



# Position Paper on the Revised European Employment Strategy

---

*Adopted by the Council of Members,  
21-22 November 2003 - Rome (Italy)*

## Background

In 1999, the European Youth Forum Executive Committee adopted a position paper on the European Employment Strategy<sup>1</sup>, which had been launched at the Luxembourg Jobs Summit in November 1997. In 2002, there was a comprehensive evaluation of the strategy<sup>2</sup>, including the guidelines, in order to allow for a revision of the process in early 2003<sup>3</sup>.

The European Employment Strategy was initiated in 1997 with the objective of increasing employment levels in the European Union. A central part of the strategy was the annual cycle of the Luxembourg process. Under the Luxembourg process, the Employment Guidelines have been agreed each year and adopted as part of the 'autumn package' by the European Council. The member states then incorporated these guidelines into their national employment strategies and reported on their implementation in National Action Plans. The National Action Plans were then analysed jointly by the European Commission and the Employment and Social Affairs Council in the Joint Employment Report. The Council also had the opportunity to make Recommendations to the Member States on how to improve their employment policies in order to reinforce the implementation of the objectives.

The European Employment Strategy was given significant political impetus by the commitment made at the Lisbon European Council in March 2000 *to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion*. This was again reinforced by the Stockholm European Council in March 2001 which set a target EU employment rate of 67% overall by 2005 and 57% for women by 2005 and 50% for older workers by 2010. The Barcelona European Council of March 2002 reiterated that full employment was one of the overarching objectives of the European Union.

The annual employment guidelines used in the first five years of the Employment Strategy placed quite an emphasis on addressing the problems faced by young people in the employment market, specifically in the transition from education to employment. The first pillar included guidelines that aimed to reduce youth unemployment and ease the transition from school to work. Under guideline 1, each Member State was meant to ensure that 'every young person is offered a new start before reaching six months of unemployment' by 2002. Following the Lisbon European Council, the education element under the first pillar was

---

<sup>1</sup> The European Employment Strategy and Young People, adopted by the Executive Committee, Potsdam, Germany, 26-28 March 1999

<sup>2</sup> COM(2002) 416, 17.7.2000 'Taking stock of five years of the European Employment Strategy'.

<sup>3</sup> The Commission presented an outline for the revised strategy in COM(2003)§ of 1' January 2003 'The future of the European Employment Strategy (EES) "A strategy for full employment and better jobs for all" '.

strengthened to include the commitment made by the Lisbon European Council to reduce by half the number of 18-24 year olds with only lower secondary level education who are not in further education or training by 2010. The fourth pillar was also important in that it mainstreamed gender equality and referred to gender gaps in the employment market. This guideline was valuable for young women due to the higher levels of unemployment that they experience.

The Joint Employment Report in 2002 showed that there had been mixed success in implementing Guideline 1 which required all young people to have a new start before reaching six months of unemployment, in the case of young people, in the form of training, retraining, work practice, a job or other employability measure, combined where appropriate with ongoing job search assistance. Some countries had not satisfied the goal of Guideline 1 in the first five-year period of the Employment Guidelines. The report also noted that the school drop out rate had decreased but that it looked unlikely that the objective of halving it would be achieved by 2010. The gender gap in employment rates is decreasing, but the higher success rates of young women in education are still not reflected in their access to the employment market.

Eurostat employment statistics continue to show that there are significant challenges in relation to youth employment. The youth unemployment rate in the European Union in July 2003 was 15.7%, compared to a figure of 14.6% in July 2001, indicating that youth unemployment has in fact risen in that two-year period. This figure is also almost double the unemployment rate of 8.1% for the population as a whole. Moreover, there are significant variations according to country. In Spain the youth unemployment rate was 22.9% in June 2003, compared to 7.4% in Austria. Young women are still more likely to be unemployed than young men with a rate of 16.1% compared to 15.4%. Thus, despite the emphasis placed on young people in the first five years of the European Employment Strategy, the link between youth unemployment levels and economic growth levels remains strong.

The official statistics also hide the picture of the type of jobs that young people have. Young people frequently have a very precarious position in the employment market. They are twice as likely to have temporary contracts as the working population as a whole and are also more likely to have part-time contracts and therefore lack security in the employment market. Temporary and part-time contracts are most common in the service industries, in which there are few trade unions and young people therefore lack support for their employment rights. As young people frequently earn less than the 'adult' minimum wage they also figure as a significant proportion of the 'working poor'. Young people are also more likely to work in the informal economy, without any formal rights as employees. On the basis of this evidence it is clear that there are still significant improvements necessary in the situation of young people in relation to the employment market.

Following the review of the Employment Strategy, the timing of the annual cycle has been altered so that it coincides with that of the Broad Economic Policy Guidelines. The National Action Plans will now be submitted in the autumn and the Guidelines agreed in the Spring. In the revised Guidelines for 2003, adopted by the Employment and Social Affairs Council in July, there are three overarching and interrelated objectives. These are full employment, quality and productivity at work, and social cohesion and inclusion. The European Youth Forum deeply regrets the fact that of the ten new Guidelines, there is only **one** specific mention of young people. Guideline 1 continues to state that Member States will ensure that 'every unemployed person is offered a new start before reaching 6 months of unemployment in the case of young people'. This position paper calls for a more detailed consideration of young people in the Employment Strategy and by the Member States of the European Union. In accordance with the three overarching and interrelated objectives of the Guidelines, it makes recommendations for a stronger focus on increasing youth employment rates, improving the quality of employment for young people and promoting social cohesion and inclusion among young people in all the Member States. All of this is vital not only for improving the lives and opportunities of young people themselves but will have an added economic benefit of reducing the burden on those in employment to finance the pensions of the older generation.

**In relation to the 'three overarching and interrelated objectives of full employment, quality and productivity at work and social cohesion and inclusion', the European Youth Forum demands:**

- A quantitative objective should be set to promote full employment equally, and without discrimination, among young women and men by 2010.
- Young people should be a priority in the European Employment Strategy, as youth unemployment rates are significantly higher than the average adult unemployment rates in the European Union Member States.
- A commitment to improving the quality of youth employment by tackling the precarious character of youth employment. In particular, efforts should be taken to promote more secure employment for young people with improved health and safety standards and the same access to social security as other sections of the population, also in order to prevent young people ending up in the formal economy.
- In order to promote social cohesion throughout the Union, Member States, especially those with significant youth unemployment must ensure that Guideline 1 is fully implemented so that all young unemployed people are offered a new start in the form of training, retraining, work practice, a job or other employability measure, combined where appropriate with ongoing job search assistance before reaching 6 months of unemployment.

- Additional specific policies to tackle youth unemployment should be promoted. For example, policies to ease the transition between education and employment.
- Support to developing entrepreneurship should be given to the innovative ideas of young people and should be backed-up by grants. This would allow innovation particularly in the field of Information and Communication technology.
- Participation in lifelong learning in accordance with Guideline 4 should not be restricted to the 25-64 age-group only, but should also include younger workers. Lifelong learning is also valuable for the 16-25 age-group and frequently acts as a bridge between education and employment for young people. It is of specific value for those that leave school early and require additional skills to help secure their position in the employment market. Furthermore, given the continuing evolution of the employment market resulting from technological developments, the role of lifelong learning is crucial for all in order to allow them to keep up with such developments and contribute to the Lisbon objectives relating to the knowledge-based economy.
- By promoting full youth employment, young people of all backgrounds - including young immigrants - could be integrated into the employment market from an early stage, thereby avoiding many of the problems that people suffer as a result of discrimination at a later date.
- The Member States should work to reducing regional disparities in youth employment levels in their countries.
- The opportunity for civil society organisations to be consulted in addition to the social partners at the national and European level. The social partners should be encouraged to consult their young members as part of the structured dialogue on the European Employment Strategy with the social partners.