

ETUC online conference **A Youth Recovery: Time for Quality Jobs! (How) Will Europe prevent a Lost Generation**

15 February 2021 13.45-16.45

Background Paper

CONTEXT

Just over a year ago Covid-19 started to spread across the world, challenging society at a social, economic and emotional level. The pandemic pushed the European economy into a recession, with the biggest economic contraction since World War II¹.

The European youth are amongst those most severely affected by the pandemic². One in six young people lost their job because of the economic consequences of COVID-19³. In September 2020, the youth unemployment rate in the EU was 17.1%⁴. In a number of countries youth have been particularly hit hard resulting in unemployment rates that have soared, to name a few: Spain (40,5%), Italy (29,7%), Bulgaria (18,3%) and France (19,6%).

Overall, youth unemployment in the EU has increased by 438,000 in the last year as compared to December 2019.⁵ A percentage of unemployed young people tends to remain out of the official data, either because these people do not apply for unemployment benefits or do not enrol with employment agencies. Therefore, it can be assumed that the real figures could be even worse than those reported by Eurostat.

Moreover, the COVID-19 crisis has further aggravated the situation of the NEETs, young people not in employment, education or training⁶. The number of NEETs in Europe, especially in countries like Italy, Greece, Bulgaria and Romania, is once again on the increase as a result of job losses and lack of employment opportunities. This category includes the most vulnerable people, they are at a high risk of marginalisation, poverty and permanent disengagement from employment.

Together with the unemployed youth, this crisis is particularly affecting workers in 'non-standard forms of employment', such as part-time, temporary or 'gig' work. Unfortunately, there is a predominance of young people within the category of non-standard workers. Such jobs are often low paid, with irregular working hours, poor job security, and little or no social protection (paid leave, pensions, sick leave, etc). Often, such work does not qualify for unemployment benefits or short-time work schemes. This type of work can be found mostly in sectors and industries that are particularly affected by the COVID-19 pandemic, like tourism, wholesale, retail, accommodation and food sectors.⁷

¹ Eurofund, <https://www.eurofound.europa.eu/publications/work-programme/2020/programming-document-2021-2024-towards-recovery-and-resilience> , 22.01.2020

² Young people are (mostly) defined to be between 15 and 29years old

³ European Youth Forum, <https://www.youthforum.org/sites/default/files/publication-pdfs/blueprint.pdf> , 22.01.2020

⁴ Eurostat, <https://ec.europa.eu/eurostat/documents/2995521/10663786/3-30102020-CP-EN.pdf> , 22.01.2020

⁵ Eurostat, https://ec.europa.eu/eurostat/documents/portlet_file_entry/2995521/3-01022021-AP-EN.pdf/db860f10-65e3-a1a6-e526-9d4db80904b9

⁶ Eurofound, <https://www.eurofound.europa.eu/topic/neets>

⁷ ETUC, <https://www.etuc.org/system/files/document/file2020-06/ETUC%20Statement%20on%20COVID-19%20outbreak-FINAL%20AFTER%20EXCO.pdf>, 22.01.2020

In the EU, many forms of contracts are not covered by employment laws, leaving the incumbents without right to holidays, employment protection and/or the benefits allowed by social insurance contributions. This affects a large number of young workers and leads to social exclusion.⁸ These types of contracts have become commonplace due to, among others, the structural reforms introduced during and after the last financial crisis, that increased labour market flexibility and weakened employment protection systems, social protection systems and collective bargaining institutions. Research shows that these measures did not result in increased employment around Europe, but rather in the creation of more precariousness and subsequent social exclusion.⁹

In recent decades Europe faced a sharp decline in workers' rights and protection; precarious work and austerity measures following the 2008-2009 crisis brought about poverty, unemployment and social exclusion for a large number of young people.

Official European Commission statistics show that workers in two thirds of EU member states are receiving a smaller share of their country's GDP than they were at the beginning of the last decade.¹⁰

The Covid-19 crisis has further increased inequality, putting workers, especially young workers, in greater difficulty.

(HOW) WILL EUROPE PREVENT A LOST GENERATION?

On 30 October 2020, the European Council has adopted the **Commission's proposal for a Council Recommendation on a Reinforced Youth Guarantee - A Bridge to Jobs**. It represents the commitment by Member States to ensure that all young people, under the age of 30, receive a good quality offer for employment, continued education, apprenticeship or traineeship within a period of four months after becoming unemployed or leaving education.

Although it is not binding, it is not clear how many Member States will follow those recommendations. It is certain that additional recovery measures are needed to correspond to the growing difficulties young people are facing in the labour market.

To help Europe's society and economy to recover from the current crisis the EU is providing a recovery package of €1.8 trillion.

"NextGenerationEU" represents one of the temporary reconstruction instruments, it amounts to €750 billion.

The temporary **Support to mitigate Unemployment Risks in an Emergency (SURE)** is available for Member States that need to mobilise significant financial means to fight the negative economic and social consequences of the coronavirus outbreak in their country. It can provide Member States with a financial assistance from the EU of up to €100 billion in the form of loans to address sudden increases in public expenditure essential for the preservation of employment.

On top of that the **Recovery and Resilience Facility (the Facility)** will provide €672.5 billion in loans and grants to support reforms and investments undertaken by Member States. The aim is to mitigate the economic and social impact of the coronavirus pandemic and make

⁸ ibid

⁹ ibid

¹⁰ <https://www.etuc.org/en/pressrelease/workers-share-economic-prosperity-down-18-eu-member-states?fbclid=IwAR0q5OIIIINURqOZMYRS6hS7bWuxqS6SzBRPtIMBaXeIAc0sXRKxVybIuQUY>

European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions

The European Commission recognises that European youth are one of the hardest hit categories in the pandemic and calls to rethink social protection systems to be able to offer a safety net to young people. However, **it is not yet clear how much of the allocated €750 billion will be invested in youth.**¹¹ **In general young people are being overlooked and their voices are not adequately represented within the recovery plan.**

A YOUTH RECOVERY: TIME FOR QUALITY JOBS

ETUC developed the campaign “A People’s Recovery”, stating clearly the conditions for the recovery funds to be allocated, that is only to:

- EU countries that uphold democracy and the rule of law; and
- companies that respect workers’ rights, collective bargaining and promote the well-being of their employees.

1. Involving social partners and young trade unionists in the design, monitoring and evaluation of national recovery plans must be assured.

Youth structures of trade unions have to be informed and included in the process of shaping European and national recovery plans.

The European Commission’s updated guidance to member states’ Recovery and Resilience National Plans require member states to carry out, and document, a wide consultation with social actors, including youth organisations. It also introduces transparency requirements in the communication of plans at national level.¹²

Transparency and a democratic approach in the allocation of public funds must be assured. Young people deserve to know if, and how, their government is addressing their needs and how the money is being spent.

2. Specific recovery measures for youth and workers in non-standard forms of employment must be developed. These workers are facing specific circumstances, with limited or no access to workers’ rights and social protection. Therefore, a more comprehensive approach addressing this category of workers should be implemented. Due to high segmentation within the labour market, the current recovery measures are not addressing the circumstances of vulnerable groups. SURE is not protecting this category of workers. This issue must be addressed in the national recovery plans and should be aligned with the principles of European Pillar of Social Rights.

All categories of workers and young unemployed people should have access to social protection and the unemployed should have a comprehensive safety net, as foreseen by the European Pillar of Social Rights.

3. Quality jobs and decent working conditions must be available to all. Meaningful conditions related to the recovery funds must be developed, these should be based on the respect for the rule of law and workers’ rights.

Young people have been trapped and forced in low quality jobs. We cannot allow this to keep on happening. In order to prevent precarious conditions, quality standards for all recovery measures must be put in place. This should also cover traineeships and internships.

¹¹ European Commission, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_940 , 22.01.2020; European Commission, https://ec.europa.eu/info/strategy/recovery-plan-europe_en , 22.01.2020

¹² “5.Consultation process: Member States should also provide a summary of the consultation process of local and regional authorities, social partners, civil society organisations, youth organisations, and other relevant stakeholders, as implemented in accordance with the national legal framework, for the preparation and, where available, the implementation of the plan.

7.Communication :Member States are invited to describe an outline of their intended national communication strategy aimed at ensuring public awareness of the Union funding.The national communication strategy sets out how a Member State plans to communicate on the RRF.”

https://ec.europa.eu/info/sites/info/files/document_travail_service_part2_v3_en.pdf

Precarious jobs should be reduced and discouraged by incentivising stable employment. Fair wages, as well as quality lifelong learning programs, should be guaranteed to all workers regardless of their age. These standards should be essential conditions when it comes to the granting of the recovery resources.

In this regard, we affirm the quality criteria defined by ETUC Youth, presented in June 2020 alongside with a Reinforced Youth Guarantee.¹³ Member States should commit to implement and respect those quality criteria and ensure young people are not being used as cheap labour.

CONCLUSIONS:

Statements of principles and guidelines must turn into concrete and accountable measures, that allow substantial and uniform progress throughout all European countries.

Therefore, we encourage all Member states to develop specific recovery measures to fight youth unemployment and precarious entry in the labour market, and to provide real recovery for all people. It is the involvement of the youth structures of trade unions and other relevant actors in the process, that will ensure that the needs of future generations are considered.

The EU Recovery Plan will show an unprecedented investment of public resources for a significant qualitative improvement in European prosperity and equity. Together with the new Youth Guarantee, national recovery plans and the next Action Plan for the implementation on European Pillar of Social Rights, provide a unique opportunity to turn the tide and build a socially just Europe, starting with EU's next generation.

This opportunity must not be missed.

Are European Commission and EU Member States ready to commit to real change?

¹³ See annex: ETUC Youth Committee brochure „Reinforced Youth Guarantee – It is time for Quality Jobs“