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Quality employment for youth: How to deliver?

Meeting of G20 Labour and Employment Ministers
Ministers,

I want to thank Secretary Vélez for putting action on quality employment — especially employment of young people - high up the G20 agenda.

Unemployment in the European Union is over 10%, and it is likely to stay high, so job creation is a top priority for us.

I tend to agree with ILO analysis that the employment slowdown we face is not a normal one. Clearly, the worsening situation partly reflects the predominant focus in the last two years on fiscal consolidation and internal devaluation, which has had a negative effect on aggregate demand.

And this "austerity trap" can put youth in great peril. The same people who had to bear the heaviest toll of the crisis. Therefore, we immediately need an alternative approach: a new jobs-centred approach with investment, which is based on coordinated macroeconomic, employment and social protection policies.

Unemployment among young people in the EU is twice the general rate. On average, over 22% of those under 25 who are available to work cannot find a job. The percentage is over 50% in our worst-affected Member States. One in every eight young persons in the EU is not in employment, education or training. So like most countries at this table we face a big challenge.

The risk is seeing a generation go to waste. Unemployment, coupled with frustration at a lack of future prospects, is an explosive mix. It fuels unrest and political extremism — and carries a huge economic and social cost.

The EU takes these problems very seriously. Our major recovery plan, the Europe 2020 Strategy puts young people at the centre and has a special agenda for improving their education and employment.

The acid test is implementation on the ground. That is why European Commission President Barroso called on business, the social partners and the national authorities in December last year to work together on a "Youth Opportunities Initiative".

This initiative will mobilise all actors concerned as well as funding to take immediate measures that will enable smoother transitions between education and work as well as ease access to work for young unemployed. The aim is to help youngsters that are neither in education nor work to find a job, or return to training and to help those with a third level education find a first job.

The member States responded very positively to the Youth Opportunities Initiative. We are currently pursuing bilateral discussions with the 15 Member States with very high youth unemployment and hope that action agreed with each bears fruit.

Meanwhile, the G-20 Task Force has also been working and its recommendations are very much in line with the EU's priorities.

I want to emphasise the promoting of effective school-to-work transitions via quality apprenticeships and traineeships. Later this year, I will present two proposals in this area.

The first concerns common principles for quality traineeships. The second involves Youth Guarantees to ensure that young people are either in education, employment or training and not in the grey zone between these categories.

The Task Force has also innovated by sharing information and experience via a virtual knowledge platform. This is very useful for exchanging information that is in huge demand.

Given the vital role of social dialogue, the social partners should be actively involved in implementing the Task Force's recommendations.

The Task Force needs to continue working to complete its task in November. We are in favour of extending its mandate for another year. What it should focus on in particular should be decided in cooperation with the Russian Presidency. Certainly a great number of issues would merit the attention of our Leaders in their quest to promote growth with jobs. One of these is the job creation potential of the green economy.

Colleagues,

Given our shared sense of the urgent need for action, we should send a clear message about putting the quality employment, in particular for youth, and the social dimension high up the agenda at the forthcoming Los Cabos Summit of G20 Leaders.

Thank you.