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PROSPECTS FOR THE YOUNG: THE JOURNEY FROM SCHOOL TO WORK HAS
NEVER BEEN LONGER**

The South East European region used to be known for a saying that the world is left to the young. In the meantime, the young are more and more faced with the fact that they are left only with no perspective. How did this happen? How did it happen that no room is left for the young in the labour market? While many are complaining that young people are leaving the countries of the region in search for jobs and better lives elsewhere, not even population aging and de facto reduction of the labour force base represent strong enough warnings. At the same time, the EU member states are tireless in devising ever new approaches in fighting apathy and youth unemployment – with lots of resources and even more political will. For sure, the challenge of youth unemployment has never been greater.

EXCLUDED FROM THE LABOUR MARKET

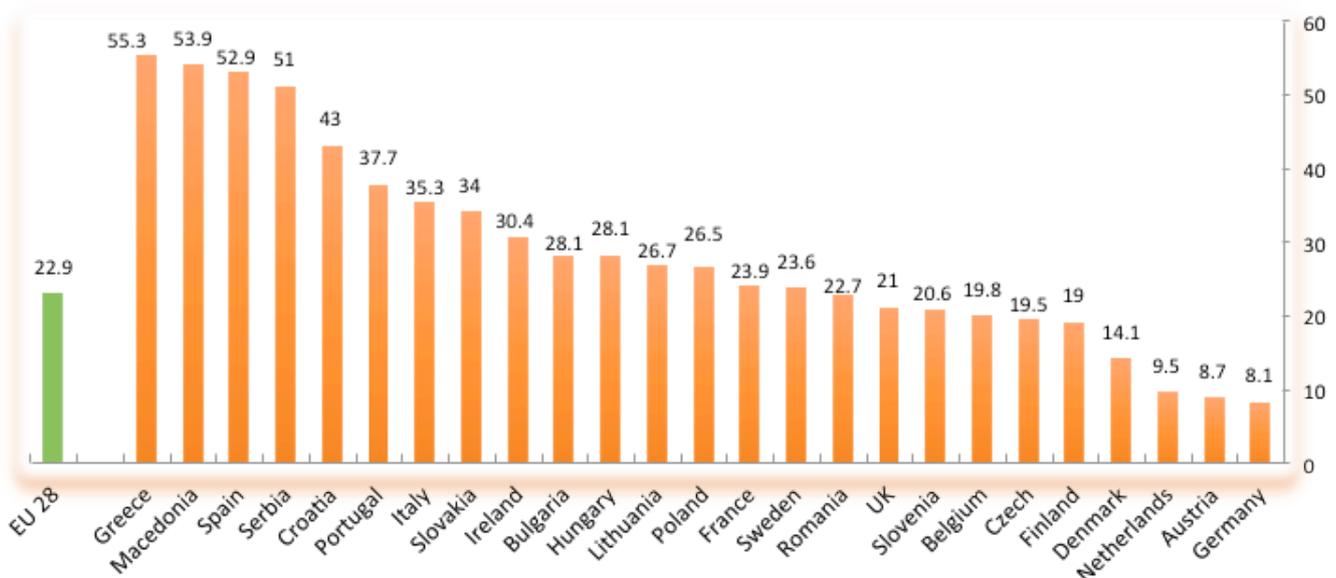
European definition of social exclusion talks about this phenomenon as a situation in which individuals and/or groups of individuals are lacking access to some key life resources. This is the reason why access to the labour market for the young or, for that matter, the lack of it indicates the overall status of young people in a given society.

Today, in the region of South East Europe almost every second young person is unemployed. In their winning article written for the World Bank Group's essay competition on youth in Bosnia

and Herzegovina, young co-authors note that the rate of youth unemployment in their country is at the historically highest level with around 60 per cent of youth being unemployed in 2013. According to data of the National Statistical Office of the Republic of Serbia, since the start of the global economic crisis in 2008 until today unemployment rate for the young in Serbia doubled and, during the first quarter of 2014, reached 52 per cent. Equally alarming is data for other South East Europe countries, where Macedonia, for example, ranks high with 54 per cent of unemployed among youth.

At first glance, the situation in the EU member states looks less dramatic. However, even though the average youth unemployment rate for the EU is at 23 per cent, the differences across the EU member states are sizable. For instance, youth unemployment is at 55 per cent in Greece but under 10 per cent for Austria and Germany.

One thing is certain, there have never been more young people in this part of the world who were unable to start an independent life upon completion of formal education.



Graph: Youth Unemployment Rate in 2012

Source: Labour Force Surveys, courtesy of Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection.

WHEN 'SYSTEM' FAILS

Many (good) analytical pieces have been written on the causes of youth unemployment. All of them put emphasis on the unfavourable wider social and economic environment, such as the economic crisis that has affected the increase of overall unemployment and decrease of employment, or on the specific character of economic growth in the pre-crisis period with so-called 'jobless growth'. Other pieces discuss traditional barriers to labour market entry for the young – like the lack of practical work experience and inadequate skills and competences that the young get in schools; more and more, there is also a talk about the barriers to job creation

and support to youth entrepreneurship, which could offer a new path to resolving the challenge of job creation.

Unemployment does not represent the only problem. Policies directed towards support to the young rely also on additional indicators, including the rate of young who are NEETs (not in employment, education or training). In the EU, there seem to be about 7.5 million young people who fall into the NEET category (12.9 per cent in 2012). According to the data of the European Training Foundation (ETF), the NEET phenomenon has not been monitored as closely in the South East European region as it has been in the EU. For that reason, the degree of vulnerability of the young in South East Europe, and their risk of social exclusion, is likely underestimated. For instance, 30 per cent of young people between 15 to 29 years of age fall into NEET in the ETF partner countries (and this includes the South East Europe countries), which is 2.4 times more than the average NEET rate for the EU member states.

It is disturbing to learn that young people who more often ‘fall out of the system’ – and become part of the NEET statistics – typically come from the group that leaves school early (early school leavers – ESL). Simply put, it is in school that we should start initiatives and activities linked to youth employment with the aim of keeping students in schools longer in order to equip them better for ‘real life’. All available data show that highly educated young people – though themselves at risk of leaving school early – have significantly lower chances to actually experience this. It is because the future employment of youngsters does depend on their employability.

Good quality ESL and NEET data are not available in the right format across South East Europe countries. On the other hand, this data represent the very foundation of the European Union’s Strategy for Smart, Sustainable and Inclusive Growth ‘Europe 2020’. In this document, education is one of only five areas where the EU is planning closer monitoring of the implementation of its growth strategy. Among others, two basic indicators that are used include early school leaving rate (with a target of reducing the rates of early school leaving below 10%), as well young people completing higher education (with a target of at least 40 per cent of 30-34-year-olds completing tertiary education by 2020).

LOOKING TO EUROPE

Europe is approaching the challenge of youth unemployment from different angles. On the one hand, the EU is integrating the indicators and clear measures related to education reform into its goals for economic and social development and, on the other, it directs its attention towards strengthening active labour market measures for the young. In search for a solution of this ‘key social and economic challenge of the last decade’, the EU is also exploring the available examples of best practices.

If we observe impressive performance of Austria and Germany in terms of low rates of youth unemployment (lower than 10 per cent), it should not come as a surprise that there is a growing interest in better understanding these successful examples. At a recent ‘Seminar on Initiatives for Youth Employment’ organised by the Government’s Social Inclusion and Poverty Reduction Unit in Belgrade (July 2014), the example of Austria illustrated the complexity of the youth unemployment challenge. In the words of Johannes Schweighofer from the Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection, favourable labour market outcomes of the Austrian youth depend on several fairly different factors. The first group of factors relates to a good economic and political base, i.e. the fact that Austria has ‘decent overall labour market conditions’, which is further ‘strengthened’ by the existing political consensus to fight unemployment. The second group of factors is linked to access to education for new generations where relevance of knowledge and skills directly depends on the mechanisms built into the system of education – such as apprenticeships, continuous reform and development of curricula in technical vocational schools at secondary and post-secondary education levels, as well as technical education at universities. The last group of factors is connected to the set of active labour market policies targeting Austrian youth.

For the above reasons, most South East European countries are putting strong emphasis on curricular revisions in such a way to create more effective linkages between schools and employers through numerous forms of learning that take place in real working environments (i.e. apprenticeships, mentorships), while entrepreneurial education is growing as a theme of special interest.

The example and experience of the United Kingdom is particularly appreciated in the region of South East Europe because of the way that businesses are involved with education stakeholders mandated to create school curricula. In the same way, the South East Europe region recognises the value of the UK example that is pointing at the need to sustain clear and meaningful connections between occupational standards and qualifications acquired in schools – as, it turns out, this is one of the most effective approaches in finding ‘a common language’ for the two systems (education and the labour market) that often do not understand each other sufficiently. Through the work of Sector Skills Councils, the UK has developed a model that is able to mobilise businesses and include them in decision making about what young people learn at school. In the joint effort, education institutions – tasked to define school programmes – together with employer representatives make these decisions because there is awareness about the direct link between employability of the young and performance of the national economy as a whole.

The youngest European initiative ‘The Youth Guarantee’ is moving the above agenda even further by offering the young a real/realistic chance of finding a (first) job. The Youth Guarantee is a part of European Union’s youth employment package and makes it possible for the young to

use an individualised good-quality offer of employment, continued education, apprenticeship or traineeship within a period of four months of becoming unemployed or leaving formal education. In the 2013 Recommendation of the European Council on the Youth Guarantee, the EU committed €6 billion to financing initiatives to employ the young in the period between 2014-2020. Most of that sum will be directed towards the Youth Guarantee. The goal was clearly spelled out in the first paragraph of the Council Recommendation where it says that “Investing now in the human capital of young Europeans will deliver long-term benefits and contribute to sustainable and inclusive economic growth. The Union will be able to reap the full benefits of an active, innovative and skilled workforce while avoiding the very high costs of having young people neither in employment, education or training (‘NEETs’), currently put at 1,2 % of GDP”. No doubt, expectations are high from this important structural reform.

ABOUT THE AUTHOR

Ivana is a seasoned professional, a sociologist with extensive experience in public sector reforms with focus on education and other social sectors. Her interests range from skills development and public sector financing to teacher policies and education technology. She spent seven years leading education portfolio of the World Bank in Serbia. Previously, she headed the PRS team of the Deputy Prime Minister of Serbia, and was a Program Director of the Center for Policy Studies from Belgrade. Ivana has a degree in sociology from Belgrade University and a professional master degree from the School of International and Public Affairs of the Columbia University in the City of New York. She benefited from the US-funded Ron Brown Fellowship for young leaders from South East Europe.

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