>475</sup> Interview with Legal expert.

work practice in cities even if they have good educational attainment and prior experience<sup>476</sup>. This interview response matches and expands on earlier literature findings from the Commission<sup>477</sup>. Moreover, it mirrors the key findings of the Commission's first EU-wide study on traineeships and similar work placements<sup>478</sup>.

The Ministry for Labour in Poland produces reports on the take-up of Work Practice and short-term outcomes for participants. However, the figures quoted are not broken down by age, so it is not possible to deduce the precise impact on young people. As a result, the figures have to be taken as a proxy (since Work Practice is prioritised for young people)<sup>479</sup>.

In 2012, 176,698 people started a placement, which was 66,182 more than in 2011. Of these, 76.9 % (135,882) completed their placements, of whom 60.9 % (82,776) went on to secure employment. However, whilst the programme cost per participant decreased by 36.7 % between 2011 and 2012, the average cost per participant entering employment increased by 10.6 %<sup>480</sup>.

### Medium- and long-term effectiveness

A recent evaluation of Work Practice as part of the Commission's Programme for Human Capital in Poland<sup>481</sup> assessed the measure with a longitudinal perspective<sup>482</sup>. Overall, the authors found that **the measure did not have a huge impact with respect to reducing unemployment**; however, this was attributed to the age variability of participants. The measure was found to have the biggest impact 4–6 months following completion. From a regression analysis, the authors discovered the effect of the measure increased as time passed after completion due to a '**closure effect**', where people are focused on securing employment from the company providing the internship rather than actively engaging in job search<sup>483</sup>. That said, according to the Polish Ministry of Labour and Social Policy, Work Practice is one of the most effective ALMPs, since 57 % of participants found jobs within three months of completing the programme<sup>484</sup>.

A concern for policymakers may be the **quality and sustainability of employment opportunities for participants**. For example, 32.1 % of participants reported working in more than one job. Given the short measurement period this suggests sustained employment was far from guaranteed. The researchers found that only 19 % of participants who found employment secured open-ended contracts compared to almost

<sup>476</sup> Interview with Legal expert.

<sup>477</sup> European Commission (2011), The European Social Fund: Giving young people a better start in life.

<sup>478</sup> European Commission (2012), Study on a Comprehensive Overview on Traineeship Arrangements in Member States, Report prepared by IES, IRS and BIBB for DG EMPL, <http://bookshop.europa.eu/en/study-on-a-comprehensive-overview-on-traineeship-arrangements-in-member-states-pbKE3012495/>.

<sup>479</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>480</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>481</sup> For more information about the Human Capital Programme in Poland see: [www.efs.gov.pl/](http://www.efs.gov.pl/). (Accessed 05.06.2014)

<sup>482</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>483</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>484</sup> Ministry of Labour and Social Policy, (2013), PES Paper, Peer Review 'PES Approaches to Low-skilled Adults and Young People: Work First or Train First?', Lithuania, June.



70 % who were offered fixed-term contracts<sup>485</sup>. However, one mediating factor which explains this inconsistency in outcomes is the fact that 40 % of participants had no work experience prior to entering Work Practice and may have poorer employment prospects whether they take part in an intervention or not<sup>486</sup>. This highlights the structural issue in Poland where young people have their first work experience later than many other EU countries where it is common to engage in employment whilst in education (see Finland and UK case studies).

Furthermore, in an interview with a trade union representative<sup>487</sup> it was highlighted that the measure may have a negative effect on the labour market overall. Firstly, the measure does not provide secure employment. Secondly, it overheats the labour market with a supply of young people willing to work for very low wages which can incentivise companies to hire fewer full-time staff to save money<sup>488</sup>. In an interview with an employer representative this **problem of displacement** in the labour market was highlighted as specific to SMEs or particular regions, but it was emphasised that Work Practice was particularly helpful for young people currently in education looking for early work experience<sup>489</sup>.

In addition, Work Practice has been described as limited due to a shortage of staff available in LLOs to assist young people<sup>490</sup>. Dissatisfaction with PES and unsuccessful applications for work has also been noted by two-thirds of users<sup>491</sup>. Therefore there is certainly evidence that the measure may be indirectly discriminatory for some young people.

### 3.5.2. Training Courses

Training courses are organised and financed by LLOs in Poland and are designed to improve the employability of young unemployed people. In 2012, €33.2 million was spent on the measure and 53,805 young people participated<sup>492</sup>. The courses can be contracted by the LLO or selected by the unemployed trainee, and the LLO will cover training costs up to 300 % of an average monthly salary. Training courses typically last 6 months, but if the curriculum requires or the trainee has no vocational qualifications this can be extended to 12 months (or 24 months in exceptional circumstances). Whilst engaged in the training course the trainee receives a grant of up to 120 % of unemployment benefit if the course is 150 hours per month or more. Fewer hours reduces the value of the grant proportionately. In 2010, 48,000 young people enrolled in training courses, which was over 10 % of young people registered with the PES. On

<sup>485</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>486</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>487</sup> Interview with Trade Union representative.

<sup>488</sup> Interview with Trade Union representative.

<sup>489</sup> Interview with Employer representative.

<sup>490</sup> Peer country paper Youth Guarantees: High unemployment rate among young people as one of the biggest problems in the polish labour market.

<sup>491</sup> ETUI (2013), Youth guarantees and recent developments on measures against youth unemployment.

<sup>492</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

completion of training the graduates receive a certificate from the training institution which details their participation in the course and skills acquired<sup>493</sup>.

### Short-term effectiveness

A report from the Ministry of Labour and Social Policy in 2010 reported that 41,037 young people took part in training in 2008, and this decreased to 40,080 in 2009. This was in part due to a reduction in Labour Fund expenditure, but also due to a change in the age threshold for measurement from 27 to 25. The decrease represented a reduction in the proportion of registered unemployed young people taking part in training from 13.7 % to 10.6 %<sup>494</sup>.

An evaluation of the effectiveness of training in the short term was conducted for the whole programme (rather than just young people) and found that 53 % of participants in training (in the workplace) kept their jobs 3 months after the end of the activation programme<sup>495</sup>.

In 2010, more than 34 % of those who completed their training course found employment<sup>496</sup>. By 2012, the number of participants in training events had risen to 80,864 (a 26,879 increase on 2011). In 2012, 97,093 completed training, of which 42.6 % went on to secure employment (33,610)<sup>497</sup>. From 2011 to 2012 the cost of participation fell 9.6 % and the cost per placement in employment also fell 4.9 %<sup>498</sup>.

### Medium and long-term effectiveness

The evaluation as part of the Commission's Programme for Human Capital in Poland<sup>499</sup> also assessed Training Courses with a more longitudinal perspective. Training was found to have positive effects on employment. According to the regression analysis which was conducted as part of this evaluation, training had an effect 9 to 12 months after completion; while (similar to Work Practice) a 'closure effect' was also noted<sup>500</sup>.

The impact of training on employment was found to be greatest for younger people and those with low skills or no qualifications. The impact of training was reduced for people with higher education<sup>501</sup>. An important impact from a social perspective was that training had the biggest impact in industrialised districts which suffer from structural

<sup>493</sup> Ministry of Labour & Social Policy, Poland (2011), Peer country paper Youth Guarantees. High unemployment rate among young people as one of the biggest problems in the Polish labour market.

<sup>494</sup> Ministry of Labour and Social Policy (2010), 'Szkolenia, staże i inne formy wspierania podnoszenia kwalifikacji bezrobotnych', Warsaw.

<sup>495</sup> Ministry of Labour & Social Policy, Poland (2011), Peer country paper Youth Guarantees. High unemployment rate among young people as one of the biggest problems in the Polish labour market.

<sup>496</sup> Ministry of Labour & Social Policy, Poland (2011), Peer country paper Youth Guarantees. High unemployment rate among young people as one of the biggest problems in the Polish labour market.

<sup>497</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>498</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012) Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>499</sup> For more information about the Human Capital Programme in Poland see: [www.efs.gov.pl/](http://www.efs.gov.pl/). (Accessed 05.06.2014)

<sup>500</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>501</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

unemployment<sup>502</sup>. Unfortunately, different types of training are not recorded in official statistics, and thus it is difficult to determine which types of training are most effective.

However, as was the case with Work Practice, a relatively high percentage (37.4 %) of participants were involved in more than one spell of employment following training, which, given the duration of reporting suggests that **the measure may not foster permanent employment outcomes**<sup>503</sup>. In addition, 68.9 % of participants who entered employment were employed on temporary contracts and were often in sectors offering low remuneration such as retail or agriculture<sup>504</sup>.

There is relatively little statistical analysis of youth employment measures in Poland. However, the available data is somewhat encouraging regarding Work Practice and Training Courses. Both measures are linked with reductions in unemployment and improved employment outcomes, while Training Courses have been found to be especially helpful for disadvantaged groups of young people without good educational attainment. Work Practice also fulfils its primary function by providing young people with **valuable work experience**, as many participants have no such experience at all before enrolling.

In comparison of the two measures, 52.6 % of participants who complete the course go on to secure employment after Work Practice, compared to 43.1 % for Training Courses. Poland was the only country which included an estimate of cost per place in employment as part of its Ministry's reports. In fact, the cost of Work Practice was almost double the cost of Training Courses for each person entering employment in 2012 (€2,498 compared to €1,324) and may therefore represent worse value for money<sup>505</sup>. A caveat to the previous point is that training courses are offered to young people from disadvantaged backgrounds which may decrease their employability. In comparison, Work Practice is offered to all young people including graduates with better employment prospects. This could also explain the difference in their effectiveness.

However, it is difficult to assess the direct impact on young people as the available data is not disaggregated by age<sup>506</sup>, while qualitative information from the interviews suggests that there is significant variability in the quality of Work Practice on offer<sup>507</sup>. In addition, evaluations of both measures are made more imprecise as available data does not disaggregate the type of training or practice. This makes it more difficult for policymakers to target different types of intervention to different groups; a view shared by employers<sup>508</sup>.

A concern or drawback for both measures is the worryingly high proportion of participants in both programmes (over 30 % in both) who reported more than one period

<sup>502</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>503</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>504</sup> Wiśniewski et al (2011), Efektywność programów aktywnej polityki rynku pracy – wnioski z badań i rekomendacje. In Polish.

<sup>505</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>506</sup> Ministerstwo pracy i polityki społecznej departament funduszy (2012), Efektywność podstawowych form aktywizacji zawodowej realizowanych w ramach programów na rzecz promocji zatrudnienia, łagodzenia skutków bezrobocia i aktywizacji zawodowej w 2012 roku. In Polish.

<sup>507</sup> Interview with Trade Union representative.

<sup>508</sup> Interview with Employer representative.

of employment shortly after finishing the programme. Although it is not evaluated in this context specifically, the idea of temporary jobs as a trap refers to situations where young people simply move from temporary job to temporary job and so forth without fully transitioning to permanent employment. This is associated with wage scarring in the long term, among other things. However, an adverse effect which can arise is that young people can simply move from Training Course to Training Course (opting into a training trap to receive more benefits) whereas Work Practice is better protected by obligations on employers for hiring of young people who complete the programme<sup>509</sup>.

Work Practice and Training Courses do appear to have positive employment effects for young people; however due to data limitations, it is not possible to assess the precise magnitude of the effect. Both programmes were also associated with temporary rather than permanent employment outcomes, which may be a concern for young people, and their longer-term employment outcomes and ultimately the quality of employment being fostered. A concern highlighted by an employer representative is that funding is quite limited and is limiting the impact of both measures, and amendments to social security contributions for young people may be a more pragmatic incentive for employers (due to the cost of training young people)<sup>510</sup>. At present, Poland is moving toward implementing a Youth Guarantee and current interventions and measures are in the process of being piloted, such as the 'Your Career – Your Choice' programme (*Twoja Kariera – Twój Wybór*)<sup>511,512</sup>.

### 3.6. The United Kingdom

#### KEY FINDINGS

- The UK has a liberal market economy with low employment protection legislation and a youth unemployment rate just below EU average. There is evidence that youth unemployment is developing into a structural problem as it increased consistently throughout an extended period of economic growth.
- The UK does not have a long history of active labour market policies (ALMPs) for young people and therefore there are few evaluations or comparisons of measures at national level. Traditionally labour market interventions have been designed to increase the demand for labour.
- The New Deal for Young People (NDYP) was designed to enhance the employability of young people and to facilitate their transition to the labour market. The measure was effective in its early years; however, interest and effectiveness diminished over time as it was a policy intervention designed for a period of economic recession but was used in a period of economic growth. There was also diminishing interest in evaluating the measure, as evaluations are few and far between after 2005 (although the measure ran until 2011).
- The Youth Contract by contrast is smaller in design than the NDYP and reflects public spending cuts rather than a change in national policy approaches. The

<sup>509</sup> Interview with Employer representative.

<sup>510</sup> Interview with Employer representative.

<sup>511</sup> Interview with Trade Union representative.

<sup>512</sup> Bussi & Geyer (2013), Youth Guarantees and recent developments on measures against youth unemployment.

measure is intended to increase the demand for labour via a subsidy for employers. Concerns are instead related to the limited scope of the interventions and their effectiveness in targeting disadvantaged young people.

- These measures are effective in improving both employment and employment outcomes; however, more systemic factors appear to be important in the UK context. The networks of employment services and partners are not optimal to support all young people, especially between the ages of 16 and 21 when young people can go undetected and are not always captured by national statistics.
- Whilst policy measures appear to have a positive impact, the UK still lacks an overarching framework or approach free from political interference. Improvements in policy measures on traditional metrics such as return on investment or improved long-term sustainability of employment are likely to be slow until more effective networks of employment services and partners are established.

## National context

With respect to labour market interventions the UK defines young workers as those aged 16 to 24. Although there is no benchmark age for entry to the labour market, compulsory education has traditionally continued until the age of 16. Subsequent to the Education and Skills Act 2008, compulsory education will continue to age 17 in 2013 and 18 in 2015. Young people will be required to remain in education or training at school, college or home education or engage in work-based learning such as an apprenticeship.

The UK has a **liberal market economy (LME)**, **low employment protection legislation** (EPL) and high labour market flexibility with young people moving frequently between jobs and into and out of education. The UK was unique in this sense in comparison with the other country case studies. Most **spells of unemployment are short** for young people, and the same is true for durations on the claimant count<sup>513</sup>. There is a **medium level of youth unemployment** which was 19.9 % in January 2014<sup>514</sup>. This is partially attributed to a preference for older, experienced workers by employers and a bias against young people<sup>515</sup>.

The UK also has a relatively low proportion of young people in temporary employment, at 14.7 % in 2012<sup>516</sup>. It has been argued that one reason for lower levels of temporary employment among young people is the fact that the UK is characterised by rather weak EPL and less regulated standard employment<sup>517</sup>. Recently, young people have been taking longer to move from education into employment and anecdotal evidence suggests an increase in internships where **graduates feel 'obliged' to work for free**<sup>518</sup>.

<sup>513</sup> Department for Business, Innovation and Skills/BIS (2013), *Government Evidence on EU Action to Tackle Youth Unemployment*, Report to the House of Lords' EU Sub-Committee on the Internal Market, Infrastructure and Employment, October.

<sup>514</sup> Office for National Statistics (2014), *Labour Market Statistics*, February 2014.

<sup>515</sup> Keep (2012), *Youth transitions, the labour market and entry into employment: some reflections and questions*.

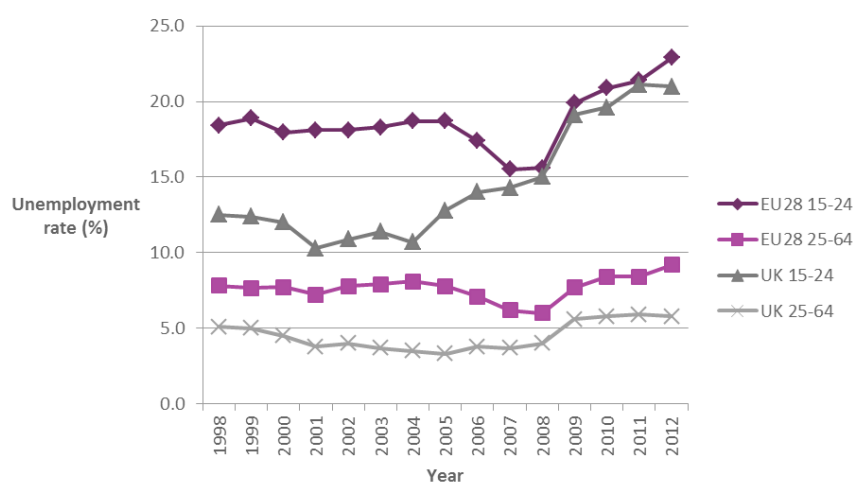
<sup>516</sup> Eurofound (2013a), *Young people and temporary employment in Europe*.

<sup>517</sup> Wilthagen, T. (2011), *One Step Beyond? Securing Young People's Transitions in the Labour Market*, Paper submitted for the Thematic Review Seminar on 'The Reduction of Labour Market Segmentation: Addressing the Needs of Young People', Brussels, 27.6.2011.

<sup>518</sup> European Commission (2012c), *Study on a comprehensive overview on traineeship arrangements in Member States*.

There is evidence of structural rather than cyclical problems within the UK labour market. In the UK, pre-existing structural problems appear to have been exacerbated by the recent economic crisis and are frequently debated. For instance, throughout the most recent period of growth youth unemployment rose in both absolute and percentage terms. Between 2001 and 2007 the number of unemployed young people rose from 440,000 to 682,000<sup>519</sup> and the unemployment rate rose from 10.2 % to 14.1 %<sup>520</sup>.

**Figure 16: Unemployment rate (%) by age in the UK, 1998–2012**<sup>521</sup>



**Source:** Eurostat, LFS.

Another indicator of structural problems in the UK is the **rise in young people not in education, employment or training (NEETs) and youth long-term unemployment rates** (unlike the Austrian case study). They have both consistently increased despite a long period of economic growth in recent years, or at least until the economic crisis of the late 2000s. The NEET rate rose from 10.9 % in 2000 to 14 % in 2012, and the youth long-term unemployment rate rose from 1.7 % in 2000 to 5.9 % in 2012. This suggests that there are structural problems involving the transition from education to employment in the UK, as the unemployment rate for ages 25–64 has remained largely unchanged.

Although the UK has only a slightly higher proportion of young people in part-time employment than the EU28 average, it has a high proportion of people working very short part-time hours (i.e. less than 10 hours per week)<sup>522</sup>. Whilst this is a political concern and is complemented by the highly publicised rise in **'zero hour contracts'**, the group of people working less than 10 hours per week comprises to a large extent students supporting themselves during their studies. In 2012, 54.4 % of those aged 15–24 in part-time employment cited being in education or training as the main reason for their employment status<sup>523</sup>. Therefore it is difficult to quantify whether the proportion of part-time young workers as a percentage of total employment is indicative of structural problems in the UK.

<sup>519</sup> Eurostat: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth\\_empl\\_090&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_090&lang=en).

<sup>520</sup> Eurostat: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth\\_empl\\_100&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en).

<sup>521</sup> 1998–2001 are estimates based on available data as data for Croatia are not available until 2002.

<sup>522</sup> Eurofound (2010), 'Flexible forms of work: "very atypical" contractual arrangements'.

<sup>523</sup> Eurostat: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>.

Similarly, the proportion of young workers in temporary employment in the UK increased rapidly from 2008 to 2010 but recovered to pre-crisis levels by 2011. Temporary contracts in the UK typically last less than 12 months as employees do not gain access to a range of employment rights such as protection from unfair dismissal<sup>524</sup>. In general, since the economic crisis the proportion of young people working in temporary jobs because they were unable to find permanent jobs has risen. Specifically, amongst those aged 16–24 the proportion in temporary work increased by over 12 %; nearly half of the temporary workers in this age group are doing so because they were unable to find a permanent position<sup>525</sup>. This evidence suggests that during periods of recession short-term contracts can be a short-term solution, but not necessarily an ideal outcome for many young people. The UK has a relatively low proportion of young workers in temporary employment compared with, for example, France, Italy and Poland.

## Policy context

Liberal market economies such as the UK have predominantly used **incentives in the private sector or demand side measures for the labour market**. However, in the late 1980s the UK Youth Training Scheme offered on-the-job training courses for school leavers aged 16 and 17<sup>526,527</sup>. This scheme could be described as (at least partially) a supply side measure as it aimed to improve the supply of the labour market. The following sections examine the UK labour market policy for young people since 1998. In particular, the New Deal for Young People (1998–2011) and the Youth Contract (2012–present) are assessed. The NDYP was selected as it was in operation between 1998 and 2011 and therefore allows for a more longitudinal perspective and analysis. The Youth Contract was chosen as it succeeded the NDYP and was methodologically different because its central offer was a wage subsidy to employers, whereas the NDYP focused more broadly on increasing the activity of young people, including education and training.

### 3.6.1. New Deal for Young People (NDYP)

**The New Deal for Young People (NDYP)** was introduced in 1998 in a period of moderate youth unemployment (12.5 %) <sup>528</sup> across the UK, forming a part of the larger Welfare-to-Work programme, and finished in 2011. The programme reflected a change in government administration and Labour Party policy to offer the choice of activity to people on the verge of long-term unemployment and thus remove the option of life on benefits<sup>529</sup>. Delivery of the programme was via a network of 142 Jobcentre Plus Districts. Until 2007/2008 the cost figures for the NDYP were recorded jointly with the New Deal 25 plus (targeted at older workers). However, management information was published after a freedom of information request and costs were revealed as approximately £429 million (€541 million) for the period 2007–2010<sup>530</sup>.

<sup>524</sup> Eurofound (2010), 'Flexible forms of work: "very atypical" contractual arrangements'.

<sup>525</sup> European Commission (2012), Risk Transitions and Missing Policies for Young High-Skilled Workers in Europe: Synthesis Report, DG Employment, social Affairs and Equal Opportunities.

<sup>526</sup> Green et al (1996), 'The effects of company training, further education and the Youth Training Scheme on the earnings of young employees', Oxford Bulletin of Economics and Statistics, Vol. 58, 469–488.

<sup>527</sup> Whitfield & Bourlakis (1991), 'An empirical analysis of YTS, employment and earnings', Journal of Economic Studies, Vol. 18, 42–56.

<sup>528</sup> Source: Eurostat, LFS.

<sup>529</sup> Layard (2001), Welfare to work and the New Deal.

<sup>530</sup> Department for Work and Pensions statistics:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/206342/2013-2297.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206342/2013-2297.pdf).

The NDYP targeted young people aged 18–24 who had been unemployed for more than 6 months, with a specific target of getting 250,000 under 25-year-olds off benefits and into employment by the end of 2002. The premise of the programme was to help those individuals find and maintain long-term employment. Prior to the NDYP there were no programmes specifically for young unemployed people; previous targeted programmes were only for the long-term unemployed<sup>531</sup>. As respondents observed, the NDYP is not especially innovative; rather, it includes methods which have demonstrated positive effects in previous evaluations, such as enhanced job search assistance together with sanctions. In addition, when assessed, the measure had acceptable cost-benefit ratios. However, while the measure was not innovative in an international context, it was innovative in the UK as it had an integrated approach that involved the private and public sector acting together.

In detail, the first stage of the programme (the 'Gateway' stage) involved intensive job search assistance for up to 16 weeks. This stage also included basic job skills development such as help with writing a CV and career advice<sup>532</sup>. Those who remained unemployed at the end of the 'Gateway' stage were offered a number of training and work experience options (usually) for 6 months. Subsidised employment, work in an environmental task force, work in the voluntary sector or full-time training and education were available options<sup>533</sup>. Those who were still unemployed at the end of the second stage would then take part in 'follow-through', which was similar to the 'Gateway' stage as further help and support in job search was offered. Participation was compulsory and eligible individuals who refused to cooperate faced a loss of entitlement to benefits<sup>534</sup>. As the programme focused on the skills of young people (with only a minor focus on employer incentives), it is considered a mostly supply side ALMP (although the demand side measure of subsidised employment is an aspect of the overarching policy). A representative of the trade union interviewed for this report observed that the compulsory nature of the measure can be considered a disadvantage for young people; however, no other interview respondents raised this point.

### Short-term effectiveness

Regarding the short-term effects of the measure, data collected through government representatives revealed the **measure to have a positive impact**. In fact, by October 2001 the programme had received 600,000 participants, some participating more than once, and by March 2002, 363,000 participants had ceased claiming Jobseekers Allowance (JSA) and had at least one spell in employment<sup>535</sup>. Of these, 263,000 had achieved unsubsidised employment lasting more than 13 weeks<sup>536</sup>, which meant that the target was met several months in advance.

An early assessment of the NDYP's consequences for the macroeconomic assessment up to March 2000 found that the programme had positive effects<sup>537</sup>. These included increased national income of £0.5 billion (€0.63 billion) indicating a welfare gain; roughly

<sup>531</sup> Brewer (2008), *Welfare reform in the UK: 1997–2007*, Institute for Labour Market Policy Evaluation, No:2008:12.

<sup>532</sup> For more information about the New Deal for Young people see: [http://webarchive.nationalarchives.gov.uk/+www.direct.gov.uk/en/Employment/Jobseekers/programmes/ndservices/DG\\_173757](http://webarchive.nationalarchives.gov.uk/+www.direct.gov.uk/en/Employment/Jobseekers/programmes/ndservices/DG_173757). (Accessed 18.03.2014)

<sup>533</sup> De Giorgi (2005), 'The New Deal for Young People five years on', *Fiscal Studies*, Vol. 26, No. 3, 371–383.

<sup>534</sup> Blundell et al (2004), 'Evaluating the employment effects of a mandatory job search programme', *Journal of European Economic Association*, Vol. 2, No. 4, 596–606.

<sup>535</sup> National Audit Office, 2002.

<sup>536</sup> House of Commons, Committee of Public Accounts: *The New Deal for Young People*. Sixty-second report of session 2001–2002.



200,000 young people finding employment earlier than they would have done without the programme (60,000 directly into employment); net reduction of youth unemployment by 40,000; and a relatively low cost to the Exchequer of less than £150 million (€189 million) per annum (not including social benefits)<sup>538</sup>. An early cost-benefit analysis of the programme found a net social benefit per year estimated at £100 million (€126 million) compared with a gross Exchequer cost of about £350 million (€442 million) per year, thus passing the social cost-benefit test<sup>539</sup>.

One of the key success factors of the measure was the use of **personal interviews**. Individuals who were registered as unemployed for 6 months were required to complete an interview and this action alone has been observed to reduce unemployment rates of participants in the short and long term<sup>540,541</sup>. Comparisons of measures offered within the NDYP found that periods of subsidised employment were most effective in facilitating the transition from unemployment to unsubsidised employment<sup>542</sup>. Furthermore, the comparative analysis between the NDYP and the current measure (Youth Contract) indicates that the funds allocated to the former had a better return on investment.

### Medium-term effectiveness

Despite very positive short-term effects, medium- and long-term analyses of the measures suggest that their medium- and long-term positive effects are more difficult to demonstrate.

In concrete terms, NDYP shifted significant numbers of young people into employment and education and training; it has also been found that the effects of NDYP on employment at regional level were reflected at national level (although employment effects were outweighed by education and training effects). Despite some regional variation in the magnitude of effects, the variance may have simply reflected the NDYP acting as one contributor or factor in overall existing regional labour demand. This meant that **the effect of NDYP would be larger in a region with stronger labour demand and smaller in a region with weaker labour demand**<sup>543</sup>.

There are also concerns that the programme did not help the most disadvantaged in society. Assessment of the 'Welfare to work' programmes for young disadvantaged people in Teesside found that only 10 % were still employed 6 months after programme completion<sup>544,545</sup>. The National Audit Office found that 40 % of JSA claimants helped into work claim JSA again within 6 months, which in turn means that the employment services generally do not always offer a self-sustaining solution to unemployment<sup>546</sup>. Approximately two thirds of new Jobseeker's allowance claimants each year (about 1.6 million people) are also repeat claimants<sup>547</sup>. The National Audit Office estimates that

<sup>537</sup> Riley & Young (2000), *New Deal for Young People: Implications for Employment and the Public Finances*

<sup>538</sup> Riley & Young (2000), *New Deal for Young People: Implications for Employment and the Public Finances*

<sup>539</sup> Layard (2001), *Welfare to work and the New Deal*.

<sup>540</sup> Dolton & O'Neill (1996), 'Unemployment duration and the restart effect: some experimental evidence', *The Economic Journal*, 387-400.

<sup>541</sup> Dolton & O'Neill (2002), 'The long-run effects of unemployment monitoring and work-search programs: experimental evidence from the United Kingdom', *Journal of Labor Economics*, Vol. 20, No. 2, 381-403.

<sup>542</sup> Dorsett (2006), 'The new deal for young people: effect on the labour market status of young men', *Labour Economics*, Vol. 13, No. 3, 405-422.

<sup>543</sup> McVicar & Podivinsky (2003), *How well has the New Deal for Young People worked in the UK regions?*

<sup>544</sup> Webster et al (2004), *Poor Transitions*, Bristol: Policy Press/JRF.

<sup>545</sup> MacDonald & Marsh (2005), *Disconnected Youth? Growing up in Britain's Poor Neighbourhoods*, Palgrave.

<sup>546</sup> National Audit Office (2007), *Sustainable employment: supporting people to stay in work and advance*.

<sup>547</sup> National Audit Office (2007), *Sustainable employment: supporting people to stay in work and advance*.

improved job sustainability would reduce time spent on benefits by 50 % and the cost savings could be upwards of £500 million (€631 million) per year.

### Long-term effectiveness

A 2004<sup>548</sup> working paper from UCL evaluated the NDYP in specific detail by comparing outcomes of eligible and non-eligible groups (as the NDYP was limited to unemployed people aged 18–24). They also used longitudinal data 15 years prior to the programme to evaluate the plausibility of their results and found similar quantitative effects regardless of comparison group. For young men programme participation increased the probability of employment within 4 months by 5 % (from 26 % baseline), due partly to the subsidy and partly to enhanced job search. At least 1 % was attributed to the Gateway services. However, the effect size diminished after the first quarter of introduction, so it may not have long-term sustainability and the authors recommended long-term assessment and cost-benefit analysis. A final benefit noted was **positive effects for (re-)employment of young individuals** from compulsory job search. This is important as it suggests improved labour market interactions.

Another working paper from UCL in 2005<sup>549</sup> evaluated the long-term effects of the NDYP. Similar to the 2004<sup>550</sup> paper the authors found a local treatment effect for males on employment of about 6–7 % using information from programme entrants between April 1998 and December 2001. Additionally, they examined the influence on wage price (given a possible increase in labour supply) and discovered no effect of the programme. In fact, they found no effect for substitution (displacement from jobs as subsidised employment is cheaper to employers), or general equilibrium effects (such as wage price). These evaluations, however, take into consideration the first five to six years of the implementation of the measures, and no further assessments were conducted after that.

As suggested in an interview with trade unions conducted for this report, this may have reflected diminishing enthusiasm and engagement in the programme, which was producing diminishing returns on investment. At the point of its inception the NDYP was introduced to deal with an economic crisis in the 1990s. The design was supposed to support employable young people who had no direct work experience. However, by the mid- to late 2000s, the measure targeted participants with multiple disadvantages or barriers to labour market entry, and may not have been appropriate for this group. Therefore, one of the problems with assessing ALMPs in the medium to long term is the relative importance of the economic cycle. Measures introduced during periods of recession are designed to enable a wide range of people to access employment, whereas during periods of growth measures should aim to help more disadvantaged individuals. Aggregate labour demand is a much more important contributor to employment opportunities where ALMPs act as a **buffer mechanism**.

Therefore, measures introduced during a recession are (by design) likely to yield diminishing returns over time (given a normal economic cycle where periods of growth follow periods of recession). This is in line with the findings of the above analysis in that the NDYP was less effective in targeting hard-to-reach young people and young people in regions with worsening economic conditions. Countries with established dual systems

<sup>548</sup> Blundell et al (2004), Evaluating the employment effects of a mandatory job search programme, Journal of European Economic Association, Vol. 2, No. 4, 596–606.

<sup>549</sup> De Giorgi (2005), The New Deal for Young People five years on, Fiscal Studies, 26 (3), 371–83.

<sup>550</sup> Blundell et al (2004), Evaluating the employment effects of a mandatory job search programme, Journal of European Economic Association, Vol. 2, No. 4, 596–606.

tend to perform better throughout periods of growth and recession (see Austria case study) as the system in these countries is less dependent on the economic cycle.

### 3.6.2. Youth Contract

Launched in April 2012 with a budget over £1 billion (€1.26 billion), the **Youth Contract** is the most recent policy change regarding youth employment in the UK and succeeds the NDYP. The change in policy reflected the financial challenges of the economic crisis and cuts in public spending rather than a theoretical shift in policy. The Youth Contract is designed to help 18–24-year-olds who have been receiving benefits for at least 6 months towards full-time education or training, apprenticeships or employment with training. Although the policy measure included additional Jobcentre Plus support and increased work experience places, these measures were already available. The Youth Contract is delivered via local authorities and is not wholly the responsibility of public employment services (PES). The main aspect of the policy is a wage incentive for employers; as such, it is a measure to support the demand side of the labour market. However, although there is a large headline budget, spending is completely dependent on uptake and therefore the budget will not necessarily be reached. This is unlike many of the other policy measures examined which have largely fixed spending amounts.

Overall, 160,000 job subsidies worth up to £2,275 (€2,871) each were made available for businesses taking on an 18–24-year-old from the Work Programme. The total amount of the subsidy was selected to cover typical National Insurance payments for employment for one year. The full subsidy is only available if the young person completes 26 weeks of employment, but reduced amounts can be redeemed at 8 weeks (with the rest of the total at 18 weeks), and if the young person completes 14–25 weeks another, lower, payment is available. A part-time (16–29 hours per week) subsidy of £1,137.50 (€1,435) is also available<sup>551</sup>.

#### Short-term effectiveness

In practice, of the 53,000 subsidies expected to be paid each year, by May 2013 only 4,690 incentives had been paid out (of which only 2,070 were 26-week payments), and by November 2013 this figure had only risen to 10,030 (of which only 4,140 were 26-week payments). Early survey results suggest that this low uptake may reflect poor advertising or poor employer engagement as relatively few employers knew of the scheme prior to employing a scheme participant<sup>552</sup>. The administrative data also did not distinguish between part-time and full-time payment, which makes it difficult to assess whether or not the scheme is helpful with respect to under-employment<sup>553</sup>.

The Youth Contract also included an additional 20,000 wage incentives of £1,500 (€1,893) for SMEs to provide apprenticeships to 16–24-year-olds. Moreover, £120 million (€151 million) was set aside for vulnerable 16–17-year-olds with payment to providers of up to £2,200 (€2,776) per person in employment, education or training. Although this was aimed at 70,000 NEET 16–17-year-olds in February 2012, by March 2013 only 4,000 had enrolled (with over 1,000 re-engaging and achieving positive outcomes). Furthermore, 250,000 additional work experience places were funded

<sup>551</sup> Department for work and Pensions (2014) Helping young people into work – support available, real lifestories, information for employers and other supporting documents. <http://www.dwp.gov.uk/youth-contract/>.

<sup>552</sup> Jordan et al (2013), Early evaluation of the Youth Contract wage incentive scheme, DWP.

<sup>553</sup> Department for work and Pensions (2014) Youth Contract Official Statistics [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/283873/youth-contract-feb14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283873/youth-contract-feb14.pdf).

including sector-based work academies over three years. Placements lasted between two and eight weeks (25–30 hours/week) with travel and childcare costs provided but no wage given.

### Medium-term effectiveness

Despite the moderate level of participation, an initial assessment of the measure shows a **high level of satisfaction** among beneficiaries<sup>554</sup>. The assessment found that claimants were more engaged, reporting that improved help earlier in the process helped them become better prepared for their job search activity. Staff reported improved morale and commitment as they were more involved with claimants and their progress. Employers were motivated to help young people in their community, or 'to give something back'; however, staff responsible for employer engagement reported difficulty in explaining the placement scheme to employers<sup>555</sup>.

An early evaluation of the Youth Contract by the DWP<sup>556</sup> included quantitative employer surveys and qualitative provider and engagement staff interviews. Self-reports of changes in employer behaviour are perhaps the most relevant in this case. As a result of the scheme, 9 % created an extra vacancy; 7 % would not have recruited a young unemployed person without it; 28 % said it made them more likely to retain the employee for at least 6 months; and 13 % said it influenced the hours worked. While these responses seem to reflect the low uptake of the scheme, 86 % of employers involved said that in the future they would be likely to take on someone else who was eligible for the scheme. The differences in these responses may reflect that the scheme was not well known (less than 20 % of employers found out about it from the DWP or Jobcentre Plus); indeed, the most common suggestion for scheme-related improvements was increased advertising or information. Similarly, a survey from the Recruitment and Employment Confederation (REC) found that in 2012 almost four out of five employers (78 %) were either unaware of the wage incentives or did not intend to participate in the programme<sup>557</sup>.

Therefore, the tentative conclusion to be drawn from this preliminary survey information is that the scheme itself is appropriate, but at present is poorly advertised. An interesting finding has been the fact that, according to DWP, the biggest impact of the wage incentives has been on '**micro and small employers**' who are now 'more ready to consider employing a young person. This reflects a key policy aim of the scheme, which was to influence the recruitment choices of employers'<sup>558</sup>.

As well as employers, the DWP has also recently surveyed participants in the programme<sup>559</sup>. The majority of participants (61 %) reported that the advice they received matched their personal needs and circumstances and 65 % said that they were satisfied with the overall service received. In terms of outcomes (6 months after starting JSA claim), 41 % reported that they had moved into work at some point, but only 16 % currently in work said they had got the job through Jobcentre Plus (PES). However, despite this low figure, 43 % said the advice and support they had received had helped

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<sup>554</sup> Jordan & Thomas (2013), The Youth Contract: Findings from research with Jobcentre Plus staff in five case study districts, DWP.

<sup>555</sup> Jordan & Thomas (2013), The Youth Contract: Findings from research with Jobcentre Plus staff in five case study districts, DWP.

<sup>556</sup> Jordan et al (2013), Early evaluation of the Youth Contract wage incentive scheme, DWP.

<sup>557</sup> AGS (2012), *3 in 4 Bosses reject 'Youth Contract Scheme'*, AGS on behalf of RBS, 23 August 2012.

<sup>558</sup> DWP (2013), *Early Evaluation of the Youth Contract Wage Incentive Scheme*. Research Report No. 828.

Jordan, L., McGinigal, S., Thomas, A. and Coleman, N. Department for Work and Pensions. February 2013

<sup>559</sup> Coleman et al (2013), Customers' experiences of the Youth Contract, DWP.

them succeed in their job application. Results from both employer and participant surveys suggest that the Youth Contract is well received in the majority of cases; however, it may be poorly advertised which partially explains its low uptake.

Work experience (for two to eight weeks) as part of the Youth Contract also appears to have positive employment effects. The DWP assessment of work experience within its first few months found that by week 13 (continuing to week 21) participants were 16 % less likely to be on benefits and 28 % more likely to be in employment<sup>560</sup>. Impact estimates were comparing work experience against other employment services rather than 'no support', which is encouraging, although the authors note unreliability in using Her Majesty's Revenue and Customs (HMRC) data<sup>561</sup> and the small cohort size as potential limitations.

### Long-term effectiveness

Long-term effects are, indeed, difficult to estimate since the programme only began in 2012, and the outlook for young people more generally is not wholly positive. Interview respondents suggested that the Youth Contract was more holistic in its approach than previous programmes (as it has measures targeted at disadvantaged young people in particular) and may be helpful in this regard; however, the approach to young people and transitions to employment is not very joined up in the UK. The Youth Contract represents only a small portion of measures available, and there is no overarching body or group responsible for this issue. For instance, individuals at risk of exclusion and becoming NEET may be identified early, but as disparate groups are responsible for different measures at different levels, there is no continuous and integrated help provided. The Youth Contract appears to be a positive measure which is underutilised and only a small part of wider provision for young people, which is not coordinated and coherent.

That being said, it is also worth noting that the Youth Contract builds on existing measures such as support from Jobcentre Plus, targeted employer subsidies, work experience and apprenticeships, which have been shown to help improve the employment prospects of young people<sup>562</sup>. An interview respondent noted that the Youth Contract is very similar to the NDYP except with less funding in real terms. Concerns were raised during interviews about the medium- to long-term effectiveness of subsidised employment. Interviewees also emphasised how important it is that job search should continue into this period of subsidised employment to prevent young people becoming trapped in minimum wage contracts with few training opportunities.

The interview with an employer representative<sup>563</sup> largely corroborated the research findings and conclusions with some additional comments. There was agreement that **the measure itself is effective while being altogether too small in scale**. Concerns were also raised about variability in the quality of service delivery by PES and the extent to which the programme is effectively delivered at a local level with a national mandate, rather than a series of national schemes. In comparison with Job Guarantee measures

<sup>560</sup> DWP (2012), Early impacts of work experience.

<sup>561</sup> There are a number of issues with these data, including: Employment spells are only recorded when a tax form is submitted. People earning below threshold for National Insurance contributions are not recorded. When HMRC do not know the date on which employment starts they assume 6 April of that year, and if they do not know the date employment ends they assume 5 April that year. Some records have known errors such as missing start or end dates.

<sup>562</sup> House of Commons (2012), *Youth Unemployment and the Youth Contract. Second Report of Session 2012–13*. Volume I: Report, together with formal minutes, oral and written evidence. Ordered by the House of Commons. 12 September 2012.

<sup>563</sup> Confederation of British Industries.

the interviewee noted that there is a relatively low risk of displacement and deadweight loss, although the UK lacks a cohesive offer for young people, whereas countries with Job or Youth Guarantees (such as Finland) have notably stronger networks of partners. The view in the employer community is that the measure is too complex at present and should move towards provision with local labour market relevance. In addition, the removal of career guidance and counselling in schools by the current Government may be detrimental in their efforts to ameliorate youth unemployment in the long term. A subsequent manifesto to be published by CBI in the next quarter will outline plans for **cross-party agreement on future policy measures**; in particular improving career guidance and counselling, simplifying processes for employers, maintaining and improving apprenticeships and reducing national insurance for young people (which is proposed for 2015 regardless)<sup>564</sup>.

Finally, there have also been legal challenges to the **'no labour wage'** component of the measure, which is considered a double form of discrimination. On the one hand the Mandatory Work Activity has alleged similarities with forced labour<sup>565</sup>, a scheme which has been compared to 'workfare' in the media<sup>566</sup>. On the other hand, unions consider unpaid work as a form of discrimination against older workers, which creates serious displacement effects<sup>567</sup>.

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<sup>564</sup> Interview with Employer representative.

<sup>565</sup> Caitlin Reilly and Jamieson Wilson v Secretary of State for Work and Pensions [2012] EWHC 2292 (Admin).

<sup>566</sup> Patrick Butler: 'Workfare nobody loves it like ministers' 29.02.2012 <http://www.theguardian.com/politics/2012/feb/29/workfare-nobody-loves-it-like-ministers>

<sup>567</sup> Interview with Trade Union representative.

## 4. CONCLUSIONS AND POLICY RECOMMENDATIONS

### KEY FINDINGS

- In the last 15 years, the unemployment rate of people aged 15–24 in the European Union (EU) has been consistently twice the unemployment rate of people aged 25 and above. In many EU Member States this has become a structural problem which has been exacerbated by the economic crisis. Several youth employment measures have been introduced to improve the situation for young people.
- Council Directive 2000/78/EC, establishing a general framework for equal treatment in employment and occupation, may not be sufficient to protect young workers in the labour market, as the definition of a 'legitimate aim' under which a difference of treatment based on age is allowed is left fairly broad and leaves room for interpretation.
- The evidence collected on the different categories of measures demonstrates that youth employment measures taken in isolation are not positively or indirectly discriminatory per se. Especially in the case of measures that are allegedly negative (e.g. temporary contracts and lower minimum wages for young people), their outcomes depend on (i) participants' individual characteristics such as initial educational attainment, (ii) mediating factors such as the quality of policy design and involvement of social partners, and (iii) contextual factors such as the national regulatory framework and the economic climate.
- Measures designed to enhance the employability of young people (e.g. ALMPs) have a positive effect on their integration into the labour market. For instance, young people who take part in traineeships tend to be more likely to obtain a work contract. However, this does not necessarily lead to a permanent job, as the benefits of ALMPs are not always clear on completion of the programme (the 'closure effect'). If not properly regulated, ALMPs, particularly traineeships, can result in adverse effects ('training traps').
- Financial incentives to employers which are designed to increase the demand for labour are effective, but the impact on youth employment depends on the magnitude of resources allocated to the policy, the extent to which resources are well targeted, and how well they mitigate against substitution or deadweight effects, the duration of the incentive and their associated requirements (e.g. employment protection).
- Subsidised employment has not always returned the same benefits as temporary employment. Although short-term subsidised jobs can have a positive effect on the chance of finding unsubsidised employment, this effect produced diminishing returns as the length of subsidised employment increased.
- While the responsibility for employment policies resides at national level, the EU can enhance its coordinating and overseeing role to support young people in becoming financially independent and thus socially included. The EU should promote policy innovation (e.g. Youth Guarantees) and more precisely define anti-discrimination legislation with respect to age.

## 4.1. Concluding remarks

### Young workers in the labour market

Unemployment among young people is typically higher than for adults. Given that young people have limited or no work experience, a period of unemployment is to be expected when making their way from formal education and training to the world of work. However, evidence from this study demonstrates that in the last 15 years **youth unemployment has become a structural problem in several Member States**. In some Member States this was the case even before the economic crisis. The effects of the crisis have tended to exacerbate these pre-existing structural problems.

The unemployment rate for people aged 15–24 increased by 7.7 percentage points between 2007 and 2013 (15.7 %–23.4 %). The unemployment rate for people aged 25–74 increased by only 3.4 percentage points in the same period (6.1 %–9.5 %)<sup>568</sup>. These statistics suggest that young people are facing difficulties in accessing the labour market and that there are barriers that hinder their successful transition from school to work. This includes lack of work experience, skills mismatch and lack of basic or vocational skills, ineffective labour institutions, high labour costs compared to productivity, low demand for inexperienced or low-skilled young workers and cultural bias or discrimination (for example, a lack of trust from employers towards inexperienced young people).

In addition, evidence from this study suggests that flexible work arrangements offer less protection than standard forms of work, and that they are less resilient during economic downturns (see the Italian and Polish case studies in section 3). Since young people are particularly over-represented in atypical and very atypical forms of work, they are likely to be exposed to less favourable working conditions and the risk of discrimination.

To reduce discrimination a rights-based approach to youth policies has been developed recently. In particular the **EU Directive 2000/78/EC**<sup>569</sup> is the main legal tool establishing common standards at EU level for equal treatment in the workplace, including discrimination based on age. The Directive, however, allows for differences in treatment in the workplace based on age if the discriminatory treatment, within the context of national law, is objectively and reasonably justified by a **legitimate aim**, including legitimate employment policy, labour market and vocational training objectives, and if the means of achieving that aim are appropriate and necessary<sup>570</sup>.

The case law analysed demonstrates that **interpreting the Directive is not a simple task**. Verdicts reside on the **ambiguity of legitimate and proportional aims**. The initial body of national case law regarding discrimination against young people in the field of employment provides some guidance in the application of the Directive. However, the circumstances under which difference of treatment based on age may be justified are extremely varied. As the country case studies demonstrate, while there are no policies that are specifically designed to discriminate against young people, there are examples of policy interventions that do have this effect, as a lot depends on the context in which they are applied.

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<sup>568</sup> Eurostat: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en).

<sup>569</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (2000). Official Journal L 303, 02/12/2000 P. 0016 – 0022.

<sup>570</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (2000). Official Journal L 303, 02/12/2000 P. 0016 – 0022.



## Effectiveness of youth and employment policy

To tackle youth unemployment, Member States apply different policies that intervene at different stages of a young person's transition from school to work. These can be policies to support the **supply side of the labour market** (i.e. human capital), such as active labour market policies (e.g. career guidance and training) and passive labour market policies (e.g. universal minimum wages). Alternatively, interventions can be designed to increase the demand for labour, such as incentivising employers to hire or train young people (e.g. through apprenticeships or reduced social security contributions). Countries such as **Finland** and **Austria** tend to implement 'supply side' policies and very rarely apply '**demand side**' policies, while countries such as the **UK**, **Italy** and **Poland** have a wider array of measures that includes employer incentives. **France** is somewhat different, as its policies also include provision of **subsidised employment**.

The country case studies developed for this study demonstrate that **measures aimed at the employability of young people have generally positive effects** on the labour market integration of young people. In a short- to medium-term perspective, young people taking part in traineeship programmes are more likely to obtain a job (see the case studies for Austria, France and Italy). However, this effect can diminish over time due to a 'closure effect', where the attendance of participants increases during the completion phase of a programme and job search activities are thus reduced (see case study for Poland). Because employability measures are investments in human capital, their long-term effectiveness can also be seen as positive; however, empirical evidence suggests that jobs created as a result of these measures are mainly temporary in nature and their sustainability is tenuous. Moreover, when ALMPs act as a buffer mechanism, the measures become less effective in targeting hard-to-reach youngsters in disadvantaged regions, and young people may find themselves moving from one traineeship to another (i.e. 'training traps', see case study for Italy).

**Financial incentives to firms are also effective.** In particular, private sector apprenticeship schemes appear to be effective in the medium to long term, particularly when the attainment of a formal qualification is attached to the scheme.

**Short-term subsidised jobs** can have a positive effect on the chance of finding unsubsidised employment; however, this effect can produce **diminishing returns as the length of subsidised employment increases**. Also, hiring subsidies or a reduction in non-wage costs can result in deadweight loss (in other words, the company would have hired somebody anyway), displacement or substitution effects, or they may simply postpone unemployment. It has also been highlighted that during times of austerity these measures do not support government commitments to reduce public spending. In general, in order to avoid any deadweight or substitution effects, employer subsidies must be well designed and monitored, and preferably targeted at disadvantaged young people who face multiple barriers to labour market entry.

## Positively and indirectly discriminatory outcomes

Ultimately, when assessing effectiveness or outcomes for young people, youth employment measures can appear to positively or indirectly discriminate against young people. This is the result of the **interplay between the measure and the institutional and socioeconomic context**. Put simply, this means the same measure is unlikely to have the same impact if it was implemented simultaneously in two different countries. Nevertheless, there appear to be some components of youth employment measures which tend to lead to better outcomes. Firstly, measures which aim to facilitate the transition from school to work are most effective when they are tailored to the local

labour market and provide actual in-work experience and practice. Secondly, measures aiming to foster the employability of young people tend to perform best when the business community is engaged, as businesses are best placed to inform policymakers on employable characteristics and desired skills. A mismatch between educational attainment and labour market requirements is often quoted as a contributor to high levels of youth unemployment. Finally, measures aiming to remove barriers to hiring for employers are best received (and uptake is greatest) when they are simple, coherent and do not create a dual labour market consisting of two groups of employees with vastly different levels of job security and employment rights.

**Flexible work contracts** (i.e. atypical and very atypical jobs) can be a potential **stepping stone** into permanent jobs for young people entering the labour market, if (i) they are framed as part of a longer-term strategy for employment, and (ii) regulations for temporary and permanent contracts are not open to abuse by employers. However, these measures can also lead to a **'dead-end'** or a job insecurity **'trap'**, with young individuals moving from one temporary job to another. The same principle applies to traineeships and internships. As has been argued, such work experience placements can serve as a 'stepping stone' for young people to access the labour market, but may not always be suitable for the lowest-skilled, hard-to-place young people, who need extra support over longer periods to significantly improve their ability to enter the labour market.

To reduce youth unemployment in the short and long term, as well as protecting long-term employment prospects for young people, it is important that employment measures reflect the specific nature of the labour market of the host country. Less strictly regulated forms of employment can act as a stepping stone to the regular labour market; however, it is also clear that when implemented in an inadequate setting, they can have a null or negative effect on employment outcomes.

## 4.2. Policy recommendations

### Enhancing Public Employment Services (PES)

As shown throughout the case studies in this report, **Public Employment Services (PES)** can be a direct contributor to positive employment outcomes if service provision is of high quality. In **Austria**, it is clear that the presence of 63 labour offices offering professional and individualised support for young people across the country helps to support tailor-made interventions. Likewise, the success of the Finnish Youth Guarantee (YG) has been inextricably linked to the capacity of PES to effectively administer such labour market measures. They provide **high-quality and intensive individualised career and job search assistance to young people**, including the production of a personalised action plan, and forge close links with all relevant stakeholders, notably employers, training providers, local authorities and youth organisations. In comparison, in **Italy for example**, youth initiatives are dispersed among too many actors and PES play a limited role in a regionalised system. Similarly, service capacities of the PES in **Poland** should be strengthened, with two thirds of young people who registered with them reporting dissatisfaction with the service, and programmes dependent on the quality of PES not having been especially successful.

Moreover, for many Member States the implementation of the YG will take place through the PES and there will be a requirement to potentially restructure and monitor quality of service provision. PES must have **sufficient capacity and quality professional staffing** to ensure individual young people receive appropriate advice on jobs and

education and training opportunities most relevant to their skills. In addition, in their current configuration, YGs tend to be available only to young people registered with PES, which in turn means that they may not help those **'hard-to-reach'** young people who are not recorded in official statistics. In practice, youth measures such as YGs which are delivered through PES should be complemented with outreach activities.

In the short term, the European Parliament could therefore support the elaboration of **guidelines** to provide practical information about the **transferability of policies and best practice advice**.

The recent legislative resolution of the European Parliament on the proposal for 'A Decision of the European Parliament and of the Council on enhanced cooperation between Public Employment Services'<sup>571</sup> is pointing in this direction. In detail the Decision provided for a network of PES to improve the cooperation among Member States in the field of employment<sup>572</sup>. In particular the PES network, made up of Heads of PES at Member State level and the Commission, is intended to make full use of the Open Method of Coordination<sup>573</sup> to strengthen the exchange of knowledge and experience between PES at European level via **PES-to-PES dialogue**<sup>574</sup>. Because of the peer review system put in place based on benchmarking indicators, through this Decision the European Parliament hopes to act as a stimulus for PES to: (i) reduce unemployment for all age groups and for vulnerable groups; (ii) diminish the duration of unemployment and inactivity, so as to address long-term and structural unemployment, as well as social exclusion; (iii) fill vacancies (including through voluntary labour mobility), and (iv) offer satisfactory services to jobseekers and employers<sup>575</sup>.

The renewed PES network in compliance with the legal decision will submit its Annual Report to the European Parliament. At a more progressed stage the European Parliament could also request a report from the PES network with a focus on youth.

Also, the European Parliament could propose to introduce monitoring systems able to compare employment and earnings outcomes of participants and non-participants of specific interventions (including the Youth Guarantee) with a longitudinal perspective.

Data concerning the long-term impacts of ALMPs are rare; monitoring and evaluation capacity could be enhanced by the European Social Fund technical assistance, as PES are very often in charge of implementing projects funded through the ESF. In this way, the impact of ALMPs could be more precisely evaluated and the cost of monitoring could be shared among Member States and the European Union.

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<sup>571</sup> European Parliament legislative resolution of 16 April 2014 on the proposal for a decision of the European Parliament and of the Council on enhanced cooperation between Public Employment Services (PES) (COM(2013)0430 – C7-0177/2013 – 2013/0202(COD)).

<sup>572</sup> Article 2 European Parliament legislative resolution of 16 April 2014 on the proposal for a decision of the European Parliament and of the Council on enhanced cooperation between Public Employment Services (PES) (COM(2013)0430 – C7-0177/2013 – 2013/0202(COD)).

<sup>573</sup> The Open Method of Coordination (OMC), created as part of employment policy and the Luxembourg process, has been defined as an instrument of the Lisbon strategy (2000). The OMC provides a new framework for cooperation between the Member States, whose national policies can thus be directed towards certain common objectives. Under this intergovernmental method, the Member States are evaluated by one another, with the Commission's role being limited to surveillance.

<sup>574</sup> For more information about the PES-to-PES dialogue see <http://ec.europa.eu/social/main.jsp?catId=964>. (Accessed 05.06.2014).

<sup>575</sup> Annex Benchmarking indicators, European Parliament legislative resolution of 16 April 2014 on the proposal for a decision of the European Parliament and of the Council on enhanced cooperation between Public Employment Services (PES) (COM(2013)0430 – C7-0177/2013 – 2013/0202(COD)).

## Improving social partner participation

The **participation of social partners** can influence the effectiveness of interventions. For example, in both **Austria** and **France**, social partners play an important role and inform decisions on policy and standards in PES. Likewise, the government in France, often with the active involvement and support of the social partners, has over a number of years introduced specific programmes to support youth employment. The same applies to **Finland**, where there is strong involvement and strengthening of the cooperation of social partners at all levels of both VET and the YG. In the **UK's** market-led system, in contrast, social partner involvement is not always consistent. In **Italy** and Poland, **better coordination** with social partners might improve the current **skills mismatch**. Cooperation could contribute to aligning the skills of young people with the demands of employers.

The European Commission and the European Parliament can foster the application of law (directives, regulations and decisions) by promoting the exchange of best practices for social partner participation. A recent report from the European Commission has already made recommendations along similar lines regarding social partner participation, including: (i) social partner representation in the relevant national/regional/local and/or sectoral VET-related commissions, councils and/or advisory bodies; (ii) the regular assessment and update of VET programmes to ensure that they are closely aligned to labour market needs; (iii) social partner input and active participation in the design and development of professional qualifications and associated curricula, including the content and extent of practical company-based training; (iv) social partner input into the definition of apprenticeship-related standards, terms and conditions, including (in some countries) apprentice remuneration; (v) social partner involvement in the implementation and oversight of apprenticeships and VET placements in the workplace; (vi) social partner involvement in monitoring and quality assurance; (vii) funding (e.g. through joint funding bodies, employer funds, etc.), and (viii) working closely with educational institutions/VET providers in both curriculum design and provision of work-based placements<sup>576</sup>.

Also, through its **supervisory power**, the European Parliament might act as stimulus to improve the performance of other EU organisations. In particular Eurofound, Cedefop, the European Youth Forum and the European Trade Union Institute might contribute to strengthening the social dialogue at supranational level by organising further round tables, fora, summits and so forth to advance these issues.

## Reviewing apprenticeship and training design

In the case studies presented, it emerges that apprenticeships and training in the private sector seem to create more permanent jobs than those in the public and not-for-profit sectors. More specifically, labour market outcomes for apprentices in company-run apprenticeship schemes are better than for those engaged in apprenticeships or traineeships provided as part of a government scheme in a training centre (school-based apprenticeships).

It is therefore recommended that time spent in company placements for young people be extended, a wider range of qualifications be offered, and supporting measures be introduced that target the demand side of the labour market. Likewise, there is a need to increase the supply (and quality) of apprenticeships by employers, especially SMEs.

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<sup>576</sup> European Commission (2013), *Apprenticeship and Traineeship Schemes in EU27: Key Success Factors, A Guidebook for Policy Planners and Practitioners*, Report prepared by Ecorys, IES and IRS for DG EMPL, December 2013.

Drawing on the European Parliament resolution 'on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status', the European Commission launched the European Alliance for Apprenticeships in 2013 aimed at both **improving the quality and availability of apprenticeships** and changing the attitudes of social partners about this type of learning<sup>577</sup>. Subsequently the European Quality Framework for Traineeships was adopted on 10 March 2014 toward the same end. The major concern is that some traineeships have low-quality learning content or simply view young people as a cheap source of labour<sup>578</sup>. The European Parliament should continue its overseeing role in this context by reminding Member States that apprenticeship schemes are an efficient alternative pathway which improves both basic and soft skills of disadvantaged, low-skilled young people, reducing the distance between them and the labour market<sup>579</sup>.

To maximise the effectiveness of apprenticeship schemes, peer review systems at EU level (i.e. via the Employment, Social Policy Health and Consumer Affairs Council (EPSCO), the European Centre for the Development of Vocational training (Cedefop) and European Training Foundation (ETF)) should ensure that the following key success factors, as highlighted by a recent report undertaken on behalf of the European Commission, are taken into account when designing and implementing such policies; (i) a robust and stable institutional and regulatory framework; (ii) strong social partner involvement; (iii) strong employer involvement; (iv) close partnerships between employers and educational institutions; (v) close alignment with labour market needs; (vi) funding (including employer incentives); (vii) robust quality assurance; (viii) appropriate matching of apprentice/trainee to host organisation; (ix) combination of theoretical, school-based training with practical work-related experience; (x) existence of an apprenticeship/ traineeship agreement; (xi) high-quality guidance, support and mentoring of apprentices/trainees; (xii) certification of acquired knowledge, skills and competences; and (xiii) tailored and flexible approaches to the needs of vulnerable young people<sup>580</sup>.

Finally, the European Parliament could continue to exert its agenda-setting influence by promoting the debate *on* and researching *how* Member States can **achieve dual education and training systems**, as macroeconomic analysis shows that a combination of a dual education and training system with ALMPs yields the best results<sup>581</sup>.

## Promoting policies at EU level: the European Youth Guarantee

Evaluations of the **Youth Guarantee** have been overwhelmingly positive and, as a result, this is now a major policy within the EU. Indeed, there is growing evidence that the Youth Guarantee and related schemes, which seek to ensure that young people stay connected with the labour market, and/or improve their skills and qualifications to

<sup>577</sup> For more information about the European Alliance for Apprenticeship see: [http://ec.europa.eu/education/policy/vocational-policy/alliance\\_en.htm](http://ec.europa.eu/education/policy/vocational-policy/alliance_en.htm). (Accessed 05.06.2014).

<sup>578</sup> Council of Europe (2014) Recommendation on a quality framework for traineeships. [http://ec.europa.eu/europe2020/pdf/themes/22\\_youth\\_unemployment\\_02.pdf](http://ec.europa.eu/europe2020/pdf/themes/22_youth_unemployment_02.pdf). (Accessed 05.06.2014).

<sup>579</sup> Articles 20 and 21 European Parliament resolution of 6 July 2010 on promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status (2009/2221(INI)).

<sup>580</sup> European Commission (2013), *Apprenticeship and Traineeship Schemes in EU27: Key Success Factors, A Guidebook for Policy Planners and Practitioners*, Report prepared by Ecorys, IES and IRS for DG EMPL, December.

<sup>581</sup> Eurofound (2012), Recent Policy Developments related to those not in Employment, Education and Training (NEETs); Duell, N., Kettner, A. and Vogler-Ludwig, K. (2011), Comparative Paper on the Role of PES in

enhance their employability, are very effective in facilitating school-to-work transitions. In particular, the YG policy represents a holistic approach to transitions from education to employment by involving employers, employees, government and trade unions and creates an environment of shared responsibility and inclusivity.

Youth Guarantees are successful in engaging young people who register as unemployed at PES, and when supported by other measures which monitor vulnerable young people from an early age, this means the YG serves its target group well. The design of the YG and whether or not it operates within a joined-up system contribute significantly to its success. In connection with activation measures and the provision of personalised support and guidance, one of the YG's particular strengths is that young people receive **timely advice and guidance** to make more informed decisions about their transition into work at an earlier time – which reduces disengagement from the labour market. As such, the YG encourages pre-emptive actions to mitigate unemployment risk. That said, despite the positive experience with YGs in the Nordics and a few other countries, there is rather limited evidence on their long-term impact.

Moreover, concern has been expressed regarding the available funding for YGs across the EU. Specifically, the EU funds earmarked for the YG (e.g. the ESF and YEI's €6 billion for the period 2014–2020, where €3 billion comes from the new 'youth employment' budget line and the other €3 billion from the ESF) are seen as inadequate for full implementation of YGs. For example, the European Parliament's Committee on Employment and Social Affairs, together with various commentators, economists and bodies such as the ILO, the Committee of Regions and ETUC, have expressed concern about this level of financial support for effectively implementing EU youth employment reforms such as the YG (targeted especially at NEETs). The ILO estimates that the EU requires an injection of €21 billion for this, which represents around 0.45 % of Eurozone government spending<sup>582</sup>. This should be considered in the context of an estimated cost of NEETs in 26 Member States, which is approximately equal to €156 billion (representing 1.51 % of the EU's GDP)<sup>583</sup>.

In the medium term, and on the basis of well documented analysis of the positive results of the Youth Guarantee, the European Parliament should seek to obtain more financial resources for this scheme. In particular the European Parliament might suggest a larger share of the **European budget** be earmarked for the European Youth Guarantee, when negotiating the EU budget.

### Ensuring measure compatibility with EU Directive 2000/78/EC

The evidence collected shows that when Member States design labour market policies, the 'age' dimension of **Directive 2000/78/EC** is very rarely used as a reference point. In other words, the benefit of having age included in the Employment Directive and the balancing and compromise exercise required to achieve the necessary unanimous acceptance by all Member States has been achieved at some cost. Article 6 of the Directive is in fact one of the most vague in the field of European equality legislation<sup>584</sup>. Experts' responses to the study highlighted that **age is a dimension mostly related to**

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Youth Integration, Economix, Prepared for the EU Peer Review on PES Approaches and Measures for Low Skilled Young People, Vienna, May.

<sup>582</sup> ILO (2013), Youth Guarantees: A Response to the Youth Employment Crisis, ILO Policy Brief, April.

<sup>583</sup> Eurofound (2012), Recent Policy Developments related to those not in Employment, Education and Training (NEETs).

<sup>584</sup> [Colm O' Cinneide. Age Discrimination and the European Court of Justice: EU Equality Law Comes of Age. http://www.era-comm.eu/oldoku/Adiskri/08\\_Age/2010\\_09\\_OCinneide%20EN.pdf.](http://www.era-comm.eu/oldoku/Adiskri/08_Age/2010_09_OCinneide%20EN.pdf)

**older workers** and that EU equality legislation has been more effective in relation to the dimensions of gender and ethnicity. However, because of the renewed emphasis on demographic issues and tensions among different cohorts of workers, a new coordinated effort on employment-related equal opportunity legislation related to age is required.

There is some emerging case law in the European Union regarding **discrimination against young people** which can be compared with the youth employment measures analysed in this study. These cases demonstrate that interpreting the Directive is no simple task. Verdicts reside on the normative question: 'What are legitimate and proportional aims?' These may be difficult to identify or define and inevitably many young people are likely to feel victimised by legislation that appears to be indirectly discriminatory<sup>585,586,587</sup>.

In the medium term, by cooperating with national assemblies, under the Lisbon Treaty provisions for the inter-parliamentary relations between the national and the European Parliaments<sup>588</sup>, the European Parliament could support the adoption of a **balanced approach to employment of young people**, protecting them from employment measures which may discriminate negatively against them. Also, as each Member State has to submit a National Reform and Stability Programme to the EU – a document which presents the country's policies and measures to sustain growth and jobs<sup>589</sup>, the European Parliament by exerting its overseeing role can urge Member States to integrate economic objectives (**flexibility**) and employment and social objectives (**social security**), when countries struggle to achieve an holistic approach on flexible but reliable contracts, lifelong learning, active labour market policies and social security.

Finally, in a longer-term perspective, the European Parliament might suggest the elaboration of **guidelines** to enable better use of Directive 2000/78/EC as a reference point for youth employment policies. A streamlined definition of what a 'legitimate aim' is, and which types of employment this includes, might (i) help to build a more harmonised European legal framework with respect to age and (ii) enhance employment protection for young people.

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<sup>585</sup> Booth, A., Francesconi, M. and Frank, J. (2000), *Temporary Jobs: Who gets them, what are they worth and do they lead anywhere?*, ISER Working Paper.

<sup>586</sup> Booth, A., Francesconi, M. and Frank, J. (2002), 'Temporary Jobs: Stepping Stones or Dead Ends?', *Economic Journal*, Vol. 112, pp. 189–213.

<sup>587</sup> Gebel, M. (2009), *Op.Cit.*; Scherer, S., (2004), 'Stepping Stones or Traps? The Consequences of Labour Market Entry Position for the Further Career Chances in Germany, Italy and Great Britain', *Work, Employment and Society*, Vol. 18, No. 2, pp. 369–394.

<sup>588</sup> For more information about the European Parliament relations with National Parliaments see: <http://www.europarl.europa.eu/webnp/cms/pid/1>. (Accessed 05.06.2014).

<sup>589</sup> For more information about National Reform and Stability Programmes see: [http://ec.europa.eu/europe2020/who-does-what/member-states/index\\_en.htm](http://ec.europa.eu/europe2020/who-does-what/member-states/index_en.htm). (Accessed 05.06.2014).

## ANNEX

### METHODOLOGY

Our methodology entails two steps of data collection to develop our conclusions and recommendations:

- a. Desk research collecting secondary data:
  - initial desk research to define the problem and select Member States for the six in-depth case studies;
  - desk research to select and assess the effectiveness of the measures that support young people's access to the labour market.
- b. Field work collecting primary data through telephone interviews:
  - familiarisation interviews to define the subject and the scope of the problem;
  - semi-structured interviews to assess the effectiveness in the short, medium and long term for the measures selected in the context of the six case studies.

Guides for the familiarisation and semi-structured interviews are located in this Annex.

In order to develop a better understanding of the problem at hand, the research team undertook and completed initial desk research at national and European level during the Inception Phase and gained a clear picture of the general policy measures being used in the EU, focusing on improving young people's access to the labour market. In addition, we include the review of the National Reform Programmes and Specific Recommendations provided by the European Commission against the achievement of the Europe 2020 goals<sup>590</sup>. The EU's growth strategy for the coming decade is aimed at higher levels of youth employment. Reviewing these documents helped us to start drafting the contextual analysis of the status quo in the European Union and its Member States. Besides this initial desk research, the research team conducted six familiarisation interviews with a member of the European Parliament as well as professionals and experts in the field. The experts have been able to provide information on differences between Member States and examples of projects within Member States, which have also helped to select the sample of Member States for the case studies.

In the course of the Interim stage, the research team selected 12 measures, two in each Member State.

In a next step, the study team has carried out comprehensive desk research and analysis of national policy evaluation reports on the outputs and outcomes of these programmes in the six countries selected as in depth case studies (see section 4.1). The analysis is based on concrete figures and statistics. For additional information on the effectiveness of the sort of policy measures, the research team has also analysed several international policy reports (such as international reports of Eurofound, OECD, ILO and EENEE).

The research team got in touch with experts in the selected Member States on the specific policy programmes. In each Member State a representative of the policy programme and a national expert within that Member State (for instance an academic

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<sup>590</sup> European Commission, (2013), 'Europe 2020: Making it Happen: Country-specific Recommendations 2013'. <http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/>.



expert or representative at the responsible ministry) or representative of the organisation that commissioned the programme (e.g. ministry) were interviewed or contacted for interview. In detail, we used a questionnaire to collect comparable information regarding the programmes' outputs, outcomes and impacts from programme managers. In order to verify the information gathered and gain a balanced point of view about the results of the programme we interviewed one national representative of employer association and one national representative of a trade union per Member State at the minimum. This filled gaps that were identified as one of the main limitations of the aforementioned Eurofound study, which only relied on programme managers' judgments. An exhaustive list of interview respondents and contacts attempted is included in this Annex.

Also, the research team considered that the general evaluation studies on programmes to assess youth unemployment do not investigate effects on the duration of future period of unemployment, thus neglecting potentially important programme effects which might arise through an increase in productivity or through a better job match<sup>591</sup>. Consequently, potential positive long-term effects are not always captured by the current study. Therefore, our study aims also to collect critical assessments about the long-term effects of the measures, investigating the effects on wage, displacement effects or measuring adverse effects, based on expert interviews and opinion.

Ultimately, the large amount of data collected has been organised into in-depth country case studies. They allow us to describe the socioeconomic and institutional characteristics of the country, the youth unemployment trend in the last 15 years, as well as the main policies that the country put in place to tackle the existing problems in the field of youth and unemployment. Within those set policies, the research team has then selected two specific policies and analyses their effects in the short, medium and long term. Where possible we assessed whether differential treatment by some measures are legitimate because they have ultimately reached the goal of providing more and better jobs for workers under 25. Case law and instances of non-compliance with Directive 2000/78/EC relating to youth employment interventions were few and far between.

Finally, conclusions and recommendations were completed to reflect the research. Conclusions outlined the current situation for young workers in the labour market, including barriers to access and the impact of flexible work arrangements. Policy typology and effectiveness across the EU were also outlined, in addition to the causes and risks which can lead to measures having positively or indirectly discriminatory outcomes for young people. Policy recommendations were subsequently listed. Recommendations included enhancing PES, improve the participation of social partners, factors to consider in design of apprenticeship and training schemes, promotion of policies at EU level (and the European Youth Guarantee) and the steps required to ensure measures are compatible with relevant European employment Directives. Policymakers should be mindful of the characteristics of the labour market in which they are trying to enact change as contextual factors can be extremely important at local, regional and national level.

## **Selection of Member States**

The research team has selected a number of national policy programmes which are focused on assisting young people's access to the labour market. In order to do so, we first selected a number of Member States, based on different characteristics, such as

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<sup>591</sup> Interview with trade union representative and academic expert.

education and vocational training systems, labour market institutions and systems, their geographical location (region) and their youth unemployment statistics. In total, we propose to select six Member States for a more in-depth assessment.

Based on the guidance from the relevant sources which we have analysed in the initial stage of the project as well as guidance received from the Institute for Employment Studies, we have adopted a contextual analysis approach in order to acquire the basis for sampling the countries.

The selection criteria applied ensured that we have a balanced mix of countries using positively and indirectly discriminatory measures in prevalence.

Our contextual analysis includes five comparative criteria:

1. welfare regime;
2. school to work institutions;
3. flexibility of the labour market;
4. economic base and level of unemployment of under-25 workers;
5. geographical location.

The first two criteria group together the variation among Member States in terms of prevailing 'structural models' and 'policy models' offered in the literature, which provide different care systems, educational policies and de-regularisation of employment. The third dimension narrows down the scope of our analysis according to the ToR by closely looking at the type of measure and policy that countries have put in place in the field of making the labour market more flexible. The 'economic base' dimension focuses on the competitiveness of the country considered. In this regard, competitiveness is not only limited to economic growth, but also intrinsically linked to the conditions of young workers who are in or coming into the workforce and the extent to which the country has been indirectly affected by the economic crisis. The selection on the basis of the geographical location provides a balanced picture, reflecting the priorities and concerns of different Member States regarding the subject of the study.

To mitigate the risk of lack of longitudinal data to assess the effects of the policy programmes considered, the team – based on the desk research and the guidance of the initial interviewees – selected those countries where the collection of data on youth and employment has been more systematic.

The five comparative criteria described above helped us to better grasp the variability among Member States regarding the potential different treatments of workers under 25 when accessing the labour market. The criteria and the related variables are summarised below:

**Table 4: Member States' selection criteria**

Title	
1. Welfare Regime	Social democratic model/universalistic; Liberal model; Continental model/employment-centred; Southern model/sub-protective.

2. School to work institutions	Large apprenticeship system; Vocational training at school; General full time schooling.
3. Flexibility of the labour market	High; Medium; Low.
4. Economic base and level of youth unemployment	High, medium and low levels of competitiveness; High, medium and low levels of youth unemployment.
5. Geographical location and size of the country	Northern, Southern, Eastern and Western European countries; Small, medium, large country.
6. Welfare Regime	Social democratic model/universalistic; Liberal model; Continental model/employment-centred; Southern model/sub-protective.

Drawing from the countries' characteristics, the following countries have been selected: **Austria, Finland, France, Italy, Poland** and the **United Kingdom**. The table below illustrates in detail the assessment of each country against the selection criteria.

**Table 5: Overview of selected Member States**

<b>Member States</b>	<b>Welfare Regime</b>	<b>School to Work Institutions</b>	<b>Flexibility of the Labour Market</b>	<b>Economic Base Level of youth unemployment</b>	<b>Geographical Location Size of the Country</b>	<b>Youth Guarantee scheme</b>	<b>Availability of Data (Preliminary assessment)</b>
Austria	Continental model/employment-centred	Large apprenticeship system	Low	High level of competitiveness Low level of youth unemployment	Western (Central) European country Small country	Yes	Medium
Finland	Social Democratic Model/ universalistic	VET at school	Medium	Medium level of competitiveness (negatively affected by the crisis) Medium level of youth unemployment	Northern European country Small country	Yes	High
France	Continental model/employment-centred	General full time schooling	Low	Medium level of competitiveness High level of youth unemployment	Western European country Large country	Partly	Medium

Member States	Welfare Regime	School to Work Institutions	Flexibility of the Labour Market	Economic Base Level of youth unemployment	Geographical Location Size of the Country	Youth Guarantee scheme	Availability of Data (Preliminary assessment)
Italy	Southern model	VET at school	Low	Low level of competitiveness (negatively affected by the crisis)  High level of youth unemployment	Southern European country  Large country	Partly	Medium
Poland	Economy in transition	General full time schooling	High	Medium level of competitiveness ( <i>Relatively</i> )  High level of youth unemployment	Eastern European country  Large-Medium size country	Yes	Medium
United Kingdom	Liberal Model	General full time schooling	High	High level of competitiveness  Medium level of youth unemployment	North-Western European country  Large country	No	High

## Selection of measures

Based on the 'pathway to employment' model illustrated in Chapter 3 (see Figure 8), the research team has mapped and then selected 12 measures for the six Member States considered, according to the below criteria:

- a. Stages along which the measure intervenes in the transition from school to work:
  - measures to facilitate the transition from school to work;
  - measures to foster employability among young people;
  - measures to remove practical/logistical barriers and employer incentives.
- b. Differentiating the above measures according to their support given to the labour supply (i.e. employees) and demand side (i.e. employers).

In addition, where possible another two selection criteria have been applied. Firstly, based on the policy design of the measures, these have been defined according to their positively and indirectly discriminatory character in the treatment of workers under 25 (see Table 2). Secondly, the research team has selected measures that have been implemented in a 5 to 15 years' time span, as impacts need to be analysed in a long-term perspective.

It has to be observed that these 'path to employment' categories of measures are mainly elaborated on for practical reasons, as they guide us in the selection of policy measures. In practice, however the boundaries of these measures are less defined. Especially measures based on work-placed training in the private sector can be listed in more than one category. For example they can be listed as interventions that foster young labour market entrants' employability (i.e. labour supply side measures), but can be listed at the same time as interventions that might create indirect discrimination or as labour demand side measures, respectively, when the training is based on subminimum wages or when the training involves incentives to employers.

Several of the measures analysed, particularly youth guarantee schemes, rely on a mix of these elements. Consequently, even if the research team has provided a balanced selection of measures across countries – considering for each of them one measure supporting the labour supply side and one measure supporting the labour demand side – such differentiation has to be taken cautiously. The mix of elements within the same measure is counterbalanced by the application of similar measures within a given country. Countries such as Finland and Austria tend to implement labour supply side measures and very rarely apply demand side measures, while countries like the UK, Italy and France have a more wide array that include measures to incentivise employers. Comparisons and differences between these two sets of measures in the specific field of youth and unemployment appear then more straightforward among countries, then within countries.

The 12 measures selected in each Member State are listed in the table below:

**Table 6: Overview of the selected measures**

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
Austria	Training guarantee (Ausbildungsgarantie) and supra-company apprenticeship training (Überbetriebliche Lehrausbildung, ÜBA) (1998-undergoing)	Youth guarantee schemes; policy measure supporting Vocational Education and Training (VET) generally based in the school systems and in the apprenticeship systems	(Mainly) Labour supply side measure	Young entrants to the labour market (15 to 19 years old)	€187 million (in 2011-2012)	<p>The Training Guarantee (Ausbildungsgarantie) aims at guarantee vocational training for all young people up until the age of 18 and providing them with a training offer within 3 months of registration with the PES.</p> <p>The other section of the measure offer the opportunity to complete a supra-company training programme. In light of decreasing numbers of company-based apprenticeship offers, the programme initially aimed at providing training courses for those unable to secure a company-based apprenticeship.</p>

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
	Future for Youth Action Programme (Aktion Zukunft Jugend) (2009-undergoing)	Employment services and programmes, e.g. employment planning, job-search assistance, employment subsidies	Mainly) Labour supply side measure	Young entrants to the labour market (20–24 years old)	€120 million (in 2009)	The initiative is an example of the extension of previously existing programmes. It does however emphasise the management of the transition from education to work including the provision of vocational orientation and guidance which have gained more importance in view of the economic crisis.
Finland	Youth Guarantee 2005–2013 (Further extended up till 2016)	Mainly facilitating the transition from school to work, including: <ul style="list-style-type: none"> <li>• Individual needs assessments and search assistance</li> <li>• Improving public employment services</li> </ul> Guaranteed training,	Mix of elements	Young entrants to the labour market (15 to 24 years old – extended to 29 years old) and Employers	€60 million per year	The YG begins with a personalised needs assessment and employment plan from the PES within the first month of becoming unemployed. The young person is then guaranteed an offer of a job, work trial, study place or period in a workshop or rehabilitation within three months of becoming unemployed.



Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
		education or employment options				
	Career start (Pilot measure 2006–2010, currently undergoing)	Fostering employability via: <ul style="list-style-type: none"> <li>Options in further education and VET</li> <li>Workplace based training</li> </ul> Incentives to employers	Labour supply side measure	Young entrants to the labour market (15 to 24 years old – extended to 29 years old) and Employers	-	The programme offers alternative career paths, VET courses and employment options to reduce exclusion.
France	The Single Integration Contract (Contrat Unique d'Insertion, CUI) (2010-undergoing)	Providing incentives and concessions to employers (including workplace-based training in the private sector and subminimum wages)	Labour demand side measure	Employers in the private sector (CUI-CIE) and the not-for-profit sector (CUI-CAE)	The budget for this labour market intervention in 2014 foresees a total of €135.6 million for the CUI-CIE and 1,807 billion for the CUI-CAE	The Single Integration Contract is a form of assisted employment contract in place in France since 2010. The measure brings together previously existing types of labour market interventions and replaced four subsidised inclusion contracts created by the Social Cohesion Act of January 2005.

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
	Professionalisation Contract (Contrat de Professionnalisation, CdP)  (Previous existing similar measure launched in 1983, renewed in 2005 and currently undergoing)	Providing incentives and concessions to employers (including workplace-based training in the private sector and subminimum wages)	Labour demand side measure	Young entrants to the labour market (15 to 25 years old – extended to 29 years old) and Employers	-	The programme aims at young people under the age of 26 without any professional qualifications as well as those wishing to complete their training at any level. Companies are encouraged to hire these young people for a specific period of time between 6 and 24 months.  Employers are offered financial incentives in the form of a € 1,000 one-off subsidy if they employ a person aged under 26 years.
Italy	FIXO Traineeship Programme	Training	Labour supply side measure	Young entrants to the labour market	<i>Desk research ongoing</i>	FIXO is mainly aimed at increasing the employment rate of young graduates (and in its most recent form also of young people holding an high school diploma), favouring the smooth transition from education to employment and reducing the length of time to secure employment

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
	Youth local Plans	Self-employment support	Labour demand side measure	Young persons aged less than 35	<i>Desk research ongoing</i>	The regional Plans seek to support the activities of young people aged less than 35 years, providing many opportunities for youth employment and youth entrepreneurship. This aim is achieved through a wide range of measures: fiscal deductions, financial support for start-ups companies, promotion of self-employment among young workers and support to associations of self-employed workers (cooperatives), on the job traineeships. The Plan is also promoting and supporting the implementation of business incubators for young people in the field of innovation technology.
Poland	Work Practice	Apprenticeship scheme	Labour supply side measure	Young entrants to the labour market (15 to 25 years old –	€205.7 million in 2012	Work Practice gives the unemployed a chance of gaining practical skills by performing tasks at the

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
				extended to 27 years old)		workplace without having to conclude an employment contract. A Work Practice is carried out on the basis of a contract signed between the Local Labour Office (LLO) and the employer, who specifies the programme and indicates the tutor. The work placement can last up to 6 months, but up to 12 months for young people (up to 25 years old or 27 years old in the case of university graduates). Participants are entitled to a grant equal to 120 % of the unemployment benefit (for more info please see the 2013 Youth Guarantee/PES in Poland report and the Dec 2013 Commission Guidebook on Apprenticeships and Traineeships).
	Training Courses*	Training	Labour supply side measure	Young unemployed people under	€33.2 million in 2012	Training courses organised and financed by local labour offices in Poland.

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
				25 (university graduates under 27)		They are designed to improve the employability of young unemployed people. The courses can be contracted by the LLO or selected by the unemployed trainee. Cost of training is covered by the LLO up to 300 % of an average monthly salary. Courses typically last 6 months, but this can be extended to 12 months according to the curriculum, or 24 months in exceptional circumstances. Trainees receive a grant of 120 % of unemployment benefit for the duration of training if the course is 150 hours per month or more. Fewer hours reduces the value of the grant proportionately.
United Kingdom (England)	New Deal for Young People (NDYP)	Facilitate transition from school to work	(Mainly) Labour supply side measure	Young entrants to the labour market (18 to 24 years old)	€3.75 billion	The NDYP targeted young people aged 18-24 who had been unemployed for more than 6 months with a target of getting 250,000

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
	1998–2011			and Employers		under 25 year olds off benefits and into employment by the end of 2002. The premise of the programme was to help those individuals find and maintain long-term employment.
	Youth Contract 2012 – undergoing	Remove practical/logistical barriers and employers incentives	(Mainly) Demand supply side measure	Wage incentives to employers to train and hire 18-24 years old who have been receiving benefits for at least 6	€1.2 billion	The Youth Contract is designed to support 18-24 year olds who have been receiving benefits for at least 6 months into full-time education or training, apprenticeship or employment with training. Although the policy measure included additional Jobcentre Plus support and increased work experience places, these measures were already available. The Youth Contract is delivered via local authorities and is not wholly the responsibility of public employment services (PES). The main aspect of the policy is a wage incentive for

Country	Name and Time frame	Path to employment stage	Labour market side	Target groups	Fund allocated	Description
						employers and, as such, is a measure to support the demand side of the labour market.

\*The Polish case study had originally included Work Practice and the Anti-Crisis Regulations. However, following interview with a trade union representative, it became clear that the Anti-Crisis Regulations were inconsequential in the context of youth unemployment. The Anti-Crisis Regulations were not specifically targeting young people, were introduced on a temporary basis (although some changes are now incorporated into national labour law) and were not introduced to deal with youth unemployment. Furthermore, there were no evaluations of the regulations in the context of young people and unemployment; therefore it would have been impossible to quantify the effect of the changes. Given the paucity of data and the advice given during interview the research team selected Training Courses as the second measure for assessment.

## Research questions

**Table 7: Research Questions and Indicators**

Overarching questions	Sub questions	Indicators	Tools
1. What is the definition of young unemployed (under 25) in the EU and in the Member States?	Do MS follow the EU-recognised definition of workers under 25? What are the main differences / similarities across MS in their definition of young unemployed?	a. Threshold age considered / Cohort age in which workers under 25 are subdivided b. Youth unemployment rate across time in EU and MS broken down by: sex, level of education, legal status, disabilities and other	Desk research: Academic literature review and grey literature (Literature on models of labour market). Eurostat statistics Fieldwork research: Familiarisation interviews with
2. What is the situation in the	What is the magnitude of the problem regarding youth		

Overarching questions	Sub questions	Indicators	Tools
<p>EU and in the MS regarding youth unemployment?</p>	<p>unemployment in Europe and in each MS?</p> <p>Is youth unemployment cyclical or structural in the different MS?</p> <p>How significantly have MS been affected by the economic crisis?</p> <p>Are certain types of discriminatory policies used more than others across MS</p> <p>(positive vs. negative)? If so, how is this measured?</p>	<p>vulnerabilities.</p> <p>c. Youth participation rate in EU and MS (i.e. number of under 25 who are either employed or actively looking for work).</p> <p>d. Number/ Rate of under 25 in EU and MS that are i.e. not in employment, education and training (NEETs)</p> <p>e. Percentage of young unemployed that are early school leavers (ESL) in the MS</p> <p>f. Average length of unemployment of young people under 25 between jobs</p>	<p>five EU experts</p>
<p>3. What existing national policy measures can be found in the selected Member States to help young people enter the labour market?</p>	<p>Is labour market flexibility encouraged?</p> <p>Did MS apply measures to support both the employers and (young) employees before the economic crisis? How is the situation now?</p>	<p>a. Type and number of existing measures to support workers under 25 to enter the labour market in the selected MS</p> <p>b. Number and type of new specific measures introduced during the economic crisis to boost youth employment in the MS selected</p> <p>c. Number and type of measures in place to reduce the number</p>	<p>Desk research:</p> <p>Academic literature review and grey literature review</p> <p>Field work – Case studies</p> <p>1. National respondents/strategic operative level (civil servant for implementation and/or programme manager- 1)</p>



Overarching questions	Sub questions	Indicators	Tools
		of Early School Leavers (ESL) in the MS selected	2. National final beneficiaries' representatives (Trade Unions and Employers Associations – 2) 3. National External Expert (1) 4. Familiarisation interviews with five EU experts
4. Which measures are either positively or indirectly discriminatory in order to assist young people's access to the labour market?	Do MS favour certain types of discriminatory policies over others? (Positive vs. negative)	a. Number and types of investment <ul style="list-style-type: none"> <li>• Income support</li> <li>• Training and Search activities(employability)</li> <li>• Actions to improve labour institutions and training</li> <li>• Risk mitigation:</li> <li>• Reintegration of school leavers</li> <li>• Transition: Youth guarantee</li> <li>• Cutting social security contributions, lengthening the trial periods for young workers or reducing labour costs for temporary contracts?</li> <li>• Enhancing Labour demand</li> </ul>	Desk research: Academic literature review and grey literature review Field work – Case studies <ol style="list-style-type: none"> <li>1. National respondent/strategic operative level (civil servant for implementation and/or programme manager- 1)</li> <li>2. National final beneficiaries' representatives (Trade Unions and Employers Associations – 2.)</li> <li>3. National External Expert (1)</li> <li>4. Familiarisation interviews</li> </ol>

Overarching questions	Sub questions	Indicators	Tools
		<p>(Incentives to employers)</p> <ul style="list-style-type: none"> <li>• Wage and no wage labour cost.</li> <li>b. Financial resources allocated to the two types of measures</li> <li>c. Investment per person</li> <li>d. Best practices, if any, and factors enacting them</li> <li>e. Institutions responsible for the implementation of these policies</li> <li>f. Evidence of institutions cooperating to implement these policies</li> </ul>	<p>with five EU experts</p>
<p>5. For each policy measure:</p> <p>a) What is its short-term effectiveness? (outputs)</p>	<p>How many young people have been reached by each policy measure?</p> <p>Among those young people, how many of them belonged to the programme target group?</p> <p>How many employers were reached?</p> <p>How many job institutions/structures were established? (i.e. job centres)</p>	<p>Project/programme outputs</p> <p>Number / type of methods and instruments that MS have put in place to define needs of individual persons (estimates)?</p> <p>Number of participants reached</p> <p>Number of companies/firms reached</p> <p>Number of institutions and services for work established</p>	<p>Desk research:</p> <p>Programming documents and related evaluation documents; grey literature.</p> <p>Field work – Case studies</p> <p>Interviews:</p> <p>1. National respondent strategic/ operative level (civil servant for</p>

Overarching questions	Sub questions	Indicators	Tools
			<p>implementation and/or programme manager- 1)</p> <p>2. National final beneficiaries' representatives (Trade Unions and Employers Associations – 2.)</p> <p>3. National External Expert (1)</p>
b) What is its medium-term effectiveness? (outcomes)	<p>How many participants went back to Vocational Education and Training (VET)?</p> <p>How many participants obtained a qualification?</p> <p>How many jobs has the measure created?</p> <p>How many participants moved on to better (work/training) conditions?</p> <p>How many feel the initiative has improved their future employability?</p> <p>How has the measure contributed to the improvement of the PES (public employment services)?</p>	<p>Project/programme outcomes:</p> <p>Number of participants back to VET</p> <p>Number of participants obtaining a qualification.</p> <p>Number of job created</p> <p>Number of participants passing from non-standard to standard forms of work.</p> <p>Beneficiary perceived improvement in the level of employability</p> <p>Beneficiary perceived improvement in the level of PES</p> <p>(Review beneficiary satisfaction forms/report of the measure, if available)</p>	

Overarching questions	Sub questions	Indicators	Tools
<p>c) What is its long-term effectiveness? (impacts)</p>	<p>How many jobs losses will the measure avoid?</p> <p>By what percentage will the participation rate increase?</p> <p>By what percentage will the employment rate increase?</p> <p>By what percentage will the unemployment rate decrease?</p> <p>How is the match between skills supply and demand impacted on?</p> <p>Has the levels of education increased among young people?</p>	<p>Project/programme impacts:</p> <p>Number of jobs secured (estimate)</p> <p>% of increase of participation rate (estimate)</p> <p>% of increase of employment rate (estimate)</p> <p>% of decrease of unemployment rate (estimate)</p> <p>Perceived level matching according to the beneficiary.</p> <p>% of increase of employment rate (estimate)</p> <p>Number of education attainments (estimate)</p>	
<p>6. Are these measures compatible with Directive 2000/78/EC on equal treatment in employment and occupation? (especially for the indirectly discriminatory</p>	<p>To what extent take MS international standards conventions into account?</p> <p>Do the measures violate the EU regulation?</p> <p>Are other age groups compromised by the initiative?</p>	<p>Examples how MS have transposed / implemented equal treatment legislation and measures</p> <p>Convention 111 ILO</p> <p>Level of justifications provided in the law for differences in treatment (Art 6 Directive 2000/78/EC)?</p> <p>Number of class actions or cases of (age) discrimination presented to the</p>	<p>Deskwork research:</p> <p>legal review of existing report</p> <p>Field work – Case studies:</p> <ol style="list-style-type: none"> <li>1. National respondent strategic/operative level (civil servant for implementation and/or programme manager- 1)</li> <li>2. National final beneficiaries’ representatives (Trade</li> </ol>

Overarching questions	Sub questions	Indicators	Tools
measures)		judicial bodies.	Unions and Employers Associations – 2.) 3. National External Expert (1) 4. Familiarisation interviews with five EU experts
7. What are the views of experts regarding these policy measures? What are the effects according to them?	Do experts perceive these measures as being appropriate? Do experts perceive these measures as treating young workers unequally? Do experts perceive these measures as sufficiently innovative for the current situation? How do experts value the extent of the mitigation effect of the measure? (avoid loss of existing job) Have the initiatives improved confidence and wellbeing among young workers? Do the experts judge that the level of young employment will increase as a consequence of the implementation of the measures? Do the experts perceive that there	Qualitative assessment Perceived level of unequal treatment of young workers (according to experts) Extent to which these measures are sufficiently innovative for the current situation. Perceived level of improved wellbeing of young workers (according to experts) Extent to which these measures will increase level of young employment Extent to which these measures have a deadweight loss. Extent to which these measures have a displacement effects Extent to which these measures have substitution effects	Interviews with national and EU experts

Overarching questions	Sub questions	Indicators	Tools
	<p>will be any deadweight loss?</p> <p>Do the experts perceive that there will be any displacement effects?</p> <p>Do the experts perceive that there will be any substitution effects?</p> <p>Do the experts perceive that there will be any perverse incentives?</p> <p>Do the experts perceive that these measure are likely to have scarring effects on young people career path?</p>	<p>Extent to which these measures have negative effects</p> <p>Extent to which these measures have negative effects in the long term</p>	
<p>8. What measures have the most positive effects in a short, medium and long term?</p>	<p>For the two different types of measure (positive and negative)?</p> <p>Which policies in particular have proven the most effective?</p> <p>Which policies are the most efficient in terms of costs to increases employment?</p> <p>Is there any evidence that a MS applying positive or negative discriminatory actions performs better?</p>	<p><u>External labour market (access):</u></p> <p>Reduction in the level of under 25 workers unemployment</p> <p>Increased level of under 25 workers employment</p> <p>Increased level of under 25 workers participation into the labour market</p> <p>Ratio investment/occupation created for under 25 workers</p> <p>Type of jobs created: Permanent/temporary, part time/full time</p> <p>Reduction time to access (transition)</p>	<p>Deskwork research:</p> <p>Academic literature review and grey literature review</p> <p>Field work – Case studies:</p> <ol style="list-style-type: none"> <li>1. National respondent strategic/operative level (civil servant for implementation and/or programme manager- 1)</li> <li>2. National final beneficiaries’ representatives (Trade Unions and Employers Associations – 2.)</li> <li>3. National External Expert</li> </ol>

Overarching questions	Sub questions	Indicators	Tools
		<p>to the labour market</p> <p><u>Internal labour market (progression within the labour market)</u></p> <p>Rate of under 25 workers moving from a temporary to permanent job (time frame)</p> <p>Rate of under 25 workers moving from a part time to a full time job</p> <p>Rate wage increase for under 25 workers</p> <p>Type of sector/industry under 25 are employed (more or less added value sector) after benefitting the intervention</p>	<p>(1)</p> <p>4. Familiarisation interviews with five EU experts interviews</p>

## Familiarisation interviews guideline

### Questions

#### Interviewee:

**Name:**

**Title:**

**Organisation:**

**Date of interview:**

1. Is there an EU-wide definition of 'young workers'?
2. What are the main barriers for young workers trying to access the labour market?
3. How can countries be categorised according to the policy responses they have put in place? Which countries would be the most appropriate to be selected for our analysis and why?
4. What are the main types of measures to promote access to the labour market for young workers across the EU?
5. Do you have any information about the financial allocation for these measures at EU level and Member States level?
6. How would you define negatively and positively discriminatory measures?
7. Are there any best practice examples proving to be effective in the short, medium and long term despite their negative or positive discriminatory character? [**Please provide some examples and recent studies**]
8. When implementing these measures, to what extent have Member States respected the EU principle of equal treatment in employment and occupation<sup>592</sup>? Have countries provided any guidelines in the national legislation? Are there any cases of violation of this principle? On which grounds?  
[**Please provide some examples and recent studies**]
9. To what extent is data collected at national and EU level regarding the long term (positive and negative) effects of these measures?
10. In each Member State we are contacting relevant stakeholders. In your opinion, which stakeholders would be most appropriate for us to talk to?  
[**Please refer us to any relevant contacts at either national or EU level**]

## Semi structured interviews guideline

### Introduction

Matrix Insight has been commissioned by the European Parliament to conduct a study on the 'Differential treatment of workers under 25 with a view to their access to the labour market'. The aim of the study is to understand:

<sup>592</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation, *Official Journal of the European Communities*



- what measures can be found across the EU Member States which help young people enter the labour market (that implies differential treatment of young people as compared to older workers);
- which measures are either positively or negatively discriminatory<sup>593</sup> in order to assist young people's access to the labour market;
- whether measures are compatible with Directive 2000/78/EC on equal treatment in employment and occupation; and
- what measures have the most positive effects in the short, medium and long term in relation to young people's labour market entry

Following our desk research and scoping interviews we have selected – together with the European Parliament – your country as a case study and we would like to ask some more specific questions about your country's agenda regarding youth unemployment and the following two policy initiatives chosen for our investigation:

- [insert the measure name]
- [insert the measure name]

The telephone interview will take approximately 30-45 minutes.

Thank you for participating in our research!

#### National background questions

1. The EU wide definition of young workers refers to individuals aged 15-24, does the country follow this definition to formulate labour market interventions?
2. What existing national policy measures can be found in your country to help young people enter the labour market?
  - Is labour market flexibility encouraged? If yes, can you please describe how is this achieved?
  - Are young people over represented in atypical and very atypical forms of work? (e.g. very short part-time work; short fixed term contract; employment based on oral contract and zero hours contracts).
  - If yes, why?
  - Did your country apply measures to support both the employers and (young) employees before the economic crisis? How is the situation now?
  - Are certain measures only available for young people? If yes, please specify.
  - Within the measures listed below which are used most frequently to tackle youth unemployment?
    - income support measures,
    - employability measures,
    - self-employability measures
    - measures to improve labour market institutions and training,

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<sup>593</sup> For the purpose of our study we can define positive actions – that then lead to positive discrimination – specific measures to eliminate, prevent or remedy the discrimination of young workers. While, negatively or indirectly discriminatory actions as the suspension of ordinary policies (i.e. standard job contracts) in order for young workers to attain a better position in the future (e.g. legitimate aim).

- measures to support Vocational Education and Training (VET)
  - specific measures to support the transition from school to work (e.g. Youth Guarantee)
  - measures to cut social security contributions, lengthening the trial periods for young workers or reducing labour costs for temporary contracts
  - measures to enhance labour demand (incentives to employers)
  - measures to reduce wage and non-wage labour costs.
3. From the measures above which are advantageous or disadvantageous for young people regarding the following:
- Accessing the labour market.
  - Spells of unemployment.
  - Skills development.
  - Career development.
  - Sector polarisation (e.g. young people over represented in manufacturing and construction).
  - Accidents at work.
  - Job security (e.g. atypical employment and very atypical forms of work).
  - Lower wage, wage penalties in the longer term.
  - Entitlement to social benefits.
  - Entitlement to sick leave and maternity leave.
  - Entitlement to pension.
4. How is this measured?

#### Specific policy initiative questions

[Note to the reader, the set of questions varies according to the specific aspects of the measure]

5. What is the **short-term effectiveness** of this policy (outputs)?
- How many young people have been reached by each policy measure
    - (If possible report the initial target plan and the actual value achieved)
  - Among those young people, how many of them belonged to the programme's target group?
    - (If possible report the initial target plan and the actual value achieved)
  - How many employers were reached?
    - (If possible report the initial target plan and the actual value achieved)
  - How many job institutions/structures were established (i.e. job centres)?
    - (If possible report the initial target plan and the actual value achieved)

6. What is its **medium-term effectiveness** (outcomes)?

*(If possible report the initial target plan and the actual value achieved)*

- How many participants went back to Vocational Education and Training (VET)?
  - (If possible report the initial target plan and the actual value achieved)
- How many participants obtained a qualification?
  - (If possible report the initial target plan and the actual value achieved)
- How many jobs has the measure created?
  - (If possible report the initial target plan and the actual value achieved)
- How many jobs within those created have been retained for more than 1 year?
  - (If possible report the initial target plan and the actual value achieved)
- How many jobs within those created have been retained for 2 years or more?
  - (If possible report the initial target plan and the actual value achieved)
- How many participants moved on to better (work/training) conditions?
  - (If possible report the initial target plan and the actual value achieved)
- How many feel the initiative has improved their future employability?
  - (If possible report the initial target plan and the actual value achieved)
- How has the measure contributed to the improvement of the PES (public employment services)?
  - (If possible report the initial target plan and the actual value achieved)

7. What is its **long-term effectiveness**? (impacts)

*(If possible report the initial target plan and the actual value achieved)*

- Are young people educated to a higher level on average?
- Does labour supply better match labour demand (skills and volume)?
- How many job losses has the measure prevented? Projections for future prevention?
- By what percentage has/will the participation rate increase(d)?
  - (If possible report the initial target plan and the actual value achieved)
- By what percentage has/will the employment rate increase(d)?
  - (If possible report the initial target plan and the actual value achieved)
- By what percentage has/will the unemployment rate decrease(d)?
  - (If possible report the initial target plan and the actual value achieved)

8. Are these measures **compatible with Directive 2000/78/EC**<sup>594</sup> on equal treatment in employment and occupation? (especially for the negatively discriminatory measures)
- To what extent does your country conform to international standards or conventions (such as ILO Convention 111)<sup>595</sup>?
  - Do the measures violate EU regulations (e.g. were there any cases of age discrimination presented to the judicial bodies)? If yes, please provide more information
  - Are other age groups disadvantaged by the initiative? If yes, please specify

### Lessons learned

9. What are the **effects** of these measures in your opinion?
- Are these measure(s):
    - appropriate? (in terms of relevance to the problem and in term of funds allocated)
    - sustainable?
    - treating young workers unequally?
    - sufficiently innovative for the current situation?
  - Have the initiatives improved confidence and wellbeing among young workers? If yes, please provide more information. If not, please explain why they failed to do so.
  - In your opinion, will the level of youth employment increase as a consequence of the implementation of the measure(s)?
  - Will there be:
    - deadweight loss or substitution costs? (the results achieved occurred would have anyway taken place)
    - adverse incentives? (the incentive has produced unwanted results: i.e. incentive dependency)
    - displacement effects? (the increment of employment in one area, caused unemployment elsewhere)
  - Do you think that these measures are likely to have scarring effects on young peoples' career path? (e.g. spells of unemployment among jobs, lower wages in the long term and less good quality jobs)
10. What measures have the **most positive effects in a short, medium and long term**?
- For the two different types of measure (positively and indirectly discriminatory)?

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<sup>594</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0078:en:HTML>.

<sup>595</sup> C111 - Discrimination (Employment and Occupation) Convention, 1958 (No. 111) [http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C111](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C111).

- Which policies have been the most cost effective in reducing unemployment and increasing employment?
- Is there any evidence from your country indicating whether positively or indirectly discriminatory measures perform better in reducing youth unemployment and protecting young workers at the same time?

11. Do you have additional observations/comments?

12. Please provide information about key references/documentation relevant to this questionnaire.

## Interview respondents list

**Table 8: Interview respondents list and schedule**

Name	Organisation	Stakeholder Category	Interview status to date
<b>EU level</b>			
Ignacio Doreste Youth Officer, European Trade Union.	ETUC	Youth Representative	Interview completed 27.01.14
Stefano Scarpetta	OECD	Director for Employment, Labour and Social Affairs	Interview completed 27.01.14
Massimiliano Mascherini	Eurofound	Research Manager, Employment & Change Unit	Interview completed 28.01.14
Margherita Bussi, European Trade Unit Institute	ETUI	Researcher	Interview completed 31.01.14
Mariana Georgallis	Youth Forum	Policy Officer	Interview completed 04.02.14
Jean Lambert	European Parliament	MEP	Interview completed 25.02.14
<b>Austria</b>			
Alexander Prischl	Austrian Trade Union Federation (OGB)	Trade Union Representative	Interview completed 28.03.14

<b>Name</b>	<b>Organisation</b>	<b>Stakeholder Category</b>	<b>Interview status to date</b>
Silvia Hofbauer and Ms Kugi-Mussi	Austrian Federal Chamber of Labour (AK)	Trade Union Representative	Interview completed 28.03.14
Valerie Boesch	Federal Ministry of Labour, Social Affairs and Consumer Protection	Government Official	Interview completed 31.03.14
Roland Loeffler	Austrian Institute for Research on Vocational Training (OEIBF)	Academic Expert	Interview completed 03.04.14
Katharina Lindner	The Federation of Austrian Industries (IV)	Employer Representative	Interview completed 10.04.14
Gudrun Nachtschatt	Public Employment Services Austria (AMS)	Public Employment Services Representative	Interview completed 08.04.14
<b>Finland</b>			
Kimmo Ruth	Ministry of Employment and the Economy	Government Official	Interview completed 04.04.14
Aini-Kristiina Jappinen	Finnish Institute for Educational Research, University of Jyvaskyla	Academic Expert	Interview completed 24.03.14.
Pirjo Vaananen	The Central Organisation of Finnish Trade Unions (SAK)	Trade Union Representative	Interview completed 08.04.14
<b>France</b>			
Philippe Zamora	Directorate for Research, Studies and Statistics	Government Official	Interview completed 09.04.14

<b>Name</b>	<b>Organisation</b>	<b>Stakeholder Category</b>	<b>Interview status to date</b>
Thiébaut Weber	French Democratic Confederation of Labour	Youth Representative	Interview completed 17.04.14
Violaine Trosseille	Union des employeurs de l'économie sociale et solidaire (UDES)	Third Sector Employer Representative	Interview completed 28.05.14
Anne Sonnet	OECD	Academic Expert	Interview completed 28.05.14
Serge Kroichvili	Union Nationale des Missions Locales (UNML)	Local Mission Representative	Interview completed 27.05.14
<b>Italy</b>			
Rustichelli Emiliano	National research institute for vocational education and employment and social policies	Government Official	Interview completed 27.05.14
Luca Stefanini	Italia Lavoro (Italian National Agency for Work)	Government Official	Interview completed 06.06.14
Marco Mietto	Rete ITER	Local Governing Body Representative	Interview completed 27.05.14
Francesco Pastore	University of Napoli	Academic Expert	Interview completed 27.05.14
Failla Giuseppe	Forum Nazionale dei Giovani	Youth Representative	Interview completed 27.05.14
Fausto Durante	Italian General Confederation of Labour (CGIL)	Trade Union Representative	Interview completed 28.05.14



Name	Organisation	Stakeholder Category	Interview status to date
Stefania Rossi	Italian Industry Federation (Confindustria)	Employer Representative	Interview completed 04.06.14
<b>Poland</b>			
Dr Ewa Ślęzak	University of Krakow	Academic Expert	Interview completed 29.05.14
Bogdan Olszewski	Independent and Self-Governing Trade Union Solidarity (NSZZ)	Trade Union Representative	Interview completed 05.06.14
Daniel Czerwinski	Advisor for Counteraction of Unemployment (NSZZ)	Trade Union Representative	Interview completed 27.05.14
Dr Grzegorz Baczewski	Lewiatan	Employer Representative	Interview completed 04.07.14
<b>UK</b>			
Chris Anderson	Department for Work and Pensions	Government Official	Interview declined but provided link to archived reports.
Nishan Shah	Department for Work and Pensions	Government Official	Interview completed 01.04.14.
Becci Newton	Institute for Employment Studies	Expert Researcher	Interview completed 25.03.14
Sue Maguire	University of Warwick	Academic Expert	Interview completed 25.03.14
Richard Exell	Trade Union Congress	Trade Union Representative	Interview completed 01.04.14
Neil Carberry	Confederation of British Industries	Employer Representative	Interview completed 04.04.14

## Statistical tables

**Table 9: Unemployment rate (%) ages 15-24, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	18.4	18.9	17.9	18.1	18.1	18.3	18.7	18.7	17.4	15.5	15.6	19.9	20.9	21.4	22.9
BE	20.4	22.6	15.2	15.3	15.7	19.0	17.5	21.5	20.5	18.8	18.0	21.9	22.4	18.7	19.8
BG			33.3	39.3	35.6	27.1	24.5	22.3	19.5	15.1	12.7	16.2	23.2	25.0	28.1
CZ	10.8	16.6	17.0	16.3	15.4	16.8	19.9	19.2	17.5	10.7	9.9	16.6	18.3	18.1	19.5
DK	7.2	10.0	6.7	8.3	7.1	9.8	7.8	8.6	7.7	7.5	8.0	11.8	14.0	14.2	14.1
DE	9.8	8.9	8.5	7.8	9.3	11.0	13.0	15.5	13.8	11.9	10.6	11.2	9.9	8.6	8.1
EE	14.9	22.1	23.5	24.5	17.3	24.2	23.5	15.9	12.0	10.0	12.0	27.5	32.9	22.3	20.9
IE	11.4	8.6	6.5	6.2	7.8	8.1	8.3	8.6	8.6	9.0	12.7	24.0	27.6	29.1	30.4
EL	29.3	31.4	29.2	28.0	26.1	25.7	26.5	26.0	25.2	22.9	22.1	25.8	32.9	44.4	55.3
ES	35.4	29.1	25.3	20.7	21.6	22.3	22.4	19.7	17.9	18.2	24.6	37.8	41.6	46.4	53.2
FR	26.2	26.3	20.6	18.0	18.9	17.5	20.1	20.6	21.6	19.1	18.6	23.2	22.8	22.0	23.8
HR					36.3	35.8	32.8	32.3	28.9	24.0	21.9	25.1	32.6	36.1	43.0
IT	33.8	32.9	31.5	27.8	27.1	26.8	24.6	24.0	21.6	20.3	21.3	25.4	27.8	29.1	35.3
CY			10.2	8.2	7.7	8.9	8.7	13.9	10.0	10.2	9.0	13.8	16.6	22.4	27.8
LV	27.0	23.5	21.3	22.9	25.6	17.5	19.3	13.6	12.2	10.7	13.1	33.6	34.5	31.0	28.5
LT	25.2	25.5	28.6	31.6	20.4	26.9	21.2	15.7	9.8	8.4	13.3	29.6	35.7	32.6	26.7
LU	6.4	6.8	6.4	6.3	7.0	10.9	16.9	13.7	16.2	15.2	17.9	17.2	14.2	16.8	18.8
HU	15.2	12.3	12.3	10.7	11.4	12.9	14.4	19.4	19.1	18.0	19.9	26.5	26.6	26.1	28.1
MT			11.8	17.6	15.3	17.4	18.3	16.8	15.9	13.9	12.2	14.4	13.1	13.8	14.2
NL	8.8	7.4	5.3	4.4	4.6	6.6	8.0	8.2	6.6	5.9	5.3	6.6	8.7	7.6	9.5
AT	7.5	5.9	6.3	6.0	7.2	7.5	11.0	10.3	9.1	8.7	8.0	10.0	8.8	8.3	8.7
PL	21.3	29.6	35.7	39.2	41.6	41.4	40.1	36.9	29.8	21.7	17.3	20.6	23.7	25.8	26.5
PT	9.4	9.1	8.2	8.9	10.4	13.4	14.0	16.1	16.3	16.6	16.4	20.0	22.4	30.1	37.7
RO	16.8	17.3	17.8	17.6	22.2	19.5	22.3	20.2	21.4	20.1	18.6	20.8	22.1	23.7	22.7
SL	17.6	18.5	16.4	15.7	14.8	15.3	14.0	15.9	13.9	10.1	10.4	13.6	14.7	15.7	20.6
SK	23.2	32.0	36.9	38.9	37.7	32.9	32.8	30.1	26.6	20.3	19.0	27.3	33.6	33.4	34.0
FI	34.6	28.6	28.4	26.6	28.2	27.8	27.5	20.1	18.7	16.5	16.5	21.5	21.4	20.1	19.0
SE	17.5	16.3	9.5	11.7	12.9	14.3	18.5	22.8	21.5	19.3	20.2	25.0	24.8	22.8	23.6
UK	12.5	12.4	12.0	10.3	10.9	11.4	10.7	12.8	14.0	14.3	15.0	19.1	19.6	21.1	21.0

Source: Eurostat, LFS.

**Table 10: Unemployment rate (%) ages 15-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	9.3	9.1	9.0	8.6	9.1	9.2	9.3	9.1	8.3	7.2	7.1	9.0	9.7	9.8	10.6
BE	9.4	8.7	6.6	6.2	6.9	7.7	7.4	8.5	8.3	7.5	7.0	8.0	8.4	7.2	7.6
BG			16.4	20.0	18.3	13.9	12.2	10.2	9.0	6.9	5.7	6.9	10.3	11.4	12.4
CZ	5.9	8.5	8.8	8.0	7.1	7.6	8.3	8.0	7.2	5.4	4.4	6.8	7.4	6.8	7.0
DK	5.1	5.2	4.5	4.2	4.3	5.5	5.3	4.9	4.0	3.8	3.5	6.1	7.6	7.7	7.7
DE	9.9	8.9	8.0	7.8	8.6	9.9	10.8	11.3	10.4	8.8	7.6	7.9	7.2	6.0	5.6
EE	9.7	11.7	13.4	12.6	9.6	11.0	10.4	8.1	6.0	4.8	5.6	14.1	17.3	12.8	10.4
IE	7.8	5.9	4.4	3.7	4.3	4.6	4.6	4.4	4.5	4.6	6.1	12.2	14.1	14.9	15.0
EL	11.1	12.1	11.5	10.6	10.1	9.5	10.4	10.0	9.0	8.4	7.8	9.6	12.7	17.9	24.5
ES	18.8	15.6	13.9	10.4	11.3	11.3	11.1	9.2	8.6	8.3	11.4	18.1	20.2	21.8	25.2
FR	12.1	12.0	10.3	8.6	8.7	8.6	9.2	8.9	8.9	8.0	7.4	9.2	9.4	9.3	9.9
HR					15.4	14.3	14.1	13.0	11.5	9.8	8.6	9.3	12.1	13.8	16.3
IT	12.3	11.8	11.0	9.7	9.3	9.0	8.0	7.8	6.9	6.2	6.8	7.9	8.5	8.5	10.8
CY			5.1	4.0	3.4	4.2	4.4	5.4	4.7	4.0	3.8	5.5	6.5	8.1	12.1
LV	14.7	14.0	14.5	13.4	13.4	10.7	10.1	9.0	7.0	6.1	7.7	17.5	19.0	16.5	15.3
LT	13.9	13.6	16.3	17.1	13.2	13.0	11.4	8.4	5.7	4.3	5.9	14.0	18.1	15.7	13.6
LU	2.8	2.4	2.4	1.8	2.6	3.7	5.1	4.5	4.7	4.1	5.1	5.2	4.4	4.9	5.2
HU	8.9	7.0	6.6	5.7	5.6	5.8	5.9	7.2	7.5	7.4	7.9	10.1	11.2	11.0	11.0
MT			6.4	7.2	7.0	7.5	7.4	7.4	6.9	6.5	6.1	7.0	7.0	6.6	6.5
NL	4.4	3.6	2.7	2.1	2.6	3.6	4.7	4.8	3.9	3.2	2.7	3.4	4.5	4.4	5.3
AT	5.5	4.7	4.7	4.0	4.9	4.8	5.3	5.2	4.8	4.5	3.9	4.9	4.5	4.2	4.4
PL	10.2	12.6	16.6	18.7	20.2	19.7	19.4	18.0	14.0	9.7	7.2	8.3	9.7	9.8	10.2
PT	4.9	4.8	4.0	4.1	4.8	6.5	6.7	8.1	8.1	8.5	8.1	10.0	11.4	13.4	16.4
RO	6.2	6.9	7.7	7.3	8.8	7.4	8.1	7.5	7.6	6.8	6.1	7.2	7.6	7.7	7.3
SL	7.6	7.5	7.1	5.8	6.1	6.6	6.1	6.7	6.1	5.0	4.5	6.0	7.4	8.3	9.0
SK	12.2	16.0	19.1	19.4	18.7	17.2	18.6	16.3	13.4	11.2	9.5	12.1	14.4	13.7	14.0
FI	13.3	11.8	11.2	10.4	10.5	10.5	10.4	8.5	7.8	6.9	6.4	8.4	8.5	7.9	7.8
SE	9.1	7.7	5.5	4.8	5.0	5.6	6.8	7.9	7.1	6.2	6.3	8.5	8.8	8.0	8.1
UK	6.3	6.1	5.6	4.7	5.1	4.9	4.6	4.8	5.4	5.4	5.7	7.7	7.9	8.2	8.0

Source: Eurostat, LFS.

**Table 11: Unemployment rate (%) ages 25-54, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	8.1	7.9	7.9	7.3	8.0	8.1	8.2	7.9	7.2	6.3	6.1	7.9	8.6	8.7	9.5
BE	8.4	7.4	5.8	5.4	6.2	7.0	6.6	7.4	7.2	6.6	6.1	6.8	7.3	6.4	6.7
BG			14.6	17.6	16.4	12.7	11.0	9.0	8.0	6.1	4.9	6.0	9.2	10.5	11.3
CZ	5.2	7.4	7.8	7.2	6.3	6.9	7.3	7.1	6.4	4.9	4.0	5.9	6.4	5.9	6.1
DK	4.6	4.3	4.1	3.5	3.7	5.0	4.7	4.1	3.2	3.1	2.6	5.2	6.6	6.6	6.7
DE	8.9	8.0	7.1	7.2	8.0	9.3	10.2	10.4	9.5	8.0	7.0	7.3	6.6	5.5	5.1
EE	9.6	11.2	12.7	11.5	9.0	9.8	9.3	7.5	5.5	4.2	4.9	12.9	15.2	11.6	9.6
IE	7.2	5.4	4.1	3.3	3.7	4.0	4.0	3.7	3.8	4.0	5.3	10.8	12.7	13.7	13.5
EL	9.0	9.9	9.7	8.9	8.7	8.3	9.1	9.1	8.1	7.8	7.2	8.9	12.0	17.1	23.6
ES	16.6	13.7	12.3	9.1	10.0	10.2	9.9	8.0	7.5	7.2	10.2	16.5	18.6	20.2	23.6
FR	10.8	10.6	9.3	7.7	7.8	7.8	8.2	7.8	7.6	7.0	6.3	7.7	8.0	8.0	8.6
HR					12.8	11.8	12.1	10.9	9.9	8.4	7.3	7.9	10.3	12.2	14.3
IT	9.8	9.5	8.8	8.0	7.8	7.5	6.6	6.7	5.9	5.3	6.0	7.0	7.6	7.5	9.6
CY			4.5	3.2	2.8	3.6	3.7	4.5	4.1	3.4	3.2	4.6	5.4	6.8	10.5
LV	13.1	13.2	14.1	12.1	12.0	9.9	8.7	8.4	6.1	5.6	7.1	15.6	17.1	14.8	13.7
LT	13.0	12.8	15.4	15.6	12.8	11.1	10.3	7.8	5.2	4.0	5.2	12.7	16.7	14.3	12.6
LU	2.5	2.0	2.0	1.4	2.4	3.2	4.4	3.9	4.1	3.4	4.2	4.2	3.9	4.3	4.5
HU	7.8	6.2	5.9	5.2	5.1	5.3	5.3	6.4	6.8	6.8	7.1	9.1	10.4	10.1	10.0
MT			4.9	4.1	4.8	4.9	4.5	5.0	5.2	5.0	4.8	5.4	6.0	5.5	5.2
NL	3.7	3.0	2.3	1.7	2.2	3.1	4.0	4.1	3.3	2.5	2.0	2.7	3.6	3.8	4.4
AT	5.0	4.5	4.3	3.6	4.4	4.2	4.4	4.4	4.1	3.8	3.3	4.2	4.0	3.6	3.8
PL	9.0	10.6	14.2	15.9	17.4	16.9	16.8	15.7	12.2	8.4	6.1	6.9	8.3	8.2	8.8
PT	4.2	4.2	3.4	3.4	4.0	5.8	5.8	7.3	7.3	7.8	7.3	9.3	10.7	12.0	14.8
RO	4.9	5.8	6.9	6.3	7.3	6.2	6.4	6.4	6.4	5.6	5.0	6.1	6.4	6.4	6.2
SL	6.2	6.1	5.8	4.6	5.2	5.7	5.3	5.6	5.4	4.5	3.7	5.3	7.0	7.8	8.3
SK	10.3	13.0	15.9	16.1	15.4	14.7	16.5	14.5	11.9	10.2	8.7	10.8	12.8	12.1	12.4
FI	9.9	8.5	7.9	7.2	7.4	7.5	7.4	6.8	6.1	5.3	4.9	6.6	6.8	6.1	6.1
SE	8.4	6.7	4.9	3.7	3.9	4.5	5.3	6.3	5.3	4.4	4.3	6.2	6.5	5.7	5.9
UK	5.1	5.0	4.5	3.8	4.1	3.8	3.6	3.4	4.0	3.8	4.1	5.8	6.1	6.1	6.0

Source: Eurostat, LFS.

**Table 12: Unemployment rate (%) ages 55-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	6.2	6.0	6.4	6.5	6.3	6.5	6.9	6.4	6.2	5.5	5.1	6.3	6.9	6.8	7.3
BE	5.3	5.7	3.2	3.0	3.5	1.7	3.6	4.4	4.8	4.2	4.4	5.1	4.6	4.0	4.5
BG			12.2	18.4	15.0	11.6	10.2	8.6	7.9	6.8	5.5	6.3	9.3	8.8	10.4
CZ	3.8	4.9	5.3	4.4	3.9	4.4	5.4	5.2	5.3	4.6	3.9	5.7	6.5	5.8	5.8
DK	5.1	4.2	4.0	4.0	4.7	3.9	5.6	5.2	3.9	3.4	2.6	4.1	5.5	5.7	5.5
DE	15.4	14.2	12.7	12.0	11.2	12.6	12.8	12.7	12.4	10.3	8.5	8.0	7.7	6.5	5.9
EE	5.4	6.1	8.2	8.6	7.7	6.6		5.0	4.1	3.5	4.1	9.4	16.2	11.6	7.0
IE	5.0	4.3	2.5	2.6	2.4	2.4	2.4	2.8	2.4	2.4	3.3	6.6	8.7	9.6	10.5
EL	3.2	4.3	3.7	4.0	3.8	3.1	4.3	3.8	3.7	3.4	3.2	4.6	6.3	8.5	13.6
ES	10.3	9.6	9.8	6.3	7.0	6.6	7.3	6.1	5.7	5.9	7.3	12.1	14.1	15.0	17.9
FR	8.3	8.1	7.3	5.8	5.3	5.3	6.2	5.3	5.7	5.1	4.6	6.2	6.6	6.5	7.1
HR					7.2	6.8	6.5	7.2	6.0	6.4	5.6	5.6	7.0	8.5	10.7
IT	4.7	4.9	4.7	4.6	4.2	4.2	3.9	3.5	2.9	2.4	3.1	3.4	3.6	3.9	5.3
CY			3.5	5.5	3.5	4.4	5.3	3.5	3.3	3.1	3.2	4.3	4.7	4.9	9.7
LV	10.9	8.3	9.4	11.8	9.9	9.1	9.5	8.1	6.6	4.4	6.2	13.4	15.6	14.9	14.7
LT	6.2	5.1	9.6	14.7	9.8	14.0	12.2	6.8	6.2	3.7	4.4	10.5	14.4	13.4	11.9
LU												3.0		2.8	2.1
HU	6.1	2.7	3.1	2.8	2.9	2.9	2.9	3.9	3.9	4.2	5.0	6.3	7.8	8.7	7.9
MT								3.5		3.6	4.0	5.7	4.2	2.7	3.7
NL	2.3	2.7	1.9	1.5	2.1	2.2	3.6	4.1	3.8	3.6	3.2	3.1	4.0	4.2	4.7
AT	6.4	4.8	6.7	5.6	5.7	6.1	4.5	3.6	3.5	3.0	2.1	2.4	2.2	3.2	3.0
PL	5.4	7.3	9.7	9.4	10.3	10.6	10.7	10.8	8.5	6.8	5.3	6.3	7.1	6.9	7.4
PT	3.5	3.7	3.3	2.5	3.5	4.3	5.7	6.2	6.3	6.5	6.6	7.7	8.9	10.8	12.8
RO	0.5	0.9	1.1	1.7	1.5	1.9	3.3	2.4	2.6	2.3	2.5	3.0	3.3	3.7	3.4
SL	2.4	3.7	6.1	4.8	2.4	3.9	2.9	4.2	2.5	3.3	4.0	3.6	4.0	6.3	6.2
SK	6.3	10.3	12.7	11.7	16.1	12.6	16.1	13.4	9.8	8.2	6.4	7.7	10.1	10.1	11.2
FI	13.3	10.4	9.4	9.0	7.5	8.3	8.3	6.9	6.8	6.3	5.4	6.2	6.5	6.4	6.6
SE	6.7	6.9	5.9	4.4	4.3	4.5	5.0	4.5	4.4	4.0	3.8	5.3	5.8	5.2	5.2
UK	5.4	5.1	4.5	3.3	3.5	3.3	3.1	2.7	3.0	3.2	3.1	4.6	4.7	5.0	4.9

Source: Eurostat, LFS.

**Table 13: NEET rate (%) ages 15-24, 2000-2012**

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	12.3	12.4	13.0	13.1	12.8	12.7	11.7	10.9	10.9	12.4	12.8	12.9	13.1
BE	17.7	16.3	16.1	17.8	15.4	13.0	11.2	11.2	10.1	11.1	10.9	11.8	12.3
BG		30.4	28.1	29.0	26.4	25.1	22.2	19.1	17.4	19.5	21.8	21.8	21.5
CZ			12.4	13.7	13.7	13.3	9.2	6.9	6.7	8.5	8.8	8.3	8.9
DK	4.7	5.2	5.2	5.2	5.1	4.3	3.6	4.3	4.3	5.4	6.0	6.3	6.6
DE	7.7	7.4	8.4	10.0	10.1	10.9	9.6	8.9	8.4	8.8	8.3	7.5	7.1
EE	14.5	14.3	10.3	10.2	12.1	10.2	8.8	8.9	8.8	14.9	14.5	11.8	12.5
IE			14.0	11.7	11.9	10.9	10.1	10.7	14.9	18.6	19.2	18.8	18.7
EL	16.9	16.1	15.3	18.3	16.8	16.1	12.2	11.5	11.7	12.6	14.9	17.4	20.3
ES	12.1	12.0	12.6	12.5	12.5	13.0	12.0	12.2	14.4	18.3	18.0	18.5	18.8
FR	10.2	9.9	10.3	10.0	10.6	10.9	11.0	10.3	10.2	12.4	12.4	12.0	12.2
HR			19.7	18.0	17.1	16.7	14.2	11.3	10.1	11.9	14.9	15.7	16.7
IT	19.1	18.1	16.8	16.6	16.6	17.0	16.8	16.2	16.6	17.7	19.1	19.8	21.1
CY	10.1	7.8	8.4	8.9	9.4	19.5	10.7	9.0	9.7	9.9	11.7	14.6	16.0
LV			14.3	11.5	10.9	10.0	11.1	11.8	11.4	17.4	17.8	16.0	14.9
LT	17.0	16.0	11.8	10.3	10.9	8.6	8.2	7.0	8.9	12.4	13.2	11.8	11.2
LU	5.0	5.5	5.0	5.1	6.3	5.5	6.7	5.7	6.2	5.8	5.1	4.7	5.9
HU	15.4	14.6	13.9	12.6	12.7	12.9	12.4	11.3	11.5	13.4	12.4	13.3	14.7
MT	27.4	17.7	16.9	19.4	13.1	11.9	10.7	11.7	8.3	9.8	9.5	10.6	11.1
NL	3.8	4.1	4.0	5.1	5.3	5.3	4.0	3.5	3.4	4.1	4.3	3.8	4.3
AT	7.9	8.1	6.1	6.1	8.6	8.3	7.5	7.0	7.1	7.8	7.1	6.9	6.5
PL		17.1	17.5	16.7	15.0	13.9	12.6	10.6	9.0	10.1	10.8	11.5	11.8
PT	9.0	9.4	10.6	11.2	11.1	11.2	10.6	11.2	10.3	11.2	11.5	12.7	14.1
RO	20.2	18.3	21.6	20.3	19.8	16.8	14.8	13.3	11.6	13.9	16.4	17.4	16.8
SL		10.4	9.5	8.0	7.5	8.9	8.5	6.7	6.5	7.5	7.1	7.1	9.3
SK			27.1	18.2	17.9	15.8	14.4	12.5	11.1	12.5	14.1	13.8	13.8
FI	9.7	8.5	8.6	9.6	9.1	7.8	7.7	7.0	7.8	9.9	9.0	8.4	8.6
SE	6.3	7.7	7.5	6.8	7.6	10.5	9.3	7.5	7.8	9.6	7.7	7.5	7.8
UK	10.9	11.0	11.1	9.0	8.4	8.4	8.5	11.9	12.1	13.3	13.7	14.3	14.0

Source: Eurostat, LFS.

**Table 14: NEET rate (%) ages 25-34, 2000-2012**

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	18.4	18.7	20.2	20.0	19.6	19.3	18.3	17.5	17.2	19.0	19.7	19.8	20.5
BE	15.9	17.3	17.0	18.0	17.2	16.5	15.7	16.4	14.7	16.1	16.3	17.1	17.6
BG		34.5	34.0	32.2	30.2	28.0	25.5	21.3	19.6	22.2	26.4	28.8	28.5
CZ			21.4	21.7	22.0	21.0	20.8	19.8	19.3	21.3	21.1	20.2	21.1
DK	8.5	8.9	9.1	9.8	8.8	8.5	7.0	7.6	6.9	8.7	10.0	10.6	10.9
DE	16.5	16.6	17.0	18.5	19.3	20.6	19.2	17.6	16.9	17.1	16.3	14.7	14.1
EE	23.3	24.4	22.9	22.3	21.3	18.5	14.7	16.1	16.0	23.9	24.4	21.2	20.1
IE			17.3	16.7	16.2	15.0	14.9	15.3	18.5	23.0	24.3	25.9	24.7
EL	27.1	26.5	25.7	24.2	23.8	22.6	21.3	21.4	20.4	21.1	24.5	30.7	35.9
ES	23.6	22.4	21.9	20.7	19.6	17.4	16.3	15.6	17.9	23.3	23.8	24.8	27.9
FR	19.8	18.9	19.2	17.8	18.0	17.8	17.7	17.0	16.0	17.9	18.3	18.8	19.5
HR			26.5	25.2	23.6	21.3	20.7	17.4	16.3	17.2	20.9	23.8	25.8
IT	26.1	25.2	24.4	24.1	23.3	23.7	22.9	22.8	23.1	25.2	26.9	27.2	28.2
CY	17.2	13.8	12.6	13.8	12.8	15.0	13.1	12.0	11.7	13.1	13.8	15.2	18.5
LV			22.5	20.1	21.3	21.5	17.8	16.8	17.5	24.9	24.1	24.2	21.2
LT	25.0	24.6	21.3	19.6	17.7	16.0	14.9	15.5	17.9	21.4	24.4	21.0	19.9
LU	14.1	13.5	12.5	13.7	13.5	11.8	10.8	11.1	13.0	10.9	9.7	9.6	10.4
HU	25.9	25.1	25.4	24.6	24.1	24.0	22.8	23.0	24.0	25.8	26.9	25.9	26.0
MT	28.7	28.1	27.7	26.9	26.4	25.1	23.8	21.8	20.8	20.4	19.8	17.9	17.2
NL	10.5	10.4	11.1	11.0	10.7	10.7	9.6	8.6	7.7	8.2	9.1	9.8	10.7
AT	13.1	12.7	12.7	10.9	12.9	13.6	13.0	12.9	11.9	11.8	12.3	11.2	10.4
PL		27.2	28.9	28.6	27.1	26.0	23.5	20.7	19.0	19.4	20.4	20.6	21.1
PT	12.9	12.3	13.0	14.1	13.4	13.7	13.7	14.6	13.7	14.5	16.3	15.4	18.9
RO	20.6	21.0	24.7	24.6	22.9	20.6	18.9	17.8	16.4	18.2	20.6	21.3	22.0
SL		9.3	9.8	9.6	8.4	9.6	9.8	9.3	8.3	10.6	11.6	11.6	13.8
SK			26.6	26.5	26.5	26.8	24.0	23.7	22.0	24.3	26.8	26.8	27.3
FI	16.1	15.2	14.1	13.2	13.7	13.4	13.0	11.4	11.6	13.9	13.9	13.7	14.3
SE	7.6	6.6	6.9	7.6	8.1	9.9	9.4	8.1	7.9	9.8	9.0	8.3	8.8
UK	15.7	16.0	15.9					15.2	15.1	16.6	16.5	17.1	17.0

Source: Eurostat, LFS.

**Table 15: Long-term unemployment rate (%) ages 15-24, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	21.1	19.2	11.3	7.8	6.1	6.0	5.8	5.6	5.1	4.0	3.5	4.6	6.0	6.4	7.4
BE	43.7	36.9	4.9	4.9	4.3	5.5	5.4	5.8	5.8	5.6	4.9	5.7	6.7	6.0	5.8
BG			17.2	19.7	19.4	14.7	11.4	10.9	8.1	6.3	5.0	5.2	9.7	12.1	13.8
CZ	16.6	22.8	38.2	6.1	5.1	5.2	7.4	7.4	6.6	3.5	3.1	3.3	5.8	5.3	6.5
DK													0.9	1.4	1.3
DE	29.9	2.2	1.8	1.6	2.0	2.7	3.4	4.8	4.5	3.7	3.0	3.0	2.6	2.0	1.9
EE	31.4	35.2	31.3			7.6		5.3	2.4	3.1	2.9	7.3	12.2	8.8	6.2
IE	4.1	2.3	1.3	1.2	1.6	1.8	1.9	1.9	1.8	1.8	2.5	6.1	11.5	13.4	14.5
EL	51.8	49.5	15.0	12.7	12.1	12.6	12.8	11.7	12.1	9.5	8.0	8.0	11.7	18.8	27.1
ES	13.6	9.5	7.6	5.1	4.8	5.1	5.3	2.6	2.1	1.8	2.6	6.9	12.2	15.1	18.9
FR	6.0	5.4	4.3	3.3	3.5	3.8	4.3	4.8	5.4	4.5	4.4	5.8	6.6	6.1	6.6
HR					19.3	18.0	13.8	13.9	12.8	11.0	9.2	10.1	15.8	20.2	23.8
IT	19.0	58.6	18.2	16.7	15.0	14.8	10.7	10.5	9.2	8.1	8.0	10.1	12.2	13.7	17.3
CY			1.6			2.4	1.6	1.7		2.4		1.3	2.8	3.9	6.9
LV	11.6	9.9	8.6	10.0	6.7	4.4	4.8	3.4	2.3	1.1	1.8	7.1	11.5	10.2	8.9
LT	12.6	7.0	12.6	14.3	7.1	5.6	8.2					5.2	10.8	11.1	6.8
LU									4.9		3.9		3.7	3.8	3.6
HU	35.4	35.2	4.6	3.8	4.1	4.3	4.9	6.7	7.0	6.6	6.4	7.9	10.4	9.4	8.8
MT				4.0	5.0		6.5	6.1	3.5	3.9	3.2	4.6	4.1	4.2	4.2
NL	26.5	19.9			0.3	0.7	1.1	1.4	1.2	0.7	0.5	0.7	1.0	1.0	1.3
AT	1.1	0.9	0.9			1.0	2.2	1.4	1.4	1.1	1.1	1.3	1.5	1.2	1.3
PL	37.3	32.0	12.6	16.0	19.7	19.0	17.6	16.5	12.6	7.5	3.8	4.4	4.8	6.8	8.0
PT	2.9	2.3	1.7	1.8	2.3	2.4	4.1	5.1	4.7	4.6	4.2	5.3	6.8	8.0	11.6
RO	39.6	7.1	39.4	6.4	10.8	9.9	10.3	10.1	10.7	9.7	8.1	6.1	7.5	9.9	9.8
SL	34.6	24.7	7.7	7.2	6.5	8.1	6.3	5.9	5.0	3.0	2.1	2.8	4.9	5.5	6.6
SK	9.4	36.6	15.9	19.0	20.3	18.2	17.4	18.1	16.4	11.6	10.0	11.4	18.4	18.2	19.2
FI	6.8	3.9	1.5	1.6	1.0	1.3	1.4	1.4	1.1	0.9		1.0	1.6	1.0	0.9
SE	14.1				0.6	0.8	1.0			0.7	0.7	1.1	1.7	1.5	1.6
UK	16.9	1.7	1.7	1.5	1.2	1.4	1.3	1.6	1.9	2.2	2.4	3.6	4.6	5.2	5.7

Source: Eurostat, LFS.



**Table 16: Long-term unemployment rate (%) all ages, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	4.1	3.9	4.1	4.1	4.1	4.2	4.3	4.2	3.8	3.1	2.6	3	3.9	4.2	4.7
BE	5.6	4.8	3.7	3.2	3.7	3.7	4.1	4.4	4.2	3.8	3.3	3.5	4.1	3.5	3.4
BG			9.4	12.1	12	9	7.2	6.1	5	4.1	2.9	3	4.8	6.3	6.8
CZ	2	3.2	4.3	4.2	3.7	3.8	4.2	4.2	3.9	2.8	2.2	2	3	2.7	3
DK	1.3	1.1	0.9	0.9	0.9	1.1	1.2	1.1	0.8	0.6	0.5	0.6	1.5	1.8	2.1
DE	4.8	4.4	4.1	3.9	4.2	4.9	5.9	6	5.8	4.9	4	3.5	3.4	2.8	2.5
EE	4.2	5	6.2	6.1	5.4	4.6	5.1	4.2	2.8	2.3	1.7	3.8	7.7	7.1	5.5
IE	3.9	2.4	1.6	1.3	1.3	1.5	1.6	1.5	1.4	1.4	1.7	3.5	6.8	8.7	9.1
EL	6	6.5	6.2	5.5	5.3	5.3	5.6	5.1	4.8	4.1	3.6	3.9	5.7	8.8	14.4
ES	7.9	6	4.9	3.8	3.8	3.8	3.5	2.2	1.8	1.7	2	4.3	7.3	9	11.1
FR	4.4	4.1	3.5	2.9	2.9	3.5	3.8	3.8	3.9	3.4	2.9	3.4	3.9	4	4.1
HR					9.2	8.4	7.5	7.5	6.8	5.9	5.3	5.1	6.7	8.6	10.3
IT	6.8	6.7	6.2	5.6	5	4.9	4	3.9	3.4	2.9	3.1	3.5	4.1	4.4	5.7
CY			1.2	0.8	0.7	1	1.2	1.3	0.9	0.7	0.5	0.6	1.3	1.6	3.6
LV	7.7	7.6	8.3	7.5	5.5	4.4	4.6	4.2	2.5	1.6	2	4.7	8.8	8.8	7.8
LT	7.5	5.6	8	9.8	7.4	5.9	5.8	4.2	2.3	1.2	1.1	3.2	7.5	8	6.6
LU	0.9	0.8	0.5	0.5	0.7	1	1	1.2	1.4	1.2	1.6	1.2	1.3	1.4	1.6
HU	4.3	3.3	3	2.5	2.4	2.4	2.7	3.2	3.4	3.4	3.6	4.2	5.5	5.2	4.9
MT			4.5	3.7	3.3	3.2	3.4	3.1	2.9	2.7	2.5	3	3.2	3	3
NL	1.7	1.3	0.8	0.7	0.8	1.2	1.7	2.1	1.9	1.4	1.1	0.9	1.2	1.5	1.8
AT	1.3	1.2	1	0.9	1.1	1.1	1.4	1.3	1.3	1.2	0.9	1	1.1	1.1	1.1
PL	4.7	5.8	7.4	9.2	11	11.1	10.3	10.3	7.8	4.9	2.4	2.5	3	3.6	4.1
PT	2.4	2	1.9	1.7	2	2.5	3.3	4.1	4.3	4.2	4	4.7	6.3	6.2	7.7
RO	2.3	2.8	3.5	3.2	4	4.2	4.7	4	4.2	3.2	2.4	2.2	2.5	3.1	3.2
SL	3.3	3.3	4.1	3.7	3.5	3.5	3.2	3.1	2.9	2.2	1.9	1.8	3.2	3.6	4.3
SK	6.6	7.9	10.3	11.4	12.3	11.5	11.9	11.8	10.3	8.3	6.7	6.5	9.3	9.3	9.4
FI	4.1	3	2.8	2.5	2.3	2.3	2.1	2.2	1.9	1.6	1.2	1.4	2	1.7	1.6
SE	2.6	1.9	1.4	1.2	1.2	1.2	1.4	1	1	0.9	0.8	1.1	1.6	1.5	1.5
UK	1.9	1.7	1.4	1.3	1.1	1.1	1	1	1.2	1.3	1.4	1.9	2.5	2.7	2.7

Source: Eurostat, LFS

**Table 17: Employment rate (%) ages 15-24, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	37.9	37.9	37.7	37.6	36.6	35.9	35.6	35.9	36.5	37.2	37.3	34.9	33.9	33.5	32.8
BE	26.0	25.5	30.3	28.5	28.5	27.1	28.1	27.5	27.6	27.5	27.4	25.3	25.2	26.0	25.3
BG			20.5	21.1	20.5	21.3	22.3	21.6	23.2	24.5	26.3	24.8	22.2	22.1	21.9
CZ	41.3	38.3	36.4	34.4	32.4	29.8	27.7	27.5	27.7	28.5	28.1	26.5	25.2	24.5	25.2
DK	66.4	66.0	67.1	61.7	64.0	59.4	61.3	62.3	64.6	65.3	66.4	62.5	58.1	57.5	55.0
DE	45.1	46.2	46.1	46.5	45.4	44.0	41.3	41.9	43.5	45.4	46.6	46.0	46.2	47.9	46.6
EE	34.9	28.9	27.1	26.8	25.4	27.5	27.9	29.1	31.6	34.5	36.4	28.9	25.7	31.5	33.0
IE	43.0	46.3	48.1	46.8	44.9	45.4	44.8	48.7	50.3	50.4	45.9	36.9	31.5	29.5	28.2
EL	28.5	27.3	27.4	26.3	26.8	26.2	27.4	25.0	24.2	24.0	23.5	22.9	20.4	16.3	13.1
ES	26.5	29.8	32.2	33.6	33.8	34.2	34.7	38.3	39.5	39.1	36.0	28.0	24.9	21.9	18.2
FR	25.1	26.4	28.2	29.3	29.9	30.6	29.3	30.2	29.8	31.0	31.3	30.4	30.2	29.9	28.8
HR					25.7	24.7	26.9	25.8	25.5	26.5	27.1	25.6	23.0	20.1	16.9
IT	25.4	25.5	26.1	26.2	25.7	25.4	27.6	25.7	25.5	24.7	24.4	21.7	20.5	19.4	18.6
CY		37.0	36.7	39.0	36.7	37.5	37.3	36.7	37.4	37.4	38.0	34.8	33.8	30.1	28.1
LV	32.9	32.4	30.3	29.0	28.8	32.7	29.7	32.6	35.9	38.4	37.2	27.7	26.4	25.8	28.7
LT	33.0	32.1	26.7	22.6	25.2	23.6	20.6	21.2	23.7	24.8	26.0	20.6	18.3	19.0	21.5
LU	33.1	31.7	31.8	32.3	32.3	27.0	23.3	24.9	23.3	22.5	23.8	26.7	21.2	20.7	21.7
HU	33.6	34.9	33.1	30.4	28.6	26.7	23.3	21.8	21.7	21.0	20.0	18.1	18.3	18.3	18.6
MT			52.4	53.0	51.1	49.6	45.2	45.3	44.2	45.7	45.8	44.0	44.7	44.6	43.8
NL	60.3	62.7	68.4	70.4	70.5	68.7	66.2	65.2	66.2	68.4	69.3	68.0	63.0	63.5	63.3
AT	54.2	54.9	52.5	51.4	51.8	50.6	49.9	53.1	54.0	55.5	55.9	54.5	53.6	54.9	54.6
PL	27.8	24.3	24.1	24.2	22.0	21.2	21.1	22.5	24.0	25.8	27.3	26.8	26.4	24.9	24.7
PT	42.5	41.9	41.1	42.3	42.2	39.0	37.1	36.1	35.8	34.9	34.7	31.3	28.5	27.2	23.6
RO	37.4	35.3	34.0	32.7	29.1	27.3	28.0	24.9	24.0	24.4	24.8	24.5	24.3	23.8	23.9
SL	36.2	32.9	31.2	30.3	31.1	28.6	33.8	34.1	35.0	37.6	38.4	35.3	34.1	31.5	27.3
SK	34.9	31.1	28.3	27.7	26.7	27.3	26.3	25.6	25.9	27.6	26.2	22.8	20.6	20.0	20.1
FI	32.5	45.0	45.4	46.2	44.8	44.3	43.3	40.5	42.1	44.6	44.7	39.6	38.8	40.4	41.8
SE	33.5	35.4	36.9	46.2	44.0	43.4	39.5	38.7	40.3	42.2	42.2	38.3	38.8	40.9	40.2
UK	55.9	55.2	55.8	55.5	55.5	54.2	54.9	54.4	53.8	52.9	52.4	48.4	47.6	46.4	46.9

Source: Eurostat, LFS.

**Table 18: Employment rate (%) ages 15-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	62.4	62.9	62.4	62.8	62.3	62.6	62.7	63.4	64.3	65.3	65.7	64.5	64.0	64.1	64.1
BE	57.3	58.9	60.9	59.7	59.7	59.3	60.5	61.1	61.0	62.0	62.4	61.6	62.0	61.9	61.8
BG			51.5	50.7	51.1	53.1	55.1	55.8	58.6	61.7	64.0	62.6	59.7	58.4	58.8
CZ	67.5	65.6	64.9	65.0	65.5	64.9	64.1	64.8	65.3	66.1	66.6	65.4	65.0	65.7	66.5
DK	75.3	76.5	76.4	75.9	76.4	75.1	76.0	75.9	77.4	77.0	77.9	75.3	73.3	73.1	72.6
DE	63.7	64.8	65.3	65.7	65.4	64.9	64.3	65.5	67.2	69.0	70.1	70.3	71.1	72.5	72.8
EE	65.2	61.8	60.3	60.8	61.7	62.3	62.9	64.4	68.1	69.4	69.8	63.5	61.0	65.1	67.1
IE	59.7	62.5	64.5	65.2	65.1	65.1	65.5	67.6	68.7	69.2	67.6	61.9	59.6	58.9	58.8
EL	56.1	56.0	56.6	56.5	57.7	58.9	59.6	60.1	61.0	61.4	61.9	61.2	59.6	55.6	51.3
ES	51.0	53.7	56.1	57.7	58.6	59.7	60.9	63.3	64.8	65.6	64.3	59.8	58.6	57.7	55.4
FR	60.0	60.4	61.7	62.7	62.9	63.9	63.3	63.7	63.6	64.3	64.8	64.0	63.9	63.9	63.9
HR					52.9	53.4	54.9	55.0	55.6	57.1	57.8	56.6	54.0	52.4	50.7
IT	51.8	52.5	53.4	54.5	55.4	56.1	57.7	57.6	58.4	58.7	58.7	57.5	56.9	56.9	56.8
CY		63.7	65.4	67.9	68.5	69.2	69.4	68.5	69.6	71.0	70.9	69.0	68.9	67.6	64.6
LV	59.8	58.8	57.4	58.9	60.5	61.7	62.2	63.3	66.3	68.3	68.6	60.9	59.3	60.8	63.0
LT	62.1	62.6	59.6	58.1	60.6	62.8	61.4	62.6	63.6	65.0	64.4	59.9	57.6	60.2	62.0
LU	60.2	61.6	62.7	63.0	63.6	62.2	62.5	63.6	63.6	64.2	63.4	65.2	65.2	64.6	65.8
HU	53.2	55.4	55.9	56.1	56.2	57.0	56.6	56.9	57.3	57.3	56.7	55.4	55.4	55.8	57.2
MT			54.5	54.7	55.0	54.6	53.4	53.9	53.6	54.6	55.3	55.0	56.1	57.6	59.0
NL	69.4	70.9	72.9	74.1	74.5	73.8	73.1	73.2	74.3	76.0	77.2	77.0	74.7	74.9	75.1
AT	67.4	68.2	67.9	67.8	68.1	68.2	66.5	68.6	70.2	71.4	72.1	71.6	71.7	72.1	72.5
PL	59.2	57.5	55.1	53.7	51.7	51.4	51.4	52.8	54.5	57.0	59.2	59.3	58.9	59.3	59.7
PT	67.1	67.4	68.2	68.9	69.2	68.2	68.0	67.5	67.9	67.8	68.2	66.3	65.6	64.2	61.8
RO	65.9	65.0	64.2	63.3	58.6	58.7	58.7	57.6	58.8	58.8	59.0	58.6	58.8	58.5	59.5
SL	63.5	62.5	62.7	63.6	64.3	62.5	65.6	66.0	66.6	67.8	68.6	67.5	66.2	64.4	64.1
SK	60.6	58.0	56.3	56.7	56.5	57.9	56.7	57.7	59.4	60.7	62.3	60.2	58.8	59.3	59.7
FI	63.4	67.4	68.1	69.1	69.1	68.7	68.3	68.4	69.3	70.3	71.1	68.7	68.1	69.0	69.4
SE	68.6	70.6	71.1	74.4	74.0	73.6	72.4	72.5	73.1	74.2	74.3	72.2	72.1	73.6	73.8
UK	70.2	70.4	71.0	71.3	71.2	71.4	71.5	71.7	71.6	71.5	71.5	69.9	69.5	69.5	70.1

Source: Eurostat, LFS.

**Table 19: Employment rate (%) ages 25-54, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	76.6	77.0	76.4	76.9	76.0	76.3	76.5	77.0	78.0	79.0	79.4	78.0	77.5	77.6	77.2
BE	74.4	76.4	77.9	76.6	76.6	76.1	77.3	78.3	78.4	79.7	80.5	79.8	80.0	79.3	79.3
BG			69.7	68.0	68.1	69.7	72.1	73.0	75.7	79.4	81.3	79.2	75.7	73.3	73.1
CZ	84.0	82.0	81.5	82.0	82.6	81.9	81.4	82.0	82.5	83.5	83.8	82.5	82.2	82.8	82.9
DK	83.4	84.4	84.3	84.5	84.7	83.5	84.0	84.5	86.1	86.1	87.5	84.7	82.8	82.3	81.9
DE	76.9	78.3	79.3	79.4	78.8	78.1	77.2	77.4	78.8	80.3	80.9	80.8	81.5	82.8	83.2
EE	79.9	77.3	76.8	75.7	77.3	77.4	78.6	79.6	84.2	84.8	83.9	76.4	74.8	78.1	79.2
IE	70.5	73.1	75.3	76.3	76.5	76.0	76.7	77.9	78.3	78.6	77.3	72.3	70.3	69.3	69.5
EL	70.2	70.4	70.7	70.9	71.9	73.1	73.7	74.0	75.3	75.6	76.1	75.4	73.3	69.0	64.1
ES	63.4	66.2	68.4	69.4	70.3	71.4	72.5	74.4	75.8	76.8	75.3	70.7	69.6	68.7	66.3
FR	77.0	77.3	78.4	79.4	79.4	80.5	80.1	80.7	81.2	82.0	83.0	82.0	81.8	81.4	80.8
HR					70.0	70.1	71.0	71.8	72.2	74.1	75.0	73.6	71.2	70.1	68.7
IT	66.2	66.9	67.7	69.1	69.9	70.8	72.4	72.3	73.3	73.5	73.5	71.9	71.1	71.1	70.3
CY		75.6	77.9	80.7	82.2	82.6	82.9	81.8	82.6	83.8	83.7	82.3	82.2	81.3	78.4
LV	76.0	74.7	73.4	75.9	76.7	77.7	78.6	78.4	81.1	82.3	82.6	74.7	73.4	75.0	76.3
LT	77.9	78.5	75.6	75.3	77.2	80.5	79.8	81.0	81.7	82.2	80.9	75.9	73.6	76.9	78.5
LU	74.7	76.7	78.2	78.7	79.1	77.8	79.3	80.7	81.0	81.9	80.0	81.2	82.3	82.0	83.1
HU	69.8	72.2	72.8	73.1	73.1	73.8	73.7	73.7	74.2	74.6	74.4	72.9	72.5	73.1	74.6
MT			61.0	61.7	62.2	61.8	61.6	62.4	64.4	66.2	67.4	68.0	68.7	70.6	72.7
NL	79.3	80.6	81.7	82.8	82.9	82.6	82.5	82.9	84.2	85.4	86.8	86.3	84.7	84.2	83.8
AT	80.4	81.3	81.6	82.2	82.7	83.3	81.7	82.6	83.5	84.0	84.4	84.0	84.2	84.9	85.4
PL	75.3	73.7	71.0	69.2	67.5	67.8	68.0	69.6	71.8	74.9	77.5	77.6	77.2	77.3	77.2
PT	80.4	80.6	81.7	82.2	82.0	81.1	81.3	80.8	81.3	81.0	81.6	79.7	79.2	77.8	75.4
RO	80.3	79.6	78.6	77.6	73.9	74.3	74.5	73.3	74.7	74.6	74.4	73.7	74.4	74.1	74.9
SL	82.2	82.2	82.6	83.8	84.1	82.6	84.0	83.8	84.2	85.3	86.8	84.8	83.7	83.1	83.3
SK	78.5	75.9	74.2	74.6	74.8	76.3	74.4	75.3	77.2	78.0	80.1	77.8	75.8	76.5	76.4
FI	78.3	80.5	81.1	81.8	81.9	81.3	80.9	81.7	82.4	83.4	84.3	82.4	81.6	82.3	82.0
SE	80.1	81.9	82.5	84.7	84.4	83.9	83.4	83.9	84.7	86.1	86.5	84.5	84.0	85.1	85.2
UK	79.2	79.6	80.2	80.5	80.4	80.7	80.8	81.2	81.2	81.3	81.4	80.2	79.8	80.1	80.5

Source: Eurostat, LFS.

**Table 20: Employment rate (%) ages 55-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	36.8	37.8	37.0	37.7	38.1	39.8	40.4	42.2	43.4	44.5	45.5	45.9	46.3	47.3	48.8
BE	22.5	24.7	25.0	25.2	25.8	28.1	30.1	31.8	32.0	34.4	34.5	35.3	37.3	38.7	39.5
BG			22.1	24.0	27.7	30.7	33.3	34.7	39.6	42.6	46.0	46.1	43.5	44.6	45.7
CZ	37.5	37.6	36.1	36.9	40.3	42.3	42.5	44.5	45.2	46.0	47.6	46.8	46.5	47.7	49.3
DK	50.4	54.2	54.6	56.5	57.3	60.7	61.8	59.5	60.7	58.9	58.4	58.2	58.4	59.5	60.8
DE	37.7	37.8	37.4	37.7	38.4	39.4	41.4	45.5	48.1	51.3	53.7	56.1	57.7	59.9	61.5
EE	50.3	48.1	43.3	48.7	51.3	52.8	51.5	56.1	58.5	60.0	62.4	60.4	53.8	57.2	60.6
IE	41.6	43.7	45.1	46.6	48.0	49.2	49.5	51.6	53.1	53.8	53.7	51.3	50.2	50.0	49.3
EL	39.1	38.7	39.4	38.2	38.9	41.0	39.4	41.6	42.3	42.4	42.8	42.2	42.3	39.4	36.4
ES	35.3	34.9	36.8	39.1	39.7	40.8	41.0	43.1	44.1	44.6	45.6	44.1	43.6	44.5	43.9
FR	28.3	28.4	29.4	30.7	33.8	36.3	37.4	38.5	38.1	38.2	38.2	39.0	39.8	41.5	44.5
HR					22.7	28.0	29.9	32.6	34.3	35.8	36.7	38.5	37.6	37.1	36.7
IT	27.7	27.5	27.3	26.9	28.6	30.0	30.2	31.4	32.5	33.8	34.4	35.7	36.6	37.9	40.4
CY		47.3	49.5	49.1	49.2	50.2	51.3	50.6	53.6	55.9	54.8	55.7	56.3	54.8	50.7
LV	36.5	36.6	35.4	36.4	42.6	41.8	45.9	49.5	53.3	57.7	59.4	53.2	48.2	50.5	52.8
LT	39.5	41.6	41.2	38.5	43.0	47.0	46.1	49.2	49.6	53.2	53.0	51.2	48.3	50.2	51.7
LU	25.0	26.3	27.2	24.8	27.9	30.3	30.4	31.7	33.2	32.0	34.1	38.2	39.6	39.3	41.0
HU	16.7	19.1	21.9	23.1	25.0	28.9	30.4	33.0	33.6	33.1	31.4	32.8	34.4	35.8	36.9
MT			28.6	28.1	30.2	32.2	31.2	30.8	29.8	28.5	29.3	27.8	30.4	31.8	33.6
NL	33.0	35.3	37.9	39.3	42.0	44.5	44.6	46.1	47.7	50.9	53.0	55.1	53.7	56.1	58.6
AT	28.0	29.2	29.2	27.4	28.0	29.1	27.4	31.8	35.5	38.6	41.0	41.1	42.4	41.5	43.1
PL	33.3	32.5	29.0	28.6	26.6	27.1	26.1	27.2	28.1	29.7	31.6	32.3	34.1	36.9	38.7
PT	50.2	50.7	51.3	50.7	51.9	51.7	50.1	50.5	50.1	50.9	50.8	49.7	49.2	47.9	46.5
RO	54.7	52.9	52.0	50.5	38.5	39.4	37.0	39.4	41.7	41.4	43.1	42.6	41.1	40.0	41.4
SL	25.9	23.4	22.3	23.4	25.9	22.7	30.1	30.7	32.6	33.5	32.8	35.6	35.0	31.2	32.9
SK	23.2	22.2	21.5	22.4	22.1	24.6	26.0	30.3	33.1	35.6	39.2	39.5	40.5	41.3	43.1
FI	35.7	39.2	41.2	45.5	47.8	49.6	51.1	52.7	54.5	55.0	56.5	55.5	56.2	57.0	58.2
SE	62.7	64.6	64.3	66.2	68.3	68.6	69.0	69.4	69.6	70.0	70.1	70.0	70.4	72.0	73.0
UK	48.3	49.4	50.4	52.2	53.2	55.4	56.1	56.8	57.3	57.4	58.0	57.5	57.1	56.7	58.1

Source: Eurostat, LFS.

**Table 21: Part-time employment rate as a % of total employment ages 15-24, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	18.8	18.9	18.5	17.2	21.4	22.5	23.9	24.7	25.3	25.5	26.2	27.7	28.9	29.7	31.0
BE	17.9	21.8	22.2	17.5	17.7	17.9	21.3	22.9	20.7	20.5	20.7	23.7	24.1	25.2	25.6
BG				5.2	4.0	3.9	4.1	3.0	2.9	2.9	3.3	3.9	5.0	4.6	4.2
CZ	4.0	3.5	4.5	4.5	4.1	3.5	4.5	3.3	3.9	5.2	5.5	8.2	9.0	7.6	9.9
DK	48.5	46.4	46.8	45.2	50.3	51.1	55.9	56.0	58.4	54.5	57.4	61.0	62.4	62.6	65.0
DE	10.5	11.5	12.0	13.1	13.5	14.0	14.7	17.2	19.3	20.4	20.8	20.6	19.8	21.4	21.7
EE	11.1	8.7	10.0	11.9				13.9	13.0	13.8	12.9	17.6	21.2	17.1	18.6
IE	21.1	22.3	22.3	21.1	21.4	23.6	23.2	23.2	23.1	24.6	26.6	34.8	42.5	45.9	48.2
EL	9.8	10.4	8.6	6.9	7.6	7.7	8.8	11.1	13.3	11.6	13.2	14.5	16.2	17.7	19.4
ES	13.8	13.9	13.5	13.1	13.5	14.4	14.9	21.0	21.1	21.3	22.9	25.4	29.6	32.7	35.6
FR	27.2	24.9	22.1	20.4	20.1	21.6	22.7	22.0	23.1	23.0	22.6	22.6	22.3	22.4	23.1
HR					8.5	8.8	8.1	9.0	8.7	6.9	6.6	5.9	7.2	6.4	5.6
IT	9.3	9.8	11.4	10.3	9.6	9.6	17.2	16.0	17.5	18.7	20.7	21.2	24.3	23.9	27.5
CY		9.3	8.3	6.6	4.4	7.6	8.8	8.1	9.5	10.1	12.0	13.9	14.9	16.1	18.8
LV	15.2	19.7	13.2	12.5	13.1	12.5	12.1	9.8	8.7	12.9	9.6	15.1	13.7	12.0	15.0
LT	14.0		14.4	11.4	11.2	14.7	9.4	8.2	9.0	10.4	10.2	12.1	11.4	12.9	15.4
LU	7.6	12.9	8.8	10.0	6.2	6.5	8.0	8.5	8.8	8.7	7.0	18.4	16.6	17.0	22.7
HU	2.8	3.0	2.5	3.2	3.7	3.4	4.1	4.3	4.7	5.3	5.4	7.2	9.0	10.5	9.7
MT			7.8	9.7	13.1	14.3	12.4	14.7	13.8	15.2	14.5	12.9	17.2	21.0	20.6
NL	61.6	59.9	61.5	62.2	64.0	66.1	66.7	68.3	68.3	69.7	70.9	73.3	74.7	75.2	76.7
AT	8.9	9.7	9.6	10.0	10.2	9.6	12.3	15.7	14.7	17.6	18.0	17.5	19.1	19.5	18.8
PL	13.8	12.6	17.0	18.3	21.0	20.3	20.9	22.5	19.3	17.2	14.2	14.3	15.5	15.4	16.7
PT	6.8	7.8	5.9	6.5	7.5	9.3	8.6	8.6	8.4	9.2	10.4	11.8	12.9	17.4	20.1
RO	21.9	21.6	21.9	21.4	13.3	14.5	15.7	15.9	16.1	15.6	14.7	14.5	17.3	18.2	17.8
SL	14.9	12.9	13.4	15.8	17.6	21.8	29.1	30.1	29.8	29.8	31.4	36.6	40.9	40.8	38.3
SK	1.3	1.0		1.2	1.3	1.7	2.0	2.8	3.3	3.0	3.5	5.1	7.4	6.7	7.3
FI	36.4	33.4	32.8	31.5	34.1	33.4	34.5	39.4	39.3	37.2	36.9	40.3	39.9	38.8	39.2
SE	40.0	43.8	38.3	40.2	41.0	44.6	48.6	42.6	42.2	39.9	45.7	49.3	49.6	47.3	48.5
UK	32.3	32.3	32.7	33.5	33.6	35.5	35.4	33.9	34.5	33.9	34.7	37.5	39.1	38.8	40.3

Source: Eurostat, LFS.

**Table 22: Part-time employment rate as a % of total employment ages 15-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	12.8	13.0	12.6	12.1	15.6	16.0	16.7	17.2	17.5	17.5	17.5	18.1	18.5	18.8	19.2
BE	15.7	19.7	20.6	18.4	19.3	20.4	21.5	21.7	22.0	21.9	22.4	23.2	23.7	24.7	24.7
BG				3.3	2.7	2.1	2.7	1.9	1.8	1.5	2.0	2.1	2.2	2.2	2.2
CZ	5.3	5.1	4.8	4.4	4.3	4.5	4.4	4.4	4.4	4.4	4.3	4.8	5.1	4.7	5.0
DK	22.1	20.6	21.4	19.6	20.0	20.3	21.9	21.5	23.0	23.0	23.8	25.2	25.6	25.1	24.8
DE	18.0	18.6	19.1	19.9	20.3	21.2	21.9	23.4	25.2	25.4	25.1	25.3	25.5	25.7	25.7
EE	6.7	6.6	6.3	6.8	6.0	6.7	6.9	6.6	6.7	7.2	6.4	9.4	9.8	9.3	9.2
IE	16.5	16.6	16.6	16.4	16.3	16.7	16.6	16.8	16.6	17.3	18.1	21.0	22.2	23.1	23.5
EL	5.6	5.8	4.4	3.9	4.2	3.9	4.5	4.8	5.5	5.4	5.4	5.8	6.2	6.6	7.6
ES	7.8	8.1	8.0	8.0	8.0	8.2	8.8	12.2	11.8	11.6	11.8	12.6	13.1	13.7	14.6
FR	17.2	17.2	16.8	16.3	16.1	16.8	16.9	17.1	17.1	17.2	16.8	17.2	17.6	17.6	17.7
HR					6.5	6.6	6.5	7.8	7.0	6.6	6.9	6.9	7.5	7.6	6.3
IT	7.3	7.8	8.7	8.9	8.5	8.5	12.4	12.7	13.1	13.4	14.1	14.1	14.8	15.2	16.8
CY		5.8	7.6	7.4	6.3	7.6	7.5	7.6	6.6	6.4	6.8	7.5	8.3	9.0	9.7
LV	11.7	11.3	10.5	9.2	8.6	9.4	9.8	7.6	5.8	5.6	5.5	8.4	9.3	8.8	8.9
LT	8.5		8.9	8.4	9.5	8.6	8.4	6.8	9.5	8.6	6.5	7.9	7.8	8.3	8.9
LU	9.4	10.7	11.2	11.3	11.6	13.4	16.3	17.4	17.1	17.8	17.9	17.6	17.5	18.0	18.5
HU	3.6	3.7	3.4	3.3	3.4	4.1	4.3	3.9	3.8	3.9	4.3	5.2	5.5	6.4	6.6
MT			6.1	7.1	8.4	8.9	7.8	9.4	9.7	10.6	11.1	10.7	11.7	12.4	13.2
NL	38.5	39.1	41.0	41.9	43.4	44.6	45.2	45.7	45.8	46.3	46.8	47.7	48.3	48.5	49.2
AT	15.4	16.5	16.7	16.9	18.7	18.3	20.0	20.8	21.3	21.8	22.6	23.7	24.3	24.3	24.9
PL	8.9	8.9	9.3	9.2	9.6	9.3	9.6	9.8	8.9	8.5	7.7	7.7	7.7	7.3	7.2
PT	8.7	8.8	8.1	8.2	8.4	8.8	8.1	8.2	8.1	8.8	8.6	8.4	8.4	10.1	11.0
RO	13.7	13.8	14.0	14.3	9.7	10.6	9.2	9.2	8.6	8.6	8.6	8.5	9.7	9.3	9.1
SL	6.7	5.9	5.3	5.3	5.8	5.8	8.3	7.8	8.0	8.1	8.1	9.5	10.3	9.5	9.0
SK	2.2	2.0	1.8	2.4	1.8	2.2	2.5	2.4	2.7	2.5	2.5	3.4	3.8	4.0	4.0
FI	11.3	11.9	11.9	11.6	12.1	12.5	12.8	13.3	13.5	13.4	12.7	13.3	13.9	14.1	14.1
SE	23.4	23.6	21.8	20.2	20.4	22.2	23.1	24.0	24.3	24.2	25.7	26.0	25.8	25.2	25.0
UK	24.0	24.2	24.4	24.4	24.5	25.0	25.1	24.2	24.3	24.2	24.2	25.0	25.7	25.5	25.9

Source: Eurostat, LFS.

**Table 23: Part-time employment rate as a % of total employment ages 25-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	12.0	12.2	11.9	11.4	14.9	15.3	15.8	16.3	16.5	16.6	16.5	17.0	17.4	17.7	18.0
BE	15.5	19.5	20.4	18.5	19.4	20.6	21.5	21.6	22.1	22.0	22.6	23.2	23.6	24.7	24.7
BG				3.1	2.6	2.0	2.6	1.8	1.7	1.4	1.9	2.0	2.0	2.0	2.1
CZ	5.5	5.3	4.8	4.4	4.3	4.6	4.4	4.5	4.5	4.3	4.2	4.5	4.9	4.5	4.6
DK	17.0	16.1	16.8	15.6	15.2	15.7	16.8	16.0	17.0	17.7	17.9	18.9	19.2	18.5	17.9
DE	18.9	19.5	20.0	20.8	21.2	22.1	22.7	24.2	26.0	26.0	25.7	25.9	26.1	26.3	26.1
EE	6.1	6.3	5.9	6.3	5.7	6.5	6.8	5.8	6.0	6.3	5.5	8.5	8.7	8.5	8.2
IE	15.5	15.3	15.3	15.4	15.3	15.3	15.4	15.6	15.3	16.0	16.7	19.1	19.8	20.8	21.1
EL	5.1	5.3	3.9	3.6	3.9	3.6	4.1	4.3	4.9	4.9	4.9	5.2	5.6	6.1	7.1
ES	7.0	7.3	7.2	7.4	7.3	7.5	8.1	11.2	10.7	10.6	10.7	11.6	12.0	12.6	13.6
FR	16.3	16.5	16.3	15.9	15.7	16.3	16.3	16.6	16.5	16.6	16.3	16.7	17.2	17.2	17.2
HR					6.3	6.4	6.4	7.7	6.8	6.5	6.9	7.0	7.6	7.7	6.3
IT	7.1	7.6	8.5	8.8	8.4	8.4	12.0	12.4	12.8	13.1	13.6	13.6	14.3	14.8	16.2
CY		5.3	7.5	7.5	6.5	7.6	7.4	7.5	6.3	6.0	6.2	6.9	7.6	8.3	8.9
LV	11.2	10.2	10.2	8.8	8.0	9.0	9.5	7.3	5.4	4.6	4.9	7.6	8.9	8.5	8.4
LT	7.8		8.4	8.1	9.4	8.0	8.3	6.7	9.5	8.4	6.1	7.6	7.5	8.0	8.4
LU	9.6	10.4	11.4	11.4	12.1	13.9	16.9	18.1	17.7	18.3	18.6	17.5	17.5	18.1	18.3
HU	3.7	3.8	3.5	3.4	3.4	4.1	4.3	3.9	3.7	3.8	4.2	5.1	5.3	6.2	6.4
MT			5.6	6.4	7.2	7.5	6.7	8.1	8.8	9.7	10.4	10.3	10.7	10.9	11.9
NL	34.2	35.3	37.1	37.9	39.3	40.4	41.1	41.5	41.5	41.8	42.2	42.8	43.5	43.6	44.1
AT	16.5	17.5	17.8	17.9	20.0	19.5	21.2	21.6	22.3	22.5	23.3	24.7	25.1	25.0	25.8
PL	8.3	8.5	8.5	8.2	8.3	8.1	8.4	8.4	7.8	7.5	7.1	7.0	6.9	6.6	6.4
PT	9.1	8.9	8.4	8.5	8.5	8.8	8.0	8.1	8.0	8.7	8.5	8.1	8.0	9.6	10.4
RO	12.4	12.6	12.9	13.4	9.2	10.2	8.4	8.5	7.9	7.9	8.0	8.0	9.1	8.6	8.4
SL	5.5	5.0	4.4	4.1	4.5	4.2	6.0	5.4	5.7	5.6	5.5	6.8	7.3	6.7	6.9
SK	2.4	2.2	2.0	2.5	1.9	2.3	2.6	2.3	2.6	2.4	2.4	3.3	3.5	3.8	3.8
FI	8.7	8.9	8.9	8.8	9.1	9.7	10.0	10.1	10.3	10.2	9.6	10.2	10.9	11.1	11.0
SE	21.7	21.6	20.1	17.6	17.9	19.5	20.2	22.2	22.5	22.5	23.1	23.2	22.9	22.3	22.1
UK	22.7	22.9	23.0	22.9	23.0	23.2	23.4	22.6	22.5	22.5	22.5	23.1	23.6	23.6	23.8

Source: Eurostat, LFS.



**Table 24: Part-time employment rate as a % of total employment ages 55-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	18.1	18.3	18.1	17.2	21.1	21.5	21.8	21.7	22.0	22.2	22.1	22.1	22.3	22.5	22.5
BE	14.1	19.0	21.6	17.5	19.9	22.2	25.6	24.7	26.5	26.4	28.8	30.6	31.3	33.0	33.6
BG				6.4	6.7	4.2	5.4	3.8	3.5	3.3	4.0	3.7	3.7	3.1	3.3
CZ	15.9	14.2	12.5	11.3	10.3	10.2	9.8	8.3	8.5	8.8	8.2	8.6	8.4	7.7	8.2
DK	22.6	21.2	20.5	17.1	19.4	17.8	20.9	19.5	20.8	22.1	22.4	24.3	24.6	22.9	20.7
DE	21.2	22.2	22.7	24.0	23.7	24.8	24.6	26.2	28.1	28.1	27.7	27.6	27.7	28.7	29.0
EE	11.4	10.6	11.3	9.3	13.9	16.5	14.3	9.1	11.0	9.9	8.4	11.0	14.1	12.7	12.6
IE	18.3	18.6	19.5	20.1	20.9	21.8	21.0	21.4	22.3	23.1	23.6	26.4	27.6	28.9	29.3
EL	7.8	7.2	4.8	4.5	4.9	4.6	4.4	5.0	5.4	5.9	6.0	6.0	6.2	6.8	6.9
ES	7.3	7.2	6.5	6.6	6.5	6.5	7.3	10.7	10.5	10.6	10.5	11.2	10.9	11.3	11.5
FR	21.8	22.3	22.4	21.7	20.7	22.6	20.8	21.0	20.8	21.0	20.8	21.2	22.2	22.2	22.0
HR					20.5	17.8	18.1	18.6	16.6	14.9	15.6	14.1	13.3	14.2	12.0
IT	6.8	7.3	7.5	7.8	7.1	7.2	11.4	10.5	10.8	10.9	11.8	10.9	11.7	12.2	13.2
CY		8.8	13.5	14.3	13.9	15.3	15.0	13.0	10.1	11.4	10.2	8.5	11.0	11.0	11.0
LV	16.0	17.4	15.7	15.0	11.1	12.8	13.5	11.6	10.2	7.8	7.7	9.7	10.7	11.4	12.0
LT	10.7		14.1	9.2	12.6	10.6	13.0	11.6	15.2	13.7	9.4	10.8	11.5	11.7	11.3
LU	9.6	11.6	11.1	8.9	12.9	12.5	20.5	20.6	22.1	23.1	22.2	21.2	20.1	22.4	22.8
HU	16.3	13.5	11.8	10.2	9.3	10.1	12.2	9.9	8.7	9.2	11.0	10.8	10.2	10.4	11.4
MT								10.8	9.8	11.1	11.4	14.6	15.4	16.0	15.2
NL	38.5	41.1	44.3	45.6	46.3	47.1	47.3	48.8	49.6	49.9	50.4	49.8	50.0	50.0	49.2
AT	16.3	17.2	16.6	17.7	19.3	17.8	22.9	24.6	24.4	25.0	26.6	26.0	27.3	27.0	27.9
PL	29.3	26.7	28.0	27.4	27.6	23.7	21.8	22.0	20.7	20.5	18.8	18.6	16.9	15.0	13.5
PT	21.1	21.9	20.8	21.4	21.3	21.2	20.1	18.8	21.1	20.9	18.8	18.3	18.0	21.4	21.3
RO	27.9	26.9	26.5	29.6	22.0	24.0	18.3	16.9	14.2	15.8	16.6	15.3	17.5	16.3	15.2
SL	19.9	20.5	15.4	14.2	14.3	12.8	19.2	14.9	17.9	18.3	13.7	15.0	17.8	17.4	14.4
SK	7.0	6.9	5.9	8.1	5.5	6.9	7.8	6.8	6.2	5.7	4.5	6.2	5.7	5.8	5.8
FI	13.9	17.5	19.6	19.8	19.2	22.1	22.9	19.3	18.8	18.2	17.2	17.8	19.2	19.1	18.3
SE	28.5	27.3	27.6	26.6	25.7	24.8	25.8	27.3	28.6	28.4	28.7	28.3	28.3	27.7	26.4
UK	31.2	31.3	31.6	32.5	32.7	32.8	33.2	31.5	31.3	31.8	31.9	31.5	31.8	32.2	32.4

Source: Eurostat, LFS.

**Table 25: Temporary employment rate as a % of total employment ages 15-24, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	26.6	27.2	27.6	28.1	35.8	36.3	37.6	40.0	40.9	41.3	40.2	40.3	42.1	42.4	42.2
BE	27.7	37.5	30.9	26.4	27.4	29.6	28.6	32.1	30.0	31.6	29.5	33.2	30.4	34.3	31.4
BG				13.4	12.9	11.6	15.3	13.9	12.6	10.3	9.5	9.3	10.2	7.6	9.5
CZ	8.3	9.4	12.5	13.1	14.2	16.4	18.0	18.3	18.9	17.4	15.6	18.7	22.5	22.4	27.0
DK	27.2	29.7	29.8	26.9	25.0	27.3	26.9	26.9	22.4	22.5	23.6	22.8	21.1	22.1	20.9
DE	52.2	53.1	52.4	52.1	51.4	53.0	55.5	58.2	57.5	57.4	56.7	57.3	57.2	56.0	53.6
EE	4.9	2.9				11.3		9.2	7.3	6.6	6.0	8.3	11.6	13.8	12.9
IE	18.8	12.2	13.5	12.5	12.5	13.4	11.2	11.6	15.1	20.5	22.0	24.6	30.1	33.8	34.9
EL	26.6	29.5	29.6	29.2	26.4	24.6	26.3	26.5	25.0	27.0	29.2	28.4	30.4	30.1	25.9
ES	73.2	70.3	68.9	66.6	65.1	63.9	64.8	66.5	66.1	62.8	59.4	55.9	58.6	61.4	62.4
FR	53.9	54.4	55.0	52.2	48.5	46.5	46.7	49.4	51.6	53.5	52.5	52.4	55.0	55.1	55.5
HR					31.2	35.6	36.9	38.0	38.4	39.5	37.9	35.1	38.8	43.4	47.4
IT	23.4	26.2	26.2	23.3	27.3	25.5	34.4	37.0	40.9	42.3	43.3	44.4	46.7	49.9	52.9
CY		21.0	18.7	14.7	12.0	19.7	16.1	19.9	21.2	23.3	20.8	18.2	20.3	17.0	18.7
LV	12.7	13.7	11.9	13.6	21.8	18.3	17.3	17.8	14.4	9.3	6.5	9.3	12.7	11.2	9.7
LT	14.0	12.9	9.4	9.6	14.5	16.3	13.8	13.5	10.5	10.5	7.2	5.3	7.6	8.8	9.4
LU	13.4	17.4	14.5	19.5	16.6	12.4	24.1	29.3	33.2	34.1	39.3	39.3	36.5	34.5	39.0
HU	11.0	10.7	12.7	14.8	14.6	15.8	15.1	17.2	16.9	19.1	20.0	21.4	24.9	22.9	22.4
MT			8.1	9.4	8.8	9.7	9.2	11.5	8.1	11.1	9.2	11.3	14.7	17.8	16.6
NL	34.2	33.3	35.3	36.5	36.4	37.2	37.9	41.7	43.5	45.1	45.2	46.5	48.3	47.7	51.2
AT	29.1	32.6	33.0	33.4	35.0	31.4	32.4	34.6	35.2	34.9	34.9	35.6	37.0	37.2	35.6
PL	12.2	12.2	14.2	33.2	45.1	53.7	60.6	65.1	67.3	65.7	62.8	62.0	64.5	65.6	66.4
PT	36.6	39.9	41.0	42.8	46.2	44.7	47.4	45.6	49.3	52.6	54.2	53.5	55.6	57.2	56.5
RO	9.8	9.2	10.8	9.2	2.8	6.1	6.6	7.1	5.0	4.6	4.3	3.7	3.9	5.8	5.8
SL	41.4	38.4	43.2	51.0	52.9	53.0	63.1	62.5	64.2	68.3	69.8	66.6	69.6	74.5	72.0
SK	7.4	6.4	8.5	11.5	10.7	10.4	9.9	12.6	14.2	13.7	12.6	12.5	17.1	18.7	19.1
FI	46.0	52.1	50.3	51.1	49.4	52.1	49.8	44.1	44.2	42.4	39.6	39.0	43.0	43.4	42.0
SE	42.6	42.0	45.2	50.1	51.3	53.6	53.1	55.4	59.0	57.1	53.6	53.4	56.7	56.8	55.7
UK	12.5	12.6	13.2	13.4	12.0	11.0	11.0	12.3	12.8	13.3	12.0	11.9	13.7	13.5	14.9

Source: Eurostat, LFS.

**Table 26: Temporary employment rate as a % of total employment ages 15-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	9.9	10.0	10.0	10.3	12.4	12.6	13.2	14.0	14.5	14.6	14.1	13.5	13.9	14.0	13.7
BE	7.8	10.2	9.0	8.8	7.6	8.5	8.7	8.8	8.7	8.6	8.3	8.2	8.1	8.9	8.1
BG				6.8	6.0	6.3	8.0	6.3	6.1	5.1	4.9	4.6	4.4	4.0	4.4
CZ	5.7	6.4	7.2	7.3	7.5	8.5	8.8	7.9	8.0	7.8	7.2	7.5	8.2	8.0	8.3
DK	10.1	10.1	10.2	9.4	8.9	9.5	9.8	9.8	8.9	9.0	8.5	8.7	8.5	8.9	8.6
DE	12.3	13.1	12.8	12.4	12.0	12.2	12.5	14.3	14.6	14.7	14.8	14.6	14.7	14.8	13.9
EE	1.6	1.9	2.3	2.9	2.2	3.0	3.0	2.7	2.7	2.2	2.4	2.5	3.7	4.5	3.5
IE	8.8	5.1	5.3	4.6	4.9	4.6	3.4	3.7	6.0	8.0	8.4	8.8	9.6	10.2	10.1
EL	13.4	13.5	13.8	13.5	11.8	11.3	12.4	11.8	10.7	10.9	11.5	12.1	12.4	11.6	10.0
ES	32.9	32.8	32.4	32.1	32.1	31.8	32.1	33.4	34.1	31.7	29.3	25.5	25.0	25.4	23.7
FR	13.9	13.9	15.4	14.9	14.1	13.2	12.8	13.9	14.8	15.0	14.8	14.3	14.9	15.2	15.1
HR					10.0	11.3	12.4	12.3	12.9	12.6	12.1	11.6	12.3	12.7	12.8
IT	8.5	9.8	10.1	9.6	9.9	9.5	11.9	12.3	13.1	13.2	13.3	12.5	12.8	13.4	13.8
CY		10.3	10.7	10.8	9.1	12.6	13.1	14.0	13.2	13.3	14.0	13.8	14.0	14.2	15.1
LV	8.0	7.4	6.7	7.1	11.7	9.5	9.2	8.4	7.2	4.2	3.3	4.4	6.8	6.7	4.7
LT	6.5	5.6	3.8	6.6	7.6	8.1	6.6	5.6	4.5	3.8	2.4	2.3	2.4	2.7	2.6
LU	2.9	3.4	3.4	4.3	4.3	3.1	4.8	5.3	6.1	6.8	6.2	7.2	7.1	7.1	7.6
HU	6.6	6.1	6.8	7.5	7.3	7.6	6.9	7.0	6.7	7.3	7.8	8.4	9.6	8.9	9.4
MT			3.9	4.1	4.1	4.2	3.2	4.5	3.7	5.1	4.2	4.8	5.5	6.5	6.8
NL	12.6	11.9	13.8	14.3	14.2	14.4	14.4	15.4	16.4	17.9	17.9	18.0	18.3	18.2	19.3
AT	7.8	8.0	8.0	8.1	7.4	7.2	9.5	9.1	9.0	8.9	9.0	9.1	9.3	9.6	9.3
PL	5.2	4.6	5.6	11.9	15.4	18.9	22.5	25.6	27.3	28.2	26.9	26.4	27.2	26.8	26.8
PT	17.2	18.5	19.8	20.0	21.7	20.6	19.9	19.5	20.6	22.4	22.9	22.0	23.0	22.2	20.7
RO	3.0	3.1	2.9	3.0	0.9	2.1	2.8	2.4	1.8	1.6	1.3	1.0	1.1	1.5	1.7
SL	11.5	10.8	12.8	13.0	14.6	13.5	17.8	17.2	17.1	18.4	17.3	16.2	17.1	18.0	17.0
SK	4.0	3.6	4.0	4.9	4.6	4.7	5.3	4.9	5.0	5.0	4.5	4.3	5.6	6.5	6.7
FI	17.7	18.2	17.7	17.9	17.2	17.9	17.1	16.5	16.3	15.9	14.9	14.5	15.4	15.5	15.5
SE	12.7	13.8	14.3	15.5	15.3	15.6	15.5	15.7	17.0	17.2	15.8	14.9	16.0	16.5	15.9
UK	6.9	6.7	6.6	6.6	6.0	5.7	5.6	5.7	5.7	5.7	5.3	5.5	6.0	6.0	6.2

Source: Eurostat, LFS.

**Table 27: Temporary employment rate as a % of total employment ages 25-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	7.5	7.5	7.5	7.8	9.1	9.4	9.9	10.5	11.0	11.0	10.8	10.3	10.6	10.8	10.6
BE	5.7	7.5	6.5	6.9	5.4	6.4	6.6	6.5	6.5	6.3	6.2	5.9	6.1	6.6	6.0
BG				6.2	5.5	5.8	7.3	5.7	5.6	4.7	4.5	4.2	4.0	3.8	4.1
CZ	5.2	5.9	6.4	6.6	6.6	7.6	7.9	6.9	6.9	6.9	6.5	6.6	7.0	6.9	6.9
DK	6.5	6.4	6.3	6.4	6.1	6.6	7.0	6.8	6.4	6.5	5.5	5.9	6.1	6.3	6.3
DE	6.7	7.4	7.1	6.8	6.4	6.5	6.6	8.0	8.4	8.5	8.7	8.6	8.9	9.1	8.7
EE	1.2	1.8	2.0	2.6	1.8	2.0	2.4	1.9	2.1	1.6	2.0	1.8	2.9	3.4	2.5
IE	5.9	3.0	3.1	2.6	3.0	2.5	1.6	1.8	3.9	5.3	5.8	6.1	6.8	7.4	7.4
EL	11.6	11.4	11.7	11.6	10.0	9.9	10.9	10.5	9.5	9.6	10.1	10.9	11.3	10.6	9.3
ES	26.8	26.8	26.5	26.6	27.2	27.3	27.8	28.9	29.9	27.9	25.9	22.7	22.3	22.9	21.5
FR	9.9	9.8	11.2	10.7	10.2	9.4	9.0	9.9	10.7	10.7	10.7	10.1	10.6	11.0	11.0
HR					7.5	8.7	9.6	9.4	10.2	9.7	9.2	9.1	9.6	10.0	10.3
IT	6.7	8.0	8.4	8.2	8.2	8.0	9.8	10.0	10.8	10.9	10.9	10.2	10.5	11.1	11.5
CY		8.5	9.4	10.1	8.7	11.6	12.6	13.2	12.2	12.1	13.1	13.3	13.3	13.9	14.8
LV	7.3	6.6	6.0	6.3	10.5	8.2	8.2	7.0	6.0	3.4	2.8	3.8	6.2	6.2	4.2
LT	5.6	4.8	3.2	6.3	6.9	7.3	6.0	4.9	3.9	3.1	1.9	2.0	2.0	2.2	2.1
LU	1.7	1.9	2.2	2.8	3.1	2.4	3.4	3.4	4.1	5.0	3.9	4.7	5.3	5.5	5.7
HU	5.7	5.2	5.8	6.4	6.4	6.6	6.1	6.1	5.9	6.3	6.9	7.5	8.6	8.0	8.6
MT			2.7	2.5	2.7	2.6	1.7	2.6	2.7	3.7	3.1	3.4	3.5	4.2	5.0
NL	8.2	7.5	9.3	9.4	9.4	9.5	9.5	10.0	10.8	12.1	12.2	12.0	12.2	12.2	12.8
AT	3.9	3.5	3.7	3.9	2.8	3.2	5.2	4.5	4.3	4.2	4.3	4.4	4.7	4.8	4.8
PL	4.3	3.8	4.6	9.2	12.0	14.9	18.3	21.2	22.6	23.7	22.6	22.4	23.2	23.1	23.2
PT	13.2	14.4	16.0	15.8	17.4	17.0	16.0	16.1	17.0	18.8	19.3	18.8	20.1	19.3	18.0
RO	2.1	2.4	2.1	2.3	0.7	1.7	2.4	2.0	1.5	1.3	1.0	0.8	0.9	1.3	1.4
SL	7.5	7.4	9.1	8.6	10.0	9.3	12.6	12.2	11.8	12.6	11.3	11.1	12.2	13.2	13.1
SK	3.3	3.1	3.3	4.0	3.8	4.0	4.8	4.0	3.9	3.9	3.7	3.5	4.7	5.6	5.9
FI	14.4	12.8	12.5	12.7	12.5	12.8	12.4	12.8	12.5	12.0	11.4	11.3	11.9	11.9	11.8
SE	9.6	10.8	10.9	10.8	10.7	10.6	11.0	10.9	11.6	11.8	10.6	9.9	10.5	10.9	10.5
UK	5.9	5.6	5.5	5.4	4.9	4.7	4.6	4.4	4.4	4.3	4.1	4.4	4.7	4.8	4.8

Source: Eurostat, LFS.

**Table 28: Temporary employment rate as a % of total employment ages 55-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	7.8	7.6	7.5	7.3	6.6	6.3	6.3	6.6	6.9	6.9	6.8	6.8	6.9	6.8	6.6
BE	2.2	4.1	4.6	3.5	5.4	4.3	2.9	4.4	4.3	3.8	3.8	3.9	2.9	4.0	3.0
BG				7.4	5.6	7.1	8.0	7.8	7.3	6.0	5.4	5.2	4.5	4.4	4.5
CZ	26.1	23.9	19.8	18.6	16.0	15.1	14.2	12.9	13.4	14.7	14.1	13.8	11.4	8.3	8.5
DK	3.9	4.8	4.5	4.7	4.1	4.5	5.1	4.4	4.4	4.5	3.8	3.4	3.6	3.6	3.2
DE	4.1	4.3	4.4	4.4	4.3	4.2	3.9	4.5	4.5	4.5	4.4	4.5	4.6	4.4	4.2
EE		2.4											1.9	4.1	1.5
IE	5.6	3.7	3.0	3.2	3.2	3.1		2.3	3.8	5.1	5.4	5.5	6.6	6.6	5.7
EL	10.9	7.9	7.8	8.9	7.5	7.1	7.5	8.7	7.0	6.2	6.3	6.6	7.6	6.7	6.4
ES	13.3	13.8	13.0	12.8	13.4	12.8	11.7	14.0	14.7	13.4	12.2	10.4	10.2	10.4	9.4
FR	5.3	4.8	5.7	5.5	5.5	5.5	4.6	5.6	7.3	7.1	7.3	8.0	8.5	8.3	8.4
HR					4.5	5.0	3.9	3.3	4.4	4.0	3.4	4.0	4.0	3.7	2.4
IT	5.9	6.2	6.0	6.2	6.4	5.1	7.4	6.5	6.4	6.3	6.2	5.5	6.1	6.0	6.4
CY		4.5	7.7	5.7	5.0	5.4	5.5	5.7	4.5	5.0	4.9	4.9	4.5	6.3	6.9
LV	6.4	8.2	4.3	6.5	8.9	11.4	5.0	4.7	4.3	3.2	2.6	3.0	7.2	6.6	4.1
LT	5.3				5.4										
LU														3.2	4.0
HU	12.7	8.5	7.6	6.4	6.4	5.9	5.1	4.8	4.5	5.1	5.0	5.5	6.7	6.1	7.4
MT											3.1		3.5	3.5	4.2
NL	7.6	9.4	6.4	6.0	5.8	6.5	5.7	5.9	6.6	7.1	7.0	6.9	6.8	6.5	6.5
AT	3.2		2.3	2.9		2.5	5.2	3.3	3.3	3.3	3.0	3.4	2.9	2.7	3.0
PL	9.4	8.0	8.5	13.0	12.4	11.7	13.3	16.0	18.1	19.9	21.8	22.0	21.1	19.1	18.0
PT	9.6	9.1	11.3	10.9	11.5	10.8	10.1	8.9	9.9	10.6	10.1	10.0	9.6	11.0	10.5
RO	2.9	5.0	2.9	2.7	1.4	3.0									
SL			14.0	7.6	10.7	8.0	11.9	8.7	8.7	8.6	6.6	8.2	8.9	11.0	8.1
SK	12.9	12.5	10.8	11.2	10.5	9.4	11.1	10.1	8.2	5.9	4.5	4.2	5.6	5.5	5.9
FI	3.9	4.9	6.1	6.4	6.6	6.9	6.7	6.3	6.5	6.7	6.9	7.2	7.5	6.7	6.9
SE	5.8	6.6	7.4	6.7	7.0	6.1	6.5	6.4	6.8	7.1	6.5	5.7	6.1	6.5	6.0
UK	6.6	6.3	6.2	6.5	5.7	5.2	6.0	5.4	4.9	5.0	4.8	4.8	5.0	5.1	5.0

Source: Eurostat, LFS.

**Table 29: Involuntary part-time employment as a % of total part-time employment 15-24, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	31.8	30.5	29.6	28.9	19.5	20.8	21.4		24.2	23.2	25.7	26.4	28.5	28.0	29.0
BE	56.5	51.2	43.8	48.3	35.0	44.8	39.7	38.5	37.9	36.6	38.2	27.8	26.7	24.1	22.1
BG				54.5											
CZ	7.4	9.8	12.4	12.0	13.3	17.8	17.3	24.1	18.9	12.4	5.5	9.7	10.5	22.8	19.6
DK	8.9	10.0	7.7	9.0	9.3	10.2	7.3	10.3	8.5	7.7	6.5	8.8	9.9	8.7	9.1
DE	19.8	18.0	16.1	16.9	16.1	18.5	22.9	28.2	28.1	24.6	24.7	21.3	21.7	15.7	13.2
EE	25.5											15.4			
IE	19.3	13.9	9.2	8.6	9.6	12.1	11.8		10.1	10.6	12.1	24.8	32.0	34.3	33.7
EL	57.3	54.2	52.2	50.1	45.2	41.9	51.6	49.6	47.7	44.7	47.6	43.9	54.2	59.0	65.4
ES	27.0	30.2	26.5	24.6	23.8	21.6	23.4	31.3	33.0	31.0	32.9	42.0	48.1	51.0	56.2
FR	47.7	43.2	41.9	38.5	36.3	40.7	37.4	41.3	41.5	41.9	43.0	42.6	46.0	45.2	46.6
HR					41.5	39.9		31.1	32.8	23.8	34.6	40.3	50.3	32.6	
IT	57.9	59.0	51.8	50.7	54.6	52.5	47.6	52.1	50.6	51.4	52.6	61.8	65.7	70.0	74.0
CY		31.6	48.7	31.6	62.7	43.8	40.8	46.5	59.8	37.8	39.2	46.3	40.8	55.8	56.4
LV	41.9	36.6	32.1	23.5					13.8			22.4	28.3	32.2	28.8
LT	29.9		33.2												
LU												19.0			18.9
HU	49.4	36.9	34.4	27.6	33.7	27.6		32.6	35.0	39.6	33.9	43.6	48.1	49.0	51.8
MT								37.7	37.7	30.4	29.1	29.3	30.0	28.5	28.3
NL	6.6	5.1	4.4	4.3	3.8	5.6	6.4	6.5	7.4	5.8	4.4	6.9	5.8	7.2	9.2
AT	27.4	26.6	24.0	21.6	21.9	24.5	14.1	16.5	19.0	19.4	14.6	15.3	18.3	14.0	12.4
PL	18.1	18.8	18.9	34.8	27.8	33.8	32.2	28.1	25.2	16.6	13.6	18.4	20.3	25.3	26.1
PT	39.4	30.6	35.8	19.3	26.6	35.9	39.3	39.8	48.9	44.2	42.2	46.0	57.0	42.5	45.5
RO	62.3	67.3	69.8	70.9	73.8	73.7	71.2	63.8	63.8	67.1	70.6	65.5	71.8	62.7	70.8
SL								3.3	2.7	2.3	1.7	4.4	3.0	3.7	4.1
SK												27.7	36.4	40.1	47.7
FI	18.4	23.4	22.1	24.1	22.0	21.1	24.5	21.7	22.7	17.0	17.3	20.3	22.9	25.3	20.9
SE	33.6	31.3	25.4	25.2	25.3	24.7	29.4	41.2	40.6	39.9	39.7	41.0	41.7	42.3	44.6
UK	13.3	12.5	11.2	11.1	11.0	11.5	10.5	11.5	13.2	15.6		21.3	23.1	27.7	28.5

Source: Eurostat, LFS.

**Table 30: Involuntary part-time employment as a % of total part-time employment 15-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	24.2	22.7	23.3	25.7	17.1	18.3	19.5		22.6	22.4	25.3	25.3	26.7	26.1	27.6
BE	27.3	20.3	22.3	20.3	15.9	17.8	17.7	16.5	15.0	14.8	14.4	11.8	11.4	10.4	9.5
BG				73.5	71.8	66.4	66.6	73.0	66.4	60.6	51.0	52.7	54.4	57.1	66.5
CZ	5.6	6.6	9.7	11.1	11.1	15.4	14.9	18.0	17.9	14.8	14.0	14.5	15.8	18.8	20.0
DK	13.9	15.4	13.6	14.1	16.7	15.0	15.3	16.8	15.2	13.4	12.7	14.3	15.6	16.1	17.5
DE	14.5	13.8	12.8	12.7	13.1	15.3	17.8	21.4	23.1	22.6	23.0	22.1	21.9	17.0	16.6
EE	31.7	23.0	21.4	25.0	21.2	24.9	23.9	20.4	21.4	15.8	13.4	23.5	22.3	22.0	20.2
IE	27.9	20.9	17.0	15.0	14.5	14.4	16.0		11.9	11.1	13.0	23.7	32.5	37.7	41.2
EL	50.1	48.4	48.4	52.0	50.4	46.2	53.2	51.5	46.2	45.2	44.1	49.8	54.7	60.5	65.0
ES	25.7	26.0	23.7	22.4	20.5	19.7	20.5	32.2	33.2	32.5	35.4	43.6	49.3	55.5	60.9
FR	29.9	27.8	27.0	25.3	24.4	29.5	29.3	30.0	30.8	31.5	32.0	30.8	31.8	30.8	31.5
HR					27.9	25.7	18.2	22.5	24.9	21.1	21.0	21.4	22.6	22.8	20.0
IT	38.9	38.5	38.1	37.7	34.2	33.3	36.0	39.8	37.9	39.5	41.5	46.6	50.5	54.5	58.8
CY		23.4	24.1	20.5	19.8	24.9	26.2	32.3	38.5	30.7	30.3	33.6	34.7	49.4	53.1
LV	44.5	44.4	44.8	36.6	46.3	39.0	41.8	38.5	38.9	24.4	31.4	46.1	43.2	42.1	43.5
LT	34.9		50.6	64.0	59.0	59.1	53.4	49.4	35.9	28.1	22.4	31.5	39.2	37.5	33.0
LU	8.2	10.6	7.9	8.9	7.9	8.7	6.6	11.2	9.7	5.2	9.4	8.9	7.9	9.9	13.7
HU	32.2	28.2	25.1	25.4	27.3	27.7	23.1	22.8	25.8	28.0	27.7	32.0	35.2	39.4	41.1
MT			20.3	24.3	22.5	17.7	20.3	22.0	22.1	17.1	16.1	15.8	19.3	16.2	16.4
NL	5.5	4.4	3.8	2.8	2.5	3.4	3.9	4.3	6.2	5.1	4.5	6.3	5.7	7.2	9.1
AT	15.1	11.7	10.8	11.0	9.4	9.8	8.9	11.7	12.0	12.2	11.2	11.1	11.5	10.1	10.1
PL	13.8	12.7	14.6	29.4	30.9	33.4	32.5	31.8	29.8	23.6	18.5	19.4	21.7	24.5	27.5
PT	31.0	30.5	31.7	22.0	25.0	26.0	30.0	33.0	34.9	38.9	40.8	38.1	43.0	45.8	47.9
RO	39.0	41.3	45.2	45.5	52.4	54.5	58.6	55.8	55.8	53.1	51.8	51.3	54.4	53.0	55.1
SL	6.5	5.6	11.9	8.4	10.3	10.6	7.4	7.2	6.1	5.8	6.8	6.9	7.5	8.0	8.6
SK	7.1	12.3	10.4	18.1	15.2	12.2	10.0	20.4	16.9	13.4	23.0	22.3	27.7	24.4	32.1
FI	34.5	39.0	36.0	34.1	32.5	31.2	30.0	29.2	30.3	25.2	27.5	28.3	27.9	28.8	25.7
SE	31.0	30.4	24.8	24.8	23.8	21.4	23.3	25.5	24.9	25.8	26.1	27.4	28.1	27.8	28.8
UK	12.0	10.7	10.0	9.2	8.6	8.4	7.8	8.4	9.5	10.6		14.8	16.2	18.9	19.4

Source: Eurostat, LFS.

**Table 31: Involuntary part-time employment as a % of total part-time employment 25-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	23.9	22.4	23.4	26.0	16.7	17.9	19.2		22.3	22.2	25.2	25.1	26.4	25.8	27.3
BE	24.2	16.9	19.7	17.7	14.3	15.7	15.7	14.4	13.1	13.1	12.5	10.5	10.1	9.2	8.4
BG				76.4	74.5	69.5	70.7	76.4	72.3	66.0	56.6	56.5	57.3	62.2	70.6
CZ	5.3	6.3	9.3	11.0	10.8	15.2	14.7	17.6	17.8	15.0	14.9	15.2	16.5	18.2	20.1
DK	16.6	18.1	16.6	16.4	20.5	17.3	19.4	20.4	19.1	16.4	16.2	17.4	18.8	20.6	22.8
DE	14.2	13.5	12.6	12.4	12.8	15.1	17.4	20.8	22.6	22.3	22.8	22.1	21.9	17.1	16.9
EE	33.1	23.9	24.4	28.8	23.1	24.7	26.3	22.1	23.8	19.0	16.0	25.3	25.7	24.5	22.7
IE	32.0	23.8	19.7	17.0	15.9	15.1	17.9		12.6	11.2	13.3	23.4	32.6	38.6	42.8
EL	48.5	47.1	47.5	52.4	51.4	47.0	53.5	51.9	46.0	45.3	43.5	50.8	54.8	60.8	65.0
ES	25.4	24.9	23.0	21.9	19.7	19.2	19.8	32.4	33.3	32.8	36.0	43.9	49.5	56.2	61.7
FR	27.3	25.6	25.1	23.6	22.9	28.0	28.3	28.7	29.3	30.1	30.5	29.2	30.0	28.9	29.6
HR					26.0	23.7	18.4	21.5	23.9	20.8	19.7	19.9	20.3	22.1	20.3
IT	36.3	35.9	36.3	36.4	32.2	31.5	34.6	38.7	36.6	38.3	40.3	45.2	48.9	53.2	57.4
CY		21.4	20.6	19.3	16.5	22.7	24.2	30.6	34.8	29.5	28.5	30.9	33.4	48.3	52.5
LV	45.0	46.4	46.9	38.8	50.9	41.1	44.1	43.5	44.6	33.5	37.3	51.3	45.6	43.4	46.0
LT	36.0		53.9	67.4	62.6	64.0	54.3	50.6	37.3	29.4	23.9	33.6	40.2	38.5	35.2
LU	7.4	9.1	5.9	8.1	7.3	8.2	6.1	10.8	9.1	4.4	8.8	8.1	7.7	9.4	13.4
HU	29.9	27.0	24.0	25.1	26.5	27.7	22.8	21.9	24.9	26.8	27.1	31.0	33.8	38.4	40.1
MT					18.9			15.4	17.1	12.8	12.5	12.5	16.0	11.9	12.9
NL	5.2	4.1	3.6	2.3	2.1	2.7	3.1	3.7	5.9	4.9	4.5	6.2	5.7	7.2	9.0
AT	14.0	10.3	9.8	10.1	8.4	8.7	8.4	11.1	11.2	11.3	10.8	10.6	10.8	9.7	9.8
PL	13.0	11.7	13.7	28.0	31.7	33.3	32.6	32.9	31.0	25.3	19.6	19.6	22.0	24.4	27.8
PT	30.0	30.5	31.3	22.3	24.8	24.7	28.9	32.2	33.3	38.4	40.6	37.1	41.3	46.2	48.3
RO	32.6	34.8	39.4	40.0	48.4	51.4	55.8	54.2	54.2	50.4	48.5	48.9	51.5	51.3	52.5
SL	7.4	6.0	13.4	9.6	12.5	14.2	9.5	9.6	8.0	7.9	10.0	8.3	9.9	10.3	10.4
SK	7.1	12.2	10.3	17.7	14.7	11.5	10.1	20.1	17.8	15.0	23.2	21.6	26.3	22.5	30.0
FI	41.4	47.3	43.1	39.1	37.8	35.8	32.5	32.8	33.9	29.3	32.2	32.2	29.9	30.3	27.8
SE	30.5	30.2	24.7	24.7	23.4	20.5	21.6	22.4	21.9	23.1	23.3	24.6	25.1	24.6	25.3
UK	11.8	10.2	9.8	8.8	8.0	7.7	7.1	7.7	8.5	9.3		13.2	14.6	16.8	17.2

Source: Eurostat, LFS.



**Table 32: Involuntary part-time employment as a % of total part-time employment 55-64, 1998-2012**

Country	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU28	15.8	13.6	14.5	16.9	10.1	11.4	11.6		15.2	15.5	19.0	18.3	19.6	18.4	19.3
BE	12.6			18.4		8.1		9.1	7.4	7.5	6.5	6.5	4.6	4.6	3.7
BG				60.5	59.6		52.4	57.1	60.0	44.4	48.7	53.2			56.3
CZ	2.2	1.7	1.6	3.5	2.8	6.0	5.4	6.5	9.4	6.8	6.3	6.6	7.4	8.8	8.0
DK	15.8	12.6	15.1	12.6	15.0	18.8	17.6	15.8	17.1	12.7	11.4	12.1	14.3	15.0	18.0
DE	12.0	11.2	11.1	11.4	11.5	13.0	14.7	17.6	21.4	22.9	23.4	21.7	24.6	18.7	18.3
EE	22.9								24.6	17.7		18.0	21.1	21.1	22.7
IE	24.3	21.8	19.5	17.6	16.4	16.8	16.6		11.6	9.3	12.5	20.3	27.8	31.4	36.5
EL	23.6	19.7	17.2	20.7	21.0	21.6	23.7	26.0	20.3	22.4	21.6	24.3	25.5	38.4	50.5
ES	15.2	10.7	9.2	12.9	9.0	10.1	8.8	23.3	22.5	22.9	28.0	32.8	38.8	44.3	46.1
FR	9.1	11.0	10.0	8.6	8.8	21.8	19.9	26.0	24.5	24.3	25.9	27.2	25.7	24.4	23.9
HR									9.7	10.1	12.0	10.4	10.1	10.0	7.5
IT	23.6	25.4	27.5	27.0	22.8	21.9	26.2	26.7	24.6	28.1	31.1	35.5	38.9	42.8	47.7
CY						12.0	17.4	18.6	17.4	18.4	15.8	13.0	13.8	29.8	37.7
LV	20.1	28.1	21.6	25.3	42.8	37.2	31.3	35.8	37.2	29.4	36.1	49.2	38.6	41.0	39.8
LT	39.9		38.8	41.3	40.9	40.0	41.2	41.9	38.5	29.0		31.2	32.6	25.4	25.6
LU															9.8
HU	15.8	11.6		13.4		11.4	9.3	9.5	7.5	10.5	8.7	13.3	10.9	14.4	19.6
MT															
NL	1.3	1.3	2.2	0.9	0.8	1.1	1.7	1.9	4.1	4.1	4.0	5.8	4.4	6.2	7.4
AT	17.4	12.5	13.0	10.5	8.2	8.4		13.2	10.8	9.6	10.6	9.7	9.7	9.3	9.9
PL	1.9	2.3	3.0	6.0	7.2	8.9	5.2	8.1	7.8	6.2	6.1	6.3	7.4	8.2	10.9
PT	18.7	17.2	16.7	11.2	16.1	12.3	16.6	17.9	17.4	19.6	24.1	19.0	18.1	24.4	24.3
RO	7.9	6.9	9.4	12.3	17.1	15.8	14.7	19.6	21.8	19.0	17.9	18.5	20.2	18.1	19.1
SL													3.1		4.0
SK												14.1	14.1		13.2
FI	17.9	23.7	21.1	18.6	16.1	16.7	16.1	16.1	19.0	16.8	17.8	17.3	15.3	16.2	16.3
SE	18.8	17.4	14.8	13.7	13.5	14.6	12.7	13.9	13.8	14.9	14.2	15.5	16.8	17.1	16.9
UK	11.5	9.4	8.8	7.5	6.9	5.8	5.8	6.1	6.4	6.4		9.9	10.4	12.3	12.7

Source: Eurostat, LFS.

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## **NOTES**



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