



Austrian Society
for European Politics

World of work: A European Perspective

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Austrian Society for European Politics

Outline

- 1) Youth unemployment in Europe**
- 2) Measures to tackle youth unemployment at European level**
- 3) Austria in the European context**
- 4) Conclusions**

1) Youth unemployment in Europe

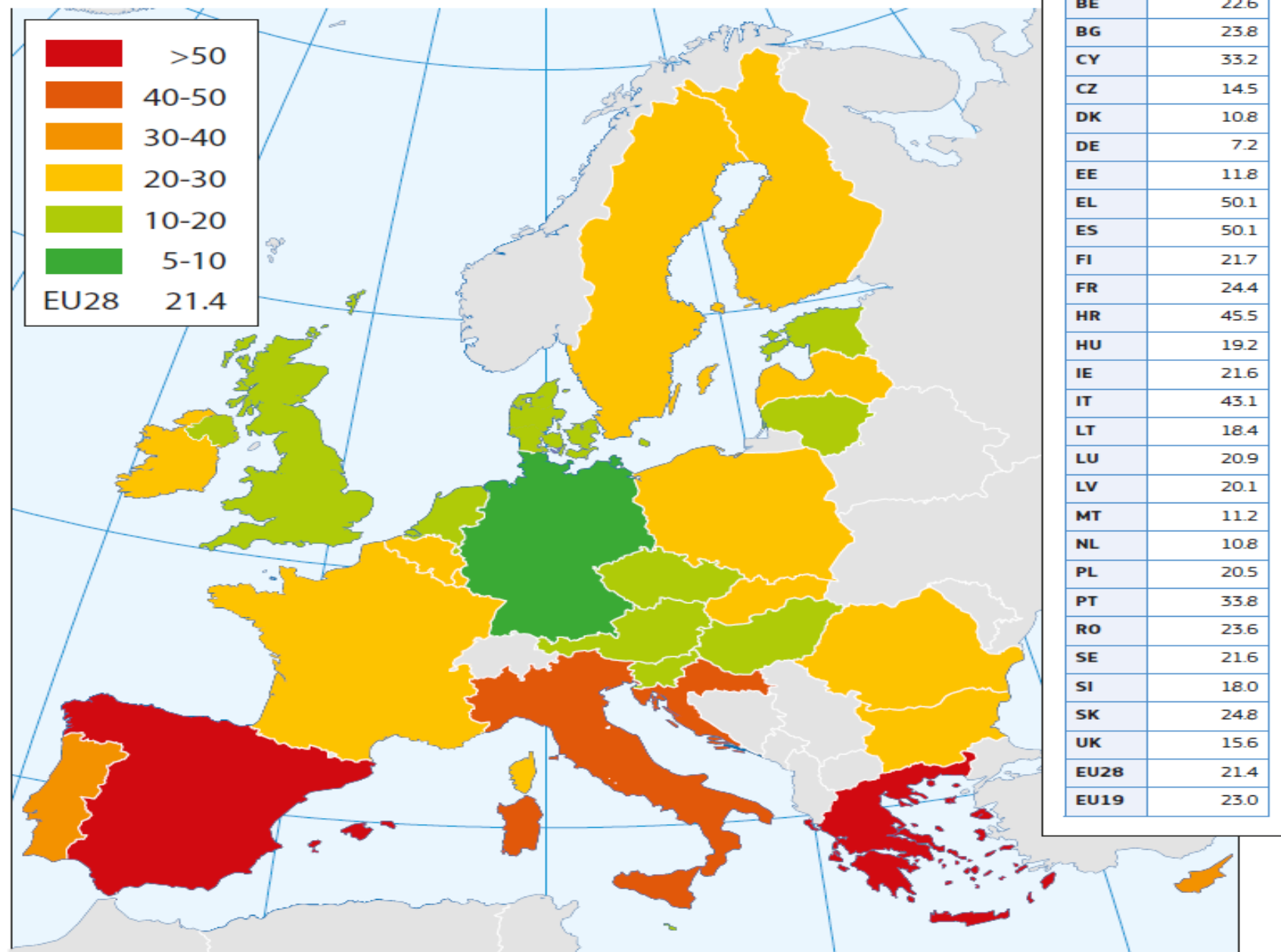
- Youth unemployment rate in the **EU-28: 20, 9%**
(March 2015/15-24 years)
- Youth unemployment rate in the **EU-28: 22, 4%**
(April 2014/15-24 years)

Lowest youth unemployment rates	Highest youth unemployment rates
Germany: 7, 2%	Greece: 50, 1%
Austria: 10, 5%	Spain: 50, 1%
Netherlands: 10, 8%	Croatia: 45, 5%

Source: EUROSTAT (March 2015/15-24 years)

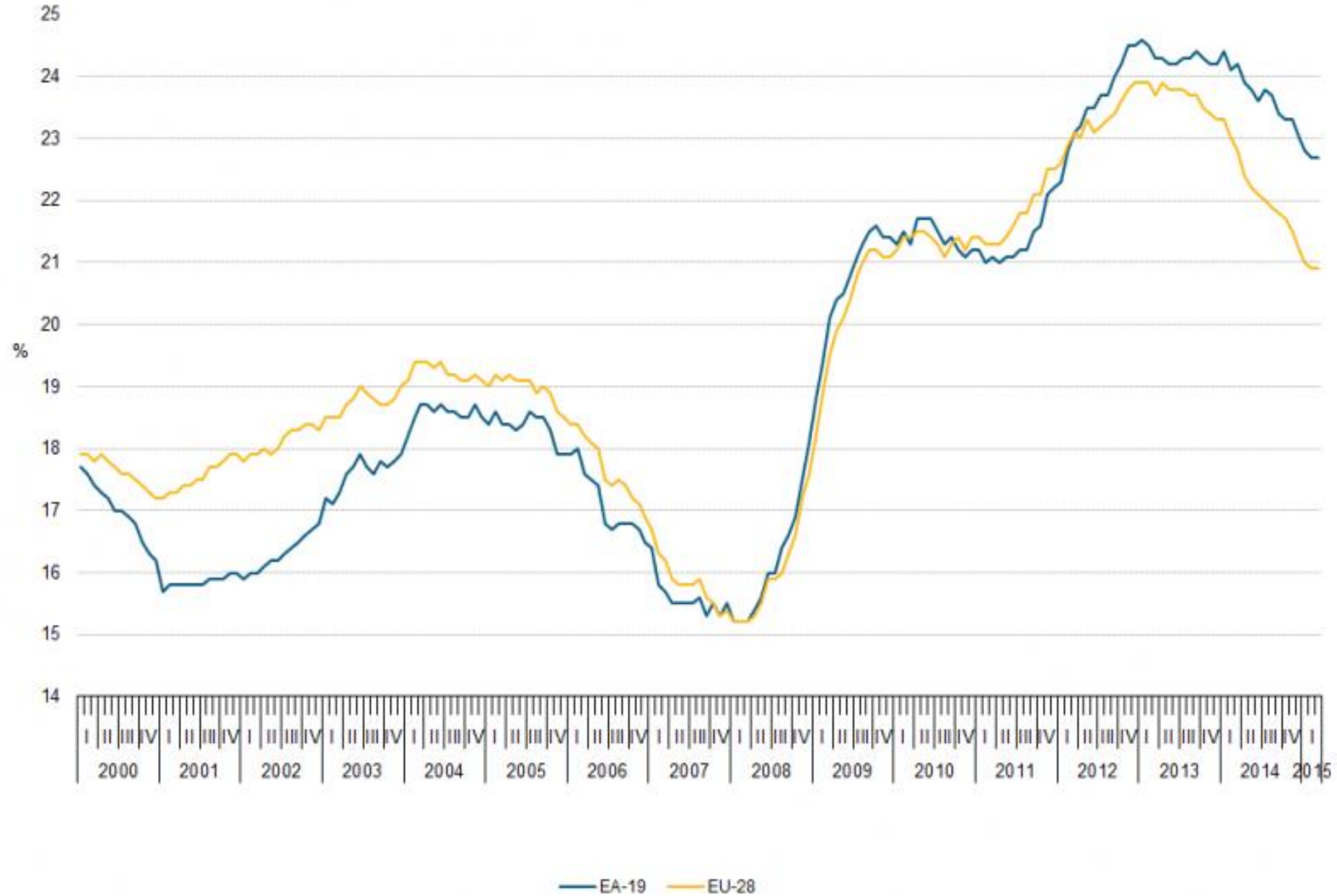
Youth (under 25s) unemployment rate (%), March 2015

Source: EUROSTAT



Youth unemployment in Europe: long-term developments since 2000

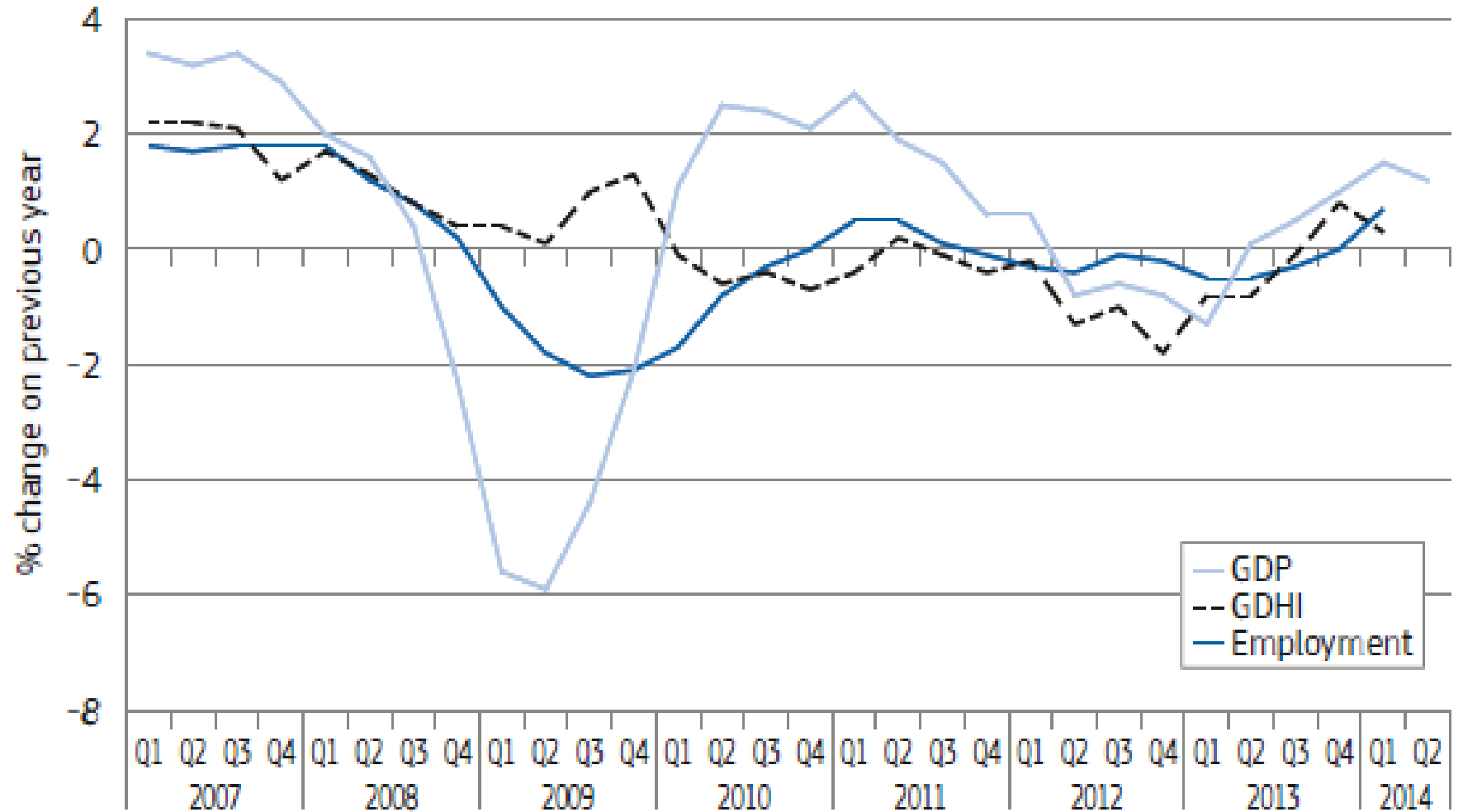
Source: EUROSTAT



(Youth)
**Unemployment and
the macroeconomic
situation: before and
after the crisis**

Source: European
Commission/EUROSTAT

**Chart 1: Growth in real GDP, real household disposable income
and employment, year-on-year change**

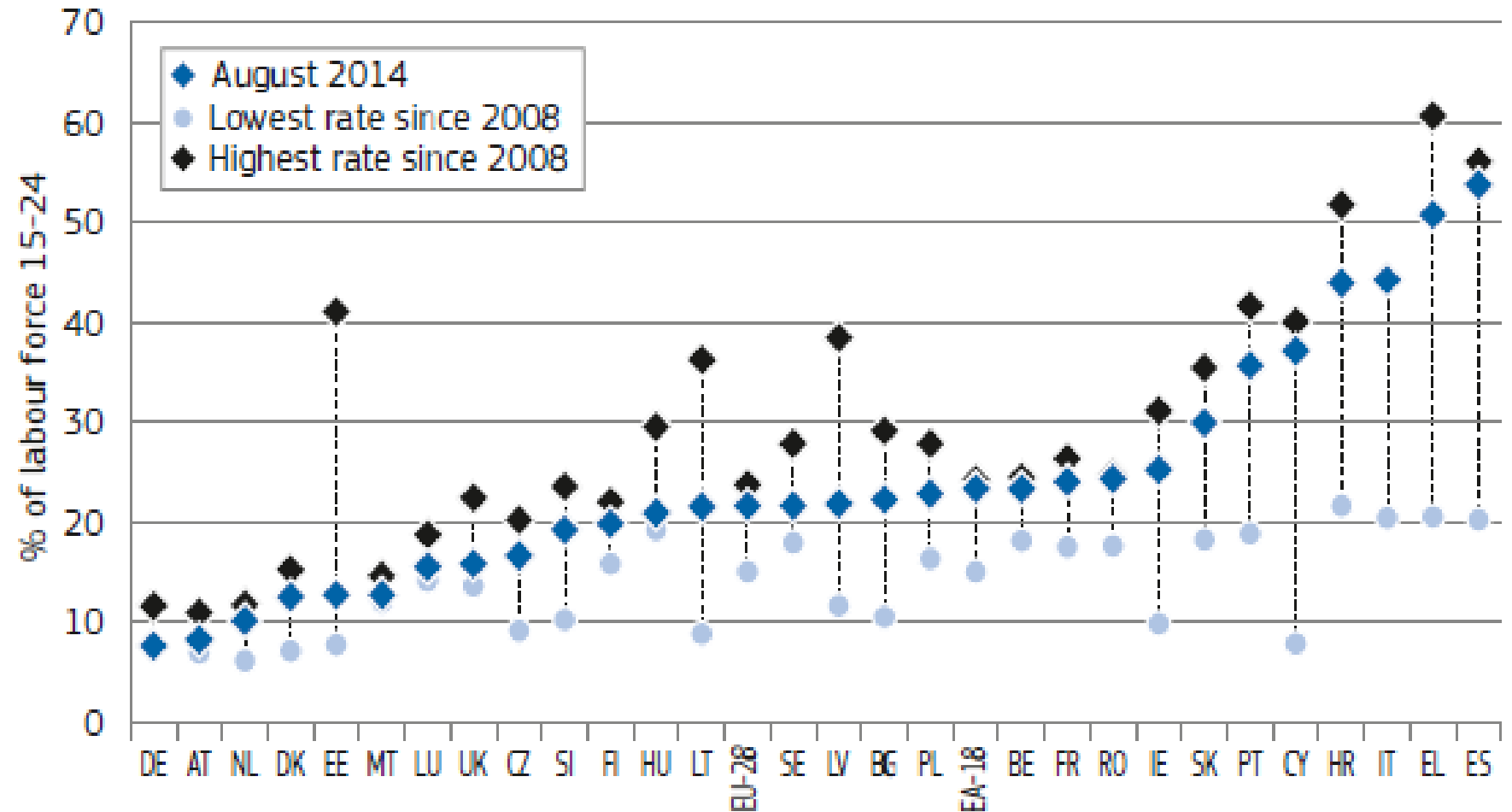


Source: Eurostat, National Accounts, data non-seasonally adjusted [namq_gdp_k]

**(Youth)
Unemployment and
the macroeconomic
situation: before
and after the crisis**

Source: European
Commission/EUROSTAT

**Chart 3: Youth unemployment rates in the EU Member States
in August 2014 and the highest and lowest rates since 2008**



Source: Eurostat, EU-LFS data, seasonally adjusted (une_rt_m).

Notes: EE EL HU UK Jul 2014 CY HR LV RO SI 2014Q2.

Youth unemployment, education and labour market policies

Source: European Commission/EUROSTAT

Table 2: Employment rates of young people (aged 18-34 years) not in education and training, by educational attainment level, EU-28

Educational attainment level	years after	2007	2008	2009	2010	2011	2012	2013
Total	3 years or less	75.2	76.2	72.0	71.1	71.2	69.9	69.5
Total	Over 3 years	78.2	78.5	75.6	74.9	74.5	73.6	72.8
Pre-primary, primary and lower secondary education	3 years or less	53.2	52.1	43.9	42.8	42.9	37.1	38.4
Pre-primary, primary and lower secondary education	Over 3 years	65.4	64.7	59.2	57.4	56.1	54.2	52.5
Upper secondary and post-secondary non-tertiary education	3 years or less	72.1	73.4	68.9	67.9	67.3	65.6	65.1
Upper secondary and post-secondary non-tertiary education	Over 3 years	80.3	80.9	78.3	77.9	77.5	76.5	75.5
First and second stage of tertiary education	3 years or less	84.0	84.4	80.9	80.0	80.3	79.5	78.6
First and second stage of tertiary education	Over 3 years	89.9	89.9	88.5	87.8	87.7	86.9	86.5

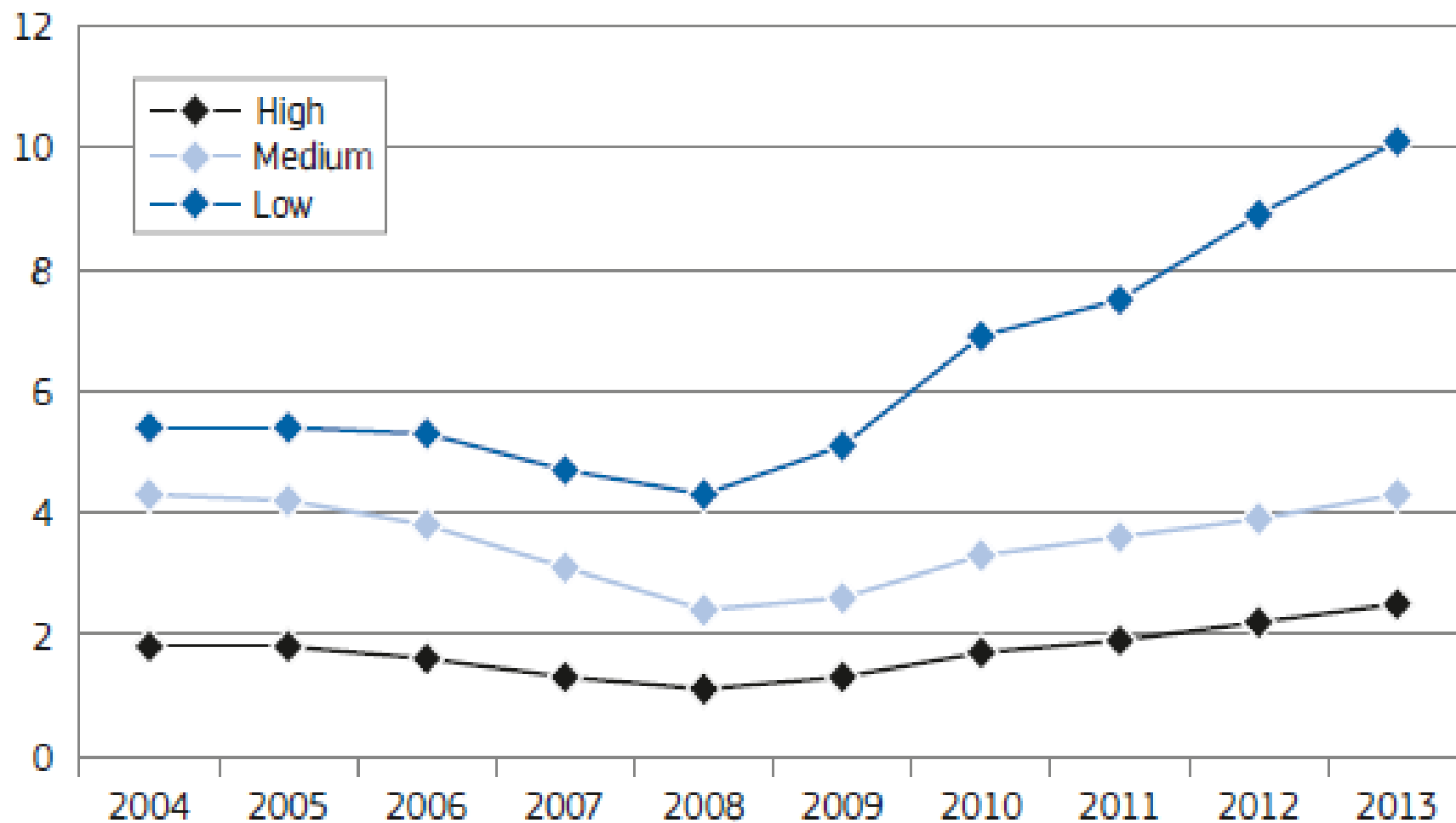
Source: Eurostat, edat_ifse_24.

Note: 'years after' refers to years since completion of highest level of education.

Youth unemployment, education and labour market policies

Source: European Commission/EUROSTAT

Chart 17: Long-term unemployment rates by skill level (% of labour force), 2004-13

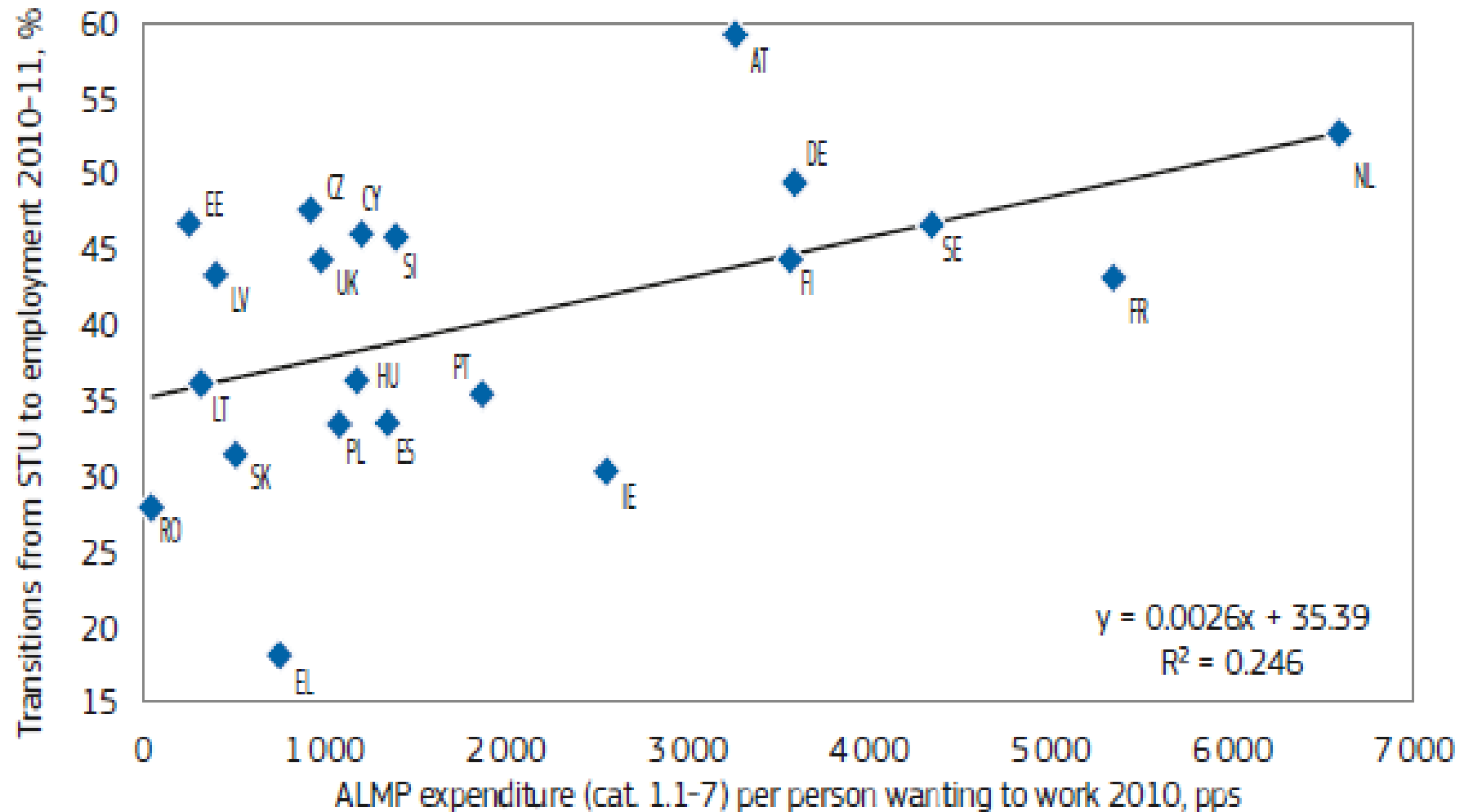


Source: EMPL calculations based on Eurostat data.

Youth unemployment, education and labour market policies

Source: European Commission/EUROSTAT

Chart 19: Higher spending on activation is associated with higher exit rates out of short-term unemployment



Source: Eurostat, EU-LFS, ad-hoc transition calculations based on longitudinal data and LMP database.

2) Measures to tackle youth unemployment at European level

- **A question of competences**
- **Youth policy** is mainly a competence of the Member States. The EU plays only a coordinating role.
- The same is true of **employment policy**. The EU presents employment policy guidelines each year and issues recommendations to the Member States.

The EU has taken several measures in both policy areas, focusing on

- Enhancing the mobility of young people
- Improving their education
- Simplifying the transition from education to work
- Improving their employability and reducing high youth unemployment

Youth Employment Package (2012)

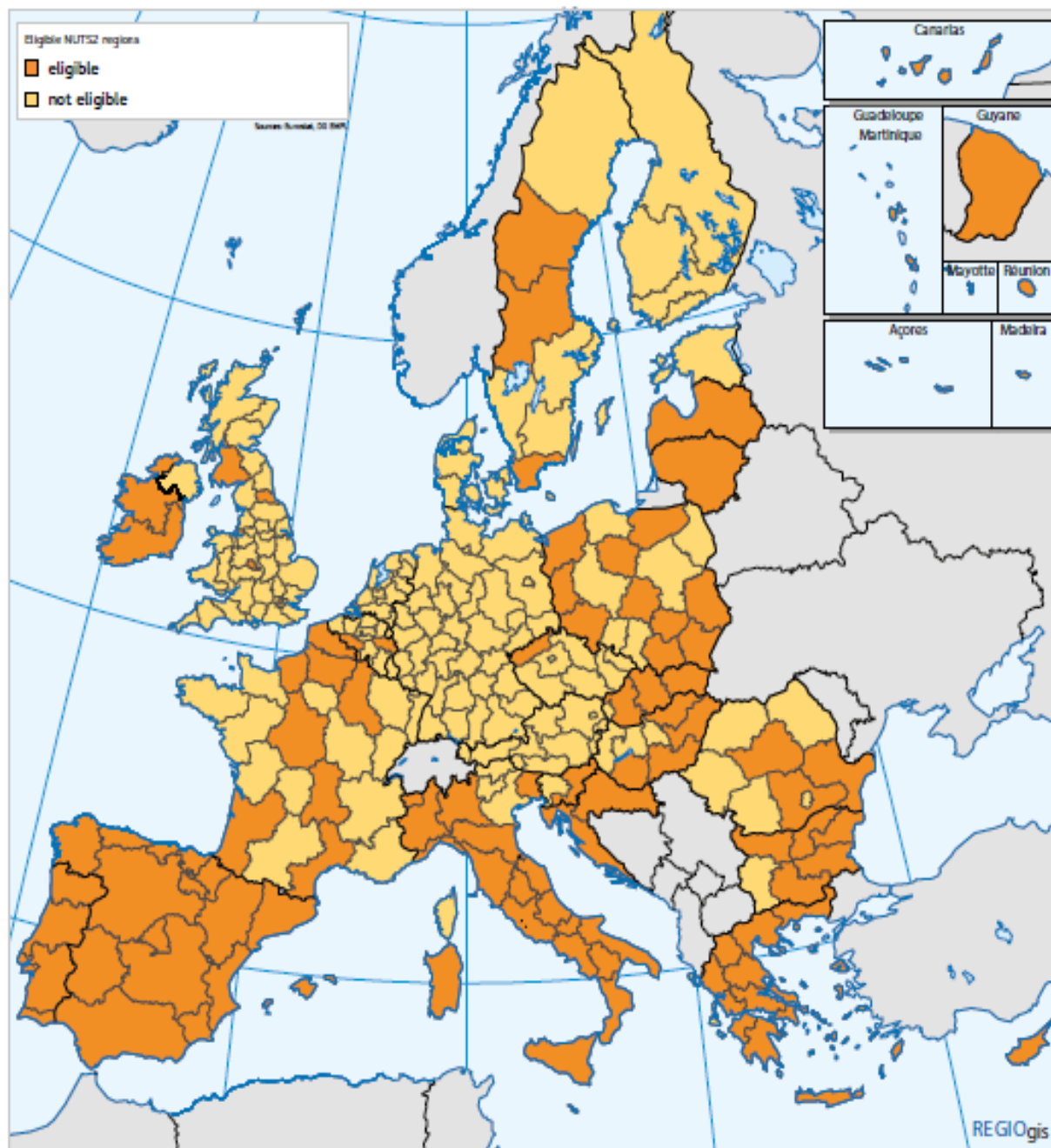
- **EU-Youth Guarantee (2013):**
- Aim: all young people (age 25) shall receive a quality job, further education, an apprenticeship or a traineeship within 4 months of leaving formal education or becoming unemployed
- Financing (2014-2020): more than 10 billion Euro each year from the ESF (must be complemented with means from national budgets)
- Youth Employment Initiative (YEI): supports young people in the Union's regions with a youth unemployment rate above 25% (20 Member States)
- Financing (2014-2020): 6 billion Euro (3 billion from a specific YEI-budget line, 3 billion from the ESF)

Implementation of Youth Guarantee

- All Member States have presented comprehensive Youth Guarantee implementation plans
- Plans identify measures to be taken: structural reforms of national employment agencies as well as educational systems
- Implementation of national plans is now underway
- Total estimated cost of establishing Youth Guarantee schemes in the Eurozone: 21 billion Euro a year, or 0.22% of the Eurozone-GDP
(Source: ILO report-Eurozone job crisis)

Implementation of Youth Employment Initiative (YEI)

Source: European Commission

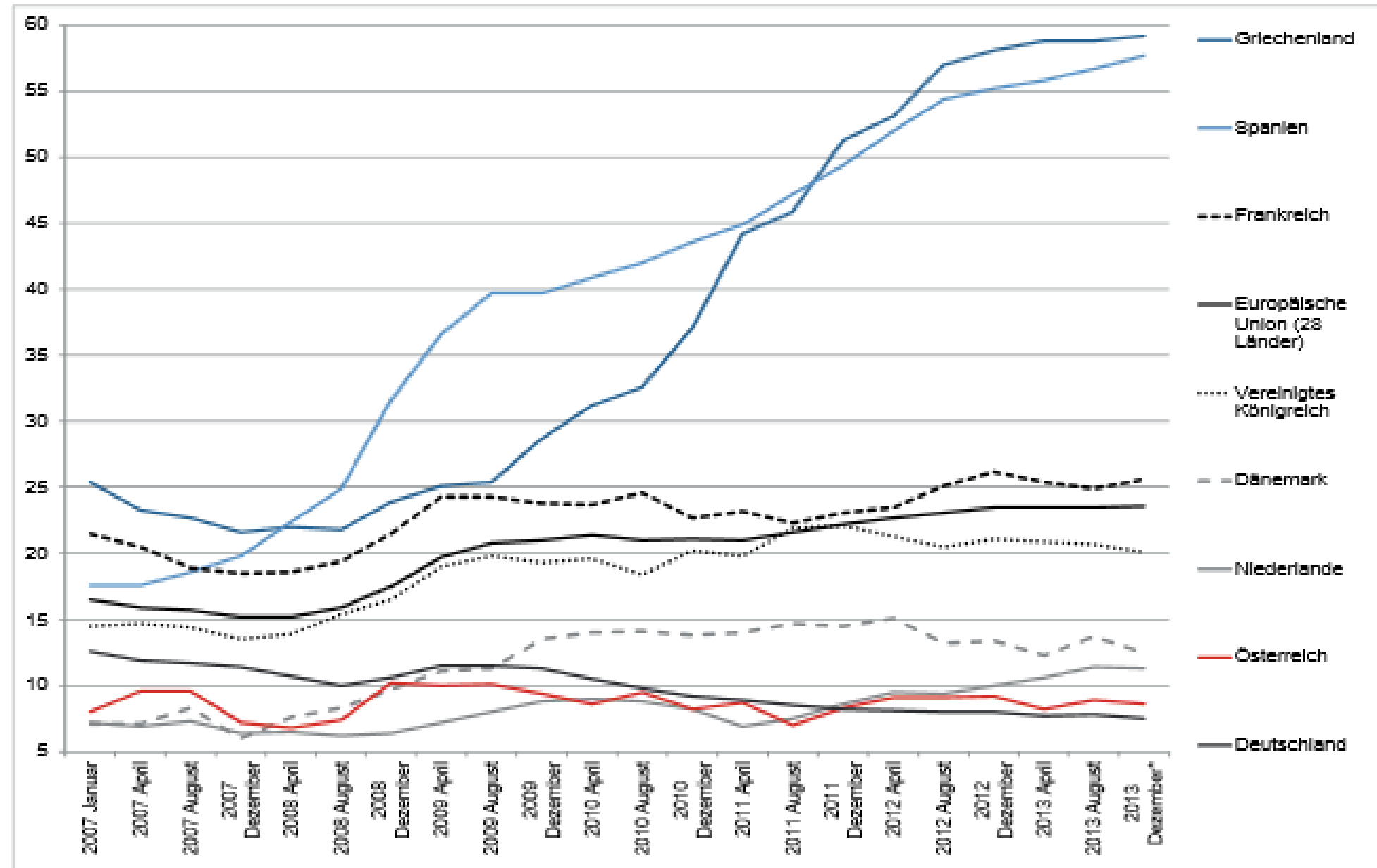


	Specific allocation to YEI	Pre-financing from the YEI specific allocation in 2015 (after increase)
BE	42 435 070	12 730 521
BG	55 188 745	16 556 624
CZ	13 599 984	4 079 995
IE	68 145 419	20 443 626
EL	171 517 029	51 455 109
ES	943 496 315	283 048 895
FR	310 161 402	93 048 421
HR	66 177 144	19 853 143
IT	567 511 248	170 253 374
CY	11 572 101	3 471 630
LV	29 010 639	8 703 192
LT	31 782 633	9 534 790
HU	49 765 356	14 929 607
PL	252 437 822	75 731 347
PT	160 772 169	48 231 651
RO	105 994 315	31 798 295
SI	9 211 536	2 763 461
SK	72 175 259	21 652 578
SE	44 163 096	13 248 929
UK	206 098 124	61 829 437
Total	3 211 215 406	963 364 625

3) Austria in the European context

- Although Austria has been hit by the crisis as well it is still a country where youth unemployment is relatively low (10, 5% in March 2015/EUROSTAT)
- Reasons:
- Better macroeconomic situation than most EU-countries
- Other factors: e.g. well-functioning dual apprenticeship system
- Dual apprenticeship systems are traditionally of great importance and well developed in Germany, Austria, Denmark and the Netherlands

Abbildung 1: Die Jugendarbeitslosenquote ausgewählter europäischer Länder 2007 bis 2013



Well-functioning dual apprenticeship systems in the EU & correlation to low rates of youth unemployment

Source: Riederer 2014/EUROSTAT

Other good practice examples in Austria

- **Ibobb:** individual, high-quality educational/vocational guidance at school, focusing on pupil`s talents and potentials
- **Youth Coaching:** youngsters between 15 and 19 are supported in their transition period from school to work or further education
Special focus: youngsters at risk of educational dropout, youngsters with disabilities and/or youngsters with special education needs
- Austria plays an important role in the context of the **European Alliance for Apprenticeships**. The Austrian government as well as the social partner organisations are engaged in bilateral cooperations with other EU-member states. Aim: knowledge transfer concerning the dual apprenticeship system

Training guarantee and supra-company apprenticeship: every youngster under 18 who wants to complete an apprenticeship but doesn't get a regular place in a company can complete a supra-company apprenticeship (financed by the state) instead. The training guarantee was introduced in 2008 and served as role model for the EU-youth guarantee.

Year	Persons enrolled in programme	Money spent
2008/09	10 541	86 952 115,68
2009/10	12 191	105 747 677,59
2010/11	12 799	124 818 090,61
2011/12	12 172	128 205 293,56
2012/13	11 693	121 614 520,39
2013/14	11 949	134 864 274,30
2014/15	11 147	156 750 379,20
Total	82 492 <u>10 412 per person/year</u>	858 952 351,33 <small>(Source: AMS)</small>

Room for improvement in Austria: Education system

Recent PISA-results (2012): where is Austria compared to other (OECD/ EU) countries?

Source: APA/OECD

Austria performs above the OECD average in mathematics (Austria: 506 points/OECD-average: 494 points).

Austria performs below the OECD-average in reading (Austria: 490 points/OECD-average: 496 points)

Austria performs around the OECD-average in science (Austria: 506 points/OECD-average: 501 points).

PISA-Studie 2012 – Internationaler Schülertest

15-16-Jährige, erreichte Punkte, Länderauswahl



Mathematik		1x1	Lesen		ABC	Naturwissenschaft	
Shanghai*	613		Shanghai*	570		Shanghai*	580
Südkorea	554		Japan	538		Japan	547
Japan	536		Südkorea	536		Finnland	545
Schweiz	531		Finnland	524		Estland	541
Niederlande	523		Kanada	523		Südkorea	538
Estland	521		Polen	518		Polen	526
Finnland	519		Estland	516		Kanada	525
Kanada	518		Australien	512		Deutschland	524
Polen	518		Niederlande	511		Niederlande	522
Belgien	515		Belgien	509		Australien	521
Deutschland	514		Schweiz	509		Schweiz	515
Österreich	506		Deutschland	508		Großbritann.	514
Australien	504		Frankreich	505		Slowenien	514
Slowenien	501		Großbritann.	499		Tschechien	508
Tschechien	499		USA	498		Österreich	506
Frankreich	495		OECD-Schnitt	496		Belgien	505
OECD-Schnitt	494		Tschechien	493		OECD-Schnitt	501
Großbritann.	494		Österreich	490		Frankreich	499
Italien	485		Italien	490		USA	497
Spanien	484		Spanien	488		Spanien	496
Slowakei	482		Slowenien	481		Italien	494
USA	481		Ungarn	488		Ungarn	494
Schweden	478		Schweden	483		Schweden	485
Ungarn	477		Griechenland	477		Slowakei	471
Griechenland	453		Türkei	475		Griechenland	467
Türkei	448		Slowakei	463		Türkei	463
Mexiko	413		Mexiko	424		Mexiko	415

4) Conclusions

- Reforms of the apprenticeship systems are needed in several EU-countries. Key element: close connection between apprenticeship/education and the labour market (it boosts the employability of youngsters).
- Role model is the well-functioning dual apprenticeship system of Austria and Germany. But: no simple “export” of the dual apprenticeship system to other countries. Country specific approaches are needed.
- Educational and vocational guidance is important. The ideal case would be to offer it already at school as is the case in Austria (ibobb/youth coaching) and also Finland.

4) Conclusions

- Public employment agencies should be further developed.
- The European Commission should permanently monitor and evaluate the youth policy measures taken at national level. This is decisive for their success.
- Inaction would be much more costly. It is estimated that young people not in employment, education or training cost the EU 153 billion Euro (1.21% of EU-GDP) a year.

(Source: Eurofound report on youth unemployment, 2012)