

# EARLY START

*Denis Pennel,  
managing director  
of Ciett puts forward  
some initiatives for  
youth unemployment.*

Finally it seems there is some good news on the subject of youth employment. Since the last quarter of 2014 many countries around the world have reported a halt to the seemingly ever-rising youth unemployment numbers and an upturn in the numbers of 18-25 year olds in work. The US has reported continued rises in employment among youngsters and in Europe, even in countries that have been hit hard such as Spain and Italy, the trend has now been reversed. Certainly this is cause for cautious optimism, but how can we maintain this momentum and drive up jobs and opportunities for our young people during 2015?

### Tailored policies

It is important to understand that young people need specific approaches. Not only do they need to learn skills that are needed in the job market but they then need career guidance and advice in securing a job and then transitioning from one job to another. Keeping young people close to the labour market and in work – whether full-time or part-time – is crucial to maintaining their employability and keeping their skills up-to-date with the needs of employers.

If youngsters spend too long without being either in education or in work then they run the risk of being marginalised. Very quickly they can find themselves outside of the system and so weaken their chances of reintegrating into the labour market and into society. In Europe, about 14 million young people between 15-29 are not in employment, education or training (NEETs).

In Europe the unemployment rate among under 25s is almost twice as high as that among the adult populations at 23.5 per cent. Economic growth is obviously an important factor in creating jobs for young people, but specific policy measures are also much needed. The raft of measures put in place over the past four years appear to be bearing fruit. Policies such as the Youth Guarantee Scheme; Agenda for new skills and jobs; European Alliance for Apprenticeships; Youth on the Move; and EURES are all more or less targeted at meeting their particular needs. Europe recognises the economic and social cost of 'losing' our young people can be very high. Research undertaken a few years ago by Eurofound suggested that failing to engage young people in either education or the labour market could cost some €153 billion euros – or 1.2 per cent of European GDP.

In the US, employment amongst under 25s saw progressive growth throughout 2014 as government policies and economic upturn finally worked through the system. The result has been a month-on-month reduction in youth unemployment with jobs – and many of them entry-level jobs – being created in manufacturing, IT and services industries. From a record high youth unemployment rate of over 19 per cent in 2010, it went down to 12.4 per cent in December 2014.



### Training and support

The recruitment and employment industry provides an important stepping stone for young people to enter the world of work. Most are unemployed before they enter the labour market and the majority continue in employment for the following twelve months and also make transitions once in the labour market – from part time employment to full-time employment and from declining industrial sectors to growing sectors. Ciett data reveals that workers aged 25 or under represent 50 per cent of agency workers in Poland 47 per cent in the Netherlands and 41 per cent in Italy. It also shows that up to 50 per cent have moved into employment situations outside of agency work within the year.

### Effective PPP

A further initiative that is important for integrating young people into the labour market is a good cooperation between the public and private employment services. By working in tandem, the public and private sector can match people to jobs better and faster and train youngsters with the skills that they need. Successful PPP initiatives have been undertaken in both the US and Europe and the two services increasingly work together in addressing labour market challenges.

Markets around the world that overhauled their labour markets have weathered the economic downturn more successfully than those who delayed and have been able to bounce back more quickly. Certainly when it comes to youth unemployment they have understood the policies that can make a difference and have acted quickly to set in place a legal framework that encourages employers to hire young people and to train them to do the jobs that are available. A recent report by the European Commission looking back to lessons learned from the recent crisis underscores this point again. Let's make sure that we foster flexible, adaptable and inclusive labour markets that enable job creation and result in greater labour market participation for youngsters under 25 and indeed for everyone. ■