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**NOTE**

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from: Presidency  
to : Delegations

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Subject: Youth Employment  
(Lunch debate at the EPSCO Council - 1 December 2011)

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Delegations will find attached a background note prepared by the Presidency in view of the discussion during lunch at the EPSCO Council on 1 December 2011.

**BACKGROUND NOTE FROM THE PRESIDENCY****LUNCH DEBATE****Youth employment**

Young generations have an essential role in influencing the future of the European Union and its social, economic, cultural and environmental development. Raising the employment level of young people, developing their skills and facilitating their mobility are vital for reaching the Europe 2020 objectives<sup>1</sup>. We had hoped that economic recovery could support our efforts to improve the difficult labour market situation for young people. Unfortunately, the crisis persists and prospects for growth again seem to be vague.

Unemployment is rising, having reached in September 9.7% in the EU-27. High levels of unemployment, however, co-exist with unfilled job vacancies in certain sectors. This situation may result from inadequate wage conditions, lack of adequate skills or limited geographical mobility.

According to Eurostat, a significant and growing proportion of youth is at risk of prolonged unemployment or inactivity. The overall EU youth unemployment rate is 21.1%, having reached over 30 % in some countries and in a few even over 40 %. Joblessness affects one in five young people active in the EU labour market, which accounts for about 5.3 million young people. By comparison, before the onset of the financial and economic crisis, total youth unemployment in the EU stood at 4 million or 14.7 % of the active youth population (beginning of 2008). Furthermore, the category of young people who are NEET (not in employment, education or training) is on the rise, reaching a total of 7,5 million; this means that the number of young people at risk of marginalisation and exclusion from the labour market is constantly increasing.<sup>2</sup>

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<sup>1</sup> Doc. 11838/11.

<sup>2</sup> *Reaching the Employment Target: Progress and Thematic Surveillance*. EMCO thematic report, November 2011.

Although the labour market situation for young people is rather negative, there are countries that have managed to improve their situation. Young people should have numerous opportunities for employment, education and training, conditions for short and secure transitions, as well as the possibility to consolidate their labour market position. The educational system has a substantial impact on youth employability and should equip them with skills and qualifications that are fitted to labour market needs and provide them with possibilities for smooth transitions between occupations.

The employment of young people is closely linked with the overall labour market situation, thus all measures aimed at the general improvement of labour market performance are of high importance. Ensuring better labour market entry is particularly important to prevent potentially long-term negative consequences for young people's careers. Strengthening the labour market and geographical mobility is essential to avoid mismatches between jobs available and potential candidates. More flexible employment conditions can be helpful, but young people also need the prospect of progressing to more stable work arrangements. Exploiting the full potential of EU funds, especially the European Social Fund, may constitute important support for the above-mentioned youth policies, in particular now, when many countries are facing growing pressures for fiscal consolidation.

Against this background, Presidency would like to focus the ministers' discussion around the following questions:

1. *What are the main barriers for young persons entering labour markets?  
How can these barriers be removed?  
Which tools or policies could be identified as successful in improving young people's situation in the labour markets?*
2. *What should be done to facilitate labour market mobility for young workers and simultaneously ensure appropriate security for them?  
Could the concept of flexicurity be helpful here and how?*