Integration of Youth into the labor Market for Combating Youth Unemployment: A European Perspective

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ABSTRACT

Young people's integration in European countries into the job market has become a serious societal issue, owing to its long-term influence on life prospects. However, the overall increase in youth unemployment concerns the European Union (EU), which has initiated several youth-specific policy measures in the previous decade. Integrating young people into the labor market is a priority for European policymakers and the European Social Fund. Recent governmental measures, such as the Youth Guarantee, the European Partnership for Apprenticeships, and Smart Specialization, reflect increased concern and efforts to promote youth skills, engagement, employability, and enterprises' financing and training capabilities. Therefore, The study aims to evaluate the policy approaches and their implementations for integrating Youth into the EU labor market. Following the conceptual research approach, this study reviewed 26 research papers from different secondary data sources and the authors used their own research experiences and insights to analyze the contemporary policies for youth integration in European countries. At the same time, this research attempts to review the impacts of the youth guarantee in EU countries and the financial disparities between policy and implementation for youth integration in the EU labor market. Finally, some recommendations are added at the end to improve the situation.

Keywords: *Youth Integration, Labor Market, European Union, Youth Unemployment*

INTRODUCTION

Youth is a fundamental asset for societies and economies. Otherwise, when economic transformations occur, young people are typically the most vulnerable segment of the population, and they always face greater difficulty entering the labour market. They are frequently hired on temporary (shortterm) contracts and typically accept less favourable working conditions because they have limited professional experience and are more likely to lose their jobs. (O'Higgins, 2010; Bussi and Geyer, 2013). Youth unemployment in Europe increased from 16.0 percent in 2008 to 24.4 percent in 2013, following the global financial crisis of 2008 (Caroleo et al., 2017). The effect of youth unemployment can be particularly serious, because occurs at the beginning of the working life of a person and may have long-term consequences (O'Higgins, 2010; Manfredi et al, 2010, Caporale and Gilana, 2014).

Integrating young people into the labor market is a priority for European policymakers and the European Social Fund (ESF) (De Lange et al., 2014). Recent governmental measures, such as the Youth Guarantee, the European Partnership for Apprenticeships, and Smart Specialization, reflect increased concern and efforts to promote youth skills, engagement, and employability and enterprises' financing and training capabilities (Dijkstra, 2017). Cefalo et al., (2020). However, there are some other reasons why the EU prioritizes youth employment policies, a) youth unemployment has always been more than doubled that of general unemployment, b) during this time, vulnerable groups, for instance, youth from racial and ethnic minorities, as well as young people with impairments, continued to be disadvantaged, c) the rate of decline in youth inactivity was not quite as high as the rate of decline in youth unemployment.

European Union (EU) has initiated several youth-specific policy measures in the previous decade overall increase in youth unemployment concerns the (De Lange et al., 2014). In April 2013 an action was taken by European Union to address youth unemployment problems. The European Youth Guarantee is a commitment made by Member States to ensure that all young people under 25 receive a good offer of apprenticeship, training, continued 3 education, or employment that is appropriate for their abilities and experience within four months of becoming unemployed or leaving education. The Youth Employment Initiative (YEI) is the main EU funding for this program (European Commission, 2016).

Research Question

What are the policy approaches and their implementation for integrating Youth in The EU Labor Market?

Objectives :

1. To address the EU Policy for the Integration of Youth into the Labor Market
2. To show the impact of The Youth Guarantee for Combating Youth Unemployment in EU Region
3. To figure out the financial disparities between policy and implementation for youth integration in EU Labor market

METHODS

The conceptual research approach was used in this study in order to obtain insight into this idea and the study threads, data and experiences that were investigated. The authors used their research experiences and insights to analyze the data that they gathered from secondary data sources. Research on youth integration into EU labor market was gathered online trough Google Scholars, Social Science Research Network (SSRN), Science Direct, and European Commission, and Eurostat. After sorting a total of 43 documents were reviewed with 26 of them proving to be useful for the completion of this research. The research used all the articles which are published in journals are peer reviewed gives credibility to the data.

RESULTS AND DISCUSSION

1. EU Policy for the Integration of Youth into the Labor Market

With regards to the integration policy for youth to access in the labor market, the European Union has been taken some initiatives throughout the decades. Therefore, the authors is going to show the policies that was taken during 2010-2014 time period.

Table 1: EU policy initiatives for the youth integration into the labor market

Date	Policy	Initiatives
2010	The Europe 2020 strategy[1]	a) Youth on the move b) Agenda for New Skills and Jobs c) European Platform Against Poverty
2011	YOI[2] (Youth Opportunities Initiatives) Part of youth on the move	Supporting youth guarantee schemes a) Increased use of ESF[3] by national governmentsto tap into the €30 billion not yet allocated to projects for 2007 to 2013 b) €1.3 million in ESF technical assistance to setup apprenticeship schemes for EU countries have been asked to contribute to a 10% funding increase. Goal: 370,000 new apprenticeshipplacements by the end of 2013 c) €3 million in ESF technical assistance for young business starters and social entrepreneurs
2012	YEP[4] (Youth Employment Package)	a) Recommendation for a European YouthGuarantee b) Promoting exchanges of good practice, monitoring implementation of Youth Guaranteesin the European Semester exercise, andawareness-raising c) Launches a consultation of European social partners on a quality framework for traineeships
2013	YEI[5] (Youth Employment Initiative)	a) To reinforce the YEP b) Supports NEET[6] c) Youth guarantee
2014	A quality framework for traineeships EAfA[7]	a) European Alliance for Apprenticeships (EAfA) through the YEP

Source: (O'Reilly et al., 2015)

Inclusion of non-EU migrants

Third-country citizens make up 21.6 million people in the EU, or around 4.2 percent of the overall population (Cefalo et al., 2020). Every year, fewer than 0.5 percent of the EU population comprises new migrants (Cefalo et al., 2020). As a result, obtaining work and becoming a part of society is significant to their effective integration. At the same time, social support is equally vital in terms of housing, healthcare, and child care facilities.

[1] http://ec.europa.eu/europe2020/index_en.htm
[2] http://ec.europa.eu/social/main.jsp?catId=1006
[3] European Social Fund
[4] http://www.slideshare.net/EESCsocsection/youth-employment-package
[5] http://ec.europa.eu/social/main.jsp?catId=89&langId=en&newsId=2095&;furtherNews=yes
[6] Not in Employment, Education, or Training
[7] European Alliance for Apprenticeships

Policy Responses for the Integration of Non-EU Migrants

Since migration policies are a matter of national sovereignty, EU members have a long history of assisting migrants in integrating into European labor markets and society.

a) The Action Plan on the Integration of Third Country, launched in June 2016, seeks to empower the shared approach throughout policy areas and engage all leading players.
b) The Communication on the Progress Report on the Implementation of the European Agenda for Migration (March 2019) emphasized the importance of taking decisive action while taking a holistic approach.
c) The EU Skills Profile Tool for Third Country Nationals, an online multi-lingual application for identifying and mapping skills and certifications which was launched in 2017
d) Provides funding for a variety of migrant integration initiatives, for instance, the European Social Fund and the Employment and Social Innovation program European Alliance for Apprenticeships.

2. Youth Guarantee Implementation in EU Region

The table below shows the percentages of youth unemployment, youth employment, Young people Not in Education, Employment and Training (NEETs), NEETs reached by Youth Guarantee, and Outcomes of Youth Guarantee between the EU and four different European social models. Nordic countries (Denmark and Sweden), Anglo-Saxon (Ireland), Continental (Austria and Germany), and Mediterranean (Greece and Italy).

Table 2 : Implementation of Youth Guarantee Country by Country

	EU	Nordic		Anglo-Saxon	Continental		Mediterranean	
		Denmark	Sweden	Ireland	Austria	Germany	Greece	Italy
Youth Unemployment (15-24 years old)								
2013	24.4 %	14.8 %	23.5 %	26.7 %	9.7 %	7.8 %	58.3 %	40.0 %
2020	16.8 %	11.6 %	23.9 %	15.3 %	10.5 %	7.4 %	25.0%	29.4 %
Youth Employment (15-24 years old)								
2013	29.8 %	49.5 %	41.7 %	36.6 %	53.1 %	46.9 %	11.8 %	16.3 %
2020	31.5 %	53.2 %	39.6 %	37.0 %	50.2 %	48.2 %	13.8 %	16.8 %
NEETs (15-24 years old)								
2013	13.0 %	6.6 %	7.5 %	16.4 %	7.3 %	6.3 %	20.4 %	22.2 %
2018	10.5 %	7.7%	6.0 %	10.1 %	6.8 %	5.9 %	14.1 %	19.2 %
NEETs reached by Youth Guarantee								
2018	38.9 %	45.0 %	40.2%	30.9%	76.7%	65.6%	61.8%	12.7 %
Outcomes of Youth Guarantee (In positive situation 6 months after exit)								
2018	50.3 %	66.2 %	50.0%	67.9%	63.0%	-	46.5%	61.1 %

Data Source : Eurostat, Youth Guarantee Country Fiche

The table above shows the percentages of youth unemployment, youth employment, Young people Not in Education, Employment and Training (NEETs), NEETs reached by Youth Guarantee, and Outcomes of Youth Guarantee between the EU and four different European social models. Nordic countries (Denmark and Sweden), Anglo-Saxon (Ireland), Continental (Austria and Germany), and Mediterranean (Greece and Italy).

In Nordic Model, Denmark (Danish Youth Guarantee) all young people under 30 are included. Its first focus is on ensuring a decent education, and it follows three policy threads: preparing young people for education, giving them education, and helping people with education find jobs. (European Commission,

2020). Based on the table, youth unemployment in Denmark is 11.6 % in 2020 under EU Average (16.8 %) but youth not in Education, Employment and Training (NEETs) percentages increased from 6.6 % in 2013 to 7.7% in 2018.

Sweden (Swedish Youth Guarantee) covers all young people aged 15-24 registered as unemployed with the public employment service (PES). Youth unemployment in Sweden is increasing because of weak job growth and an increase in the labour force, with more people far from the labour market (European Commission, 2020). Its increase from 23.5 % in 2013 to 23.9 % in 2020 above EU average.

In Anglo-Saxon Model, Ireland (Irish Youth Guarantee) targets two distinct groups: early school leavers aged under 18 and unemployed youth aged 18-24 (European Commission, 2020). In 2020 youth unemployment was 15.3 % under the EU average. In addition, youth employment rose from 36.6 % in 2013 to 37.0 % in 2020, and NEETs decline from 16.4 % in 2013 to 10.1 % in 2018.

In Continental Model, Austria (Austrian Youth Guarantee) targets youth from 18-25. In 2016 the "Education/Training until 18" (AusBildung bis 18) (compulsory education or training up to the age of 18) and the Training Guarantee for young people until the age of 25 were introduced (European Commission, 2020). The number of youth unemployment has increased from 9.7% in 2013 to 10.5 % in 2020 and youth employment has decrease from 53.1 % in 2013 to 50.2 % in 2020.

Germany (German Youth Guarantee) gives medium and long-term measures to improve structures to support young people's integration into both vocational education/training and employment under The Federal Ministry for Labour and Social Affairs (BMAS) (European, Commission). Among six other countries, Germany has the lowest youth unemployment rate (7,6 %) in 2020, half of the EU average (16.8%), and youth employment is far above the EU average of 48.2 % in 2020. NEETs reached by the Youth Guarantee in Germany are quite large at 65,6%.

In Mediterranean model, Greece and Italy shows big percentages of youth unemployment above the EU average. In Greece (The Greek Youth Guarantee) targeted young people (aged 15- 24) not in employment, education or training (European Commission, 2020). The number of youth unemployment continued to decline from 58.3 % to 25.0% but remains among the highest in the EU and the youth employment was the lowest 13.8 % in 2020 compared to the other six countries. And NEETs reached by Youth Guarantee in 2018 was 61.8 % (more than EU average).

Italy (Italian Youth Guarantee) has been co-ordinated and managed by the National Agency for Active Labour Policies (ANPAL), in conjunction with the regions coordinating the public employment services (PES) at local level. The rate of young people not in employment, education, or training (NEET) remains one of the highest in the EU (19.2 % in 2018 versus an EU average of 10.5 %), and NEETs reached by Youth Guarantee only 12.7% in 2018. In fact, youth unemployment reached 29.4. % in 2020 also one of the highest in the EU (EU average 16.8%) and the youth employment was low only 16.8 % in 2020 far below the EU average (31.5%)

3. Financing for Youth Integration

The European Commission encourages the Member States to increase youth employment assistance by leveraging significant financing from EMFF (European Maritime and Fisheries Fund), EAFRD (European Agriculture Fund for Rural Development), YEI (Youth Employment Initiative), ERDF (European Regional Development Fund) and ESF (European Social Fund). However, ESF and YEI funds emphasize more youth employment and capacity-building issues. It is seen in figure 1 that the EU used to allocate their maximum amount of budget for creating youthinvolvement in their labour market. A significant amount of funding goes to ESF and YEI for contributing to youth employment and social protection in EU countries.

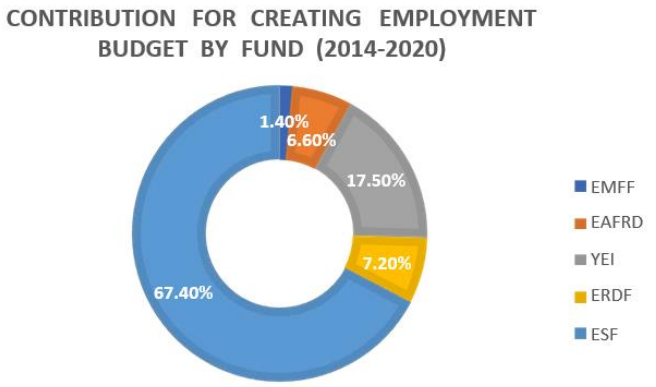


Figure 1: Contribution for creating employment budget by the fund (2014-2020) in EU countries.Source: European Structural and Investment Funds

Table 3: ESF and YEI fund for EU Countries between the years 2014-2020

Country	ESF (Euro)	YEI (Euro)
Italy	5 798 246 733	2 362 432 490
Spain	3 894 836 711	3 030 231 073
France	2 841 001 857	1 141 798 992
Germany	4 021 276 147	----------
Hungary	2 076 289 127	108 312 834
Portugal	1 968 064 202	490 039 257
Romania	1 492 093 656	329 973 914
Greece	1 774 852 178	587 448 336
Slovakia	1 606 088 584	187 471 320
Czechia	1 834 810 157	29 599 966
Lithuania	438 650 490	69 173 966
Belgium	766 955 162	193 166 647
Sweden	616 327 140	132 489 288
Croatia	429 952 196	224 513 937
Finland	468 377 540	----------
Bulgaria	493 266 092	120 304 948
Estonia	241 052 481	----------
Slovenia	340 683 997	20 725 956
Netherlands	253 472 542	----------
Latvia	124 070 818	63 140 804
Austria	116 224 267	----------

Denmark	187 836 957	----------
Cyprus	27 249 413	39 474 197
Malta	64 500 000	----------
Luxembourg	20 160 718	----------
Poland	5 377 772 607	586 939 794

Source: (*Author's calculation, but data were collected from Eurostat data on public expenditure in labor market policy and European Structural and Investment Funds. *Orange ( ) represent the highest amountof ESF fund, *Black ( )represents the highest amount of YEI fund, and *Blue ( ) represents the countries that don't have data for YEI fund)

At the same time, the author attempted to show the comparison (total amount of ESF and YEI fund) between EU countries from 2014-2020. Interestingly, among the countries, Italy and Spain spent the highest amount of money on ESF and YEI funds, respectively (Table 2). On the other hand, the author did not find any data regarding the expenditure of YEI funds for Germany, Finland, Estonia, Netherlands, Austria, Denmark, Malta and Luxemburg. Nonetheless, themajority of the countries have a strong dominance in the EU labor market. Moreover, their nationaland regional social protection could be one of the reasons for giving less priority to their youth involvement in the EU labor market.

Explain the findings by presenting the data in a complete, accurate, systematic, and logical manner. Data visualization (tables, matrices, figures, or diagrams) must be presented and discussed in a clear and concise manner. In discussion, it is necessary to relate and explain the findings obtained with the concepts used/explained in the introduction and/or hypotheses. The discussion should include comparisons with previous articles related to the topic. The discussion also needs to show both theoretical and application implications.

However, in 2014-2020, all EU countries (together) spent less money implementing ESF and YEI projects than planning and initially decided to start the projects. Figure 2 shows a comparative analysis between two funds (ESF and YEI) regarding the amount of money for planning,determination and spending between the time frame 2014 to 2020

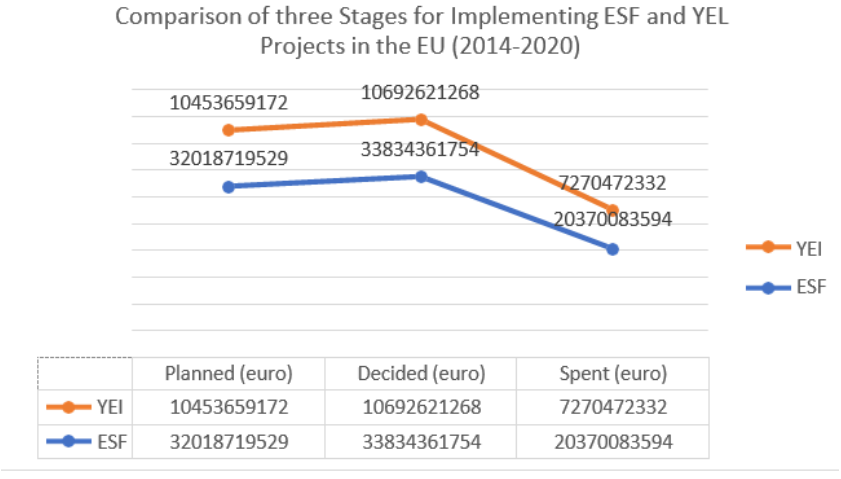


Figure 2: Comparison of three stages for implementing ESF and YEL projects in the EU countries (2014- 2020)
Source: (*Author's calculation but data were collected from European Structural and Investment Funds)

With regards to the project implementation (spent money), YEI achieved nearly 70% of their target, whereas ESF reached only 64% of their initial planning. Therefore, it is a clear indication for the policymakers, EU and individual European countries to find out the policy and implementation gap in the projects mentioned above to improve the condition as early as possible

CONCLUSION

The financial global crisis happened in Europe since 2008 and cause unemployment, especially youth unemployment as a vulnerable population. Current youth labor markets have distinct characteristics that reflect structural reforms in employment, more significant work flexibility and shifting skill demands, new migratory patterns,fragmentation caused by increased EU policy action and investment. The Youth Guarantee is not a magic program that will eliminate all youth unemployment or NEETs and needs to be improved through monitoring member states, increasing awareness of the Youth Guarantee, and making Youth Guarantee information more accessible. Moreover, the European Union will support, step up, and expand the Youth Employment Initiative by increasing funding for the youth so that they can get easy and flexible access in the labor market. At the same time EU should concentrate on gap between budget planning and implementation.

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