

Report

From Baltic Sea Labour Network to

Baltic Sea Labour Forum

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**Youth unemployment and measures to combat
it in the Baltic Sea Region**

21th Baltic Sea Parliamentary Conference (BSPC)

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Rapporteur

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As previously for the 20th Baltic Sea Parliamentary Conference in Helsinki, I once again have great pleasure as rapporteur for the topic “Labour Market and Social Welfare” in presenting a report to the 21st BSPC in St. Petersburg.

My report addresses the transition from the Baltic Sea Labour Network – a flagship project within the EU Strategy for the Baltic Sea Region that is backed and supported by the BSPC – to the permanent Baltic Sea Labour Forum which will be coordinated by the Secretariat of the Council of Baltic Sea States.

It also offers a comparative overview of one of the major challenges facing Europe, specifically with reference to the Baltic region. An account is given of the trends in and state of high youth unemployment in the countries bordering the Baltic. At the same time details are given of measures taken to combat this by the individual member countries of the Baltic Sea Parliamentary Conference. Due to space constraints these are given in abbreviated form by way of illustration.

I am grateful to my colleague Sabine Herget and to Madara Stankuna (Latvia), holder of a German Bundestag International Parliamentary Scholarship (IPS), for their valuable assistance in the preparation of this report.

Franz Thönnies, Member of the Bundestag

**Former Parliamentary State Secretary
Member of the BSPC Standing Committee
Rapporteur**

Berlin, August 2012

I. From the Baltic Sea Labour Network to the Baltic Sea Labour Forum

The Baltic Sea Parliamentary Conference (BSPC) can compliment itself on the fact that the issue of employment in cross-border labour markets in the Baltic Sea Region has moved higher up the political agenda following the creation in 2007 of its Working Group on Labour Market and Social Welfare and the adoption of its recommendations in the resolution passed at the 18th BSPC held in Nyborg.

In 2008, at the initiative of *DGB Nord* and *Nordmetall*, 22 participants representing the world of politics and the social partners (trade union federations, employers' associations, the Council of the Baltic Sea States and its associate partners, amongst them the Baltic Sea Parliamentary Conference), jointly formed the "Baltic Sea Labour Network" (BSLN), a flagship project within the EU Strategy for the Baltic Sea Region. This three-year project received EU funding of €2.7 million. Its aim was to achieve, through social dialogue, sustainable labour markets, fair employment conditions, strong social partners and proper social protection for cross-border commuters. We were happy to note that the final phase saw Russian trade unions and employers from the St. Petersburg region joining the Network too. Its many and varied activities have included international conferences, seminars, training courses, series of debates among the social partners, the preparation of information materials, and the implementation of pilot projects in the Baltic states, Poland and Germany.

The list of projects carried out in the various countries encompassed the following activities: Denmark cooperated with Danish, Swedish and Norwegian trade unions on a research project entitled "Guest workers' employment and living conditions". Estonia offered "Training in social dialogue for young trade unionists" and there were plans for a handbook for young persons in the labour market. In Finland a high-quality interview-based study on "Social inclusion of Estonian and Russian-speaking guest workers and their participation in employment and trade union membership" was conducted as part of training for trade unionists. Germany and Poland looked to form an information and skills centre for cross-border commuters and employers in the German-Polish border area. In addition to founding this centre in the area adjoining the border with Germany, Poland collected employment data and set up a group of experts. Latvia organized forums for social dialogue in the regions, bringing together trade unions and employers, and initiatives to promote self-employment. In Lithuania trade unions and employers together got to grips with the government's employment and economic policy during the crisis. At the same time, there were plans for the social partners to set up a centre for social dialogue and seminars for young workers. In Sweden there was a trade union project on employee mobility in relation to infrastructure.

The Final Conference of the BSLN held on 15-16 November 2011 in Hamburg unanimously adopted the following resolution:

BSLN Final Conference Hamburg, 15-16 November 2011

Conference Resolution

*„The **BSLN Final Conference**, gathering representatives of social partners in the Baltic Sea region, as well as government officials, labour market experts, NGO representatives, and others,*

***a.** commending the Baltic Sea Labour Network (BSLN) as the only tripartite network in the Region and as the only flagship project within the European Union Strategy for the Baltic Sea Region that deals with labour market issues;*

- b.** *expressing gratitude to the Baltic Sea Parliamentary Conference (BSPC) and the Council of the Baltic Sea States (CBSS) for their constructive contributions and collaboration with BSLN;*
- c.** *urging governments and politicians to listen carefully to what trade unions and employers organizations say about competitiveness, decent working conditions, wages, social security and labour market stability, since they are the experts on the labour markets;*
- d.** *realizing that the labour markets of the Baltic Sea Region are facing serious challenges in the wake of the economic recession, with persistent high unemployment rates and emigration of skilled labour, but believing that social dialogue and active labour market policies are central tools in overcoming the negative consequences of the crisis and releasing the dynamic competitive and social potentials of the Region;*
- e.** *recognizing that models of social dialogue, including e. g. labour relations and bipartite collective bargaining, differ from country to country and are not directly transferable from one country to another; however reaffirming that high organizational density has an intrinsic value since it begets enhanced social dialogue and extensive dialogue in civil society as a whole;*
- f.** *declaring that an economy based on unfair competition or poor working conditions is unacceptable in the Baltic Sea Region, since responsible entrepreneurs will suffer if ground rules for business are not adhered to; society will suffer if revenues and general respect of the rule of law declines; and employees will suffer if terms and conditions of work deteriorate;*
- g.** *stating that social dialogue and tripartite cooperation, with its mutual feeling of trust, are preconditions for well-functioning and fair labour markets with decent and productive working conditions, and also promotes democratic inclusion, advances social and industrial peace and stability, and boosts economic progress;*
- h.** *maintaining that mobility of labour in the Baltic Sea Region is beneficial for both employers and employees, and that fair economic competition and just treatment of employees should be preconditions for mobility of labour;*
- i.** *stressing that cross border mobility should be of mutual benefit and contribute to the development of the entire region, while also counteracting brain drain and social dumping;*
- j.** *observing that new territorial imbalances emerge especially between urban and rural areas with regard to demographic development, economic performance, quality of life and labour market opportunities which poses challenges to territorial cohesion in the Baltic Sea Region and require more active policy response;*
- k.** *highlighting the need for accurate and comparable labour market information and statistics of the Baltic Sea Region labour market, stressing that mobility and competitiveness requires easy access to accurate and timely information about labour market conditions, rights and obligations, and cautioning that current information on these issues to a large extent remains fragmented and inaccessible;*
- l.** *underlining the importance of training and education in building a sustainable Baltic Sea Region with strong and competitive labour markets;*
- m.** *emphasizing, since North-West Russia is an integral part of the Baltic Sea Region in terms of labour market, economy environment and energy policy, the need to include Russian tripartite stakeholders in the social dialogue and cooperation on economic development in the Baltic Sea Region, and supporting an intensified EU-Russian dialogue with the aim of reaching a new partnership agreement;*

n. basing its statements and positions on, e.g., extensive research and studies carried out under the auspices of the BSLN Project, involving both trade unions, employers organizations and academia,

*call **on** trade unions, employer and business organizations, politicians, public officials, experts, NGOs and scholars to*

1. promote social dialogue and tripartite structures and cooperation as a crucial element of sustainable economic growth and social development in the Baltic Sea Region, recognizing that social partners have a shared interest in well-functioning and fair labour markets as a backbone of economic growth and competitiveness;

2. fully implement the ILO conventions and the revised European Social Charter throughout the Baltic Sea Region, as they are important cornerstones in the development of democracy, sustainable societies, decent working conditions and high standards of living;

3. further develop a strengthened, institutionalized social dialogue at local and national levels in all countries in the Baltic Sea Region in order to promote joint labour market solutions and strategies and the deepening of cooperation between social partners;

4. protect the representative role and power of the social partners by promoting a growth of the organization density of trade unions and employers organizations;

5. safeguard fair competition for enterprises, based on respect for industrial and labour relations as well as decent working conditions and fair treatment of workers, acknowledging that fair economic competition is conducive to a successful and sustainable business environment, and ensuring that norms, responsibilities, conditions, rules and labour relations in each country are the same for foreign and domestic business and employees;

6. make practical, systematic and coordinated efforts to identify barriers to the development of cross-border labour markets and mobility in the Baltic Sea Region, and to carry out practical measures to dismantle and prevent such barriers;

7. support the establishment of new information centres, in particular in areas where cross-border commuting is growing, with the capacity and mandate to provide comprehensive and official information on the labour market situation, social security, legislation, regulations and procedures, as well as to promote cooperation and exchange between all information centres;

8. strengthen the education systems with regard to demographic changes and the requirements of the labour markets, by supporting especially young people in entering the labour market, adjusting training methods to the needs of people at different stages of their lives and exchanging information about occupation descriptions and required competences;

9. pay attention to different territorial conditions when designing policies, and foster urban-rural cooperation and partnerships, making use of best experiences in the Baltic Sea Region and in Europe;

10. underline the need for long term strategic and proactive policies at all governance levels based on development strategies and appropriate territorial monitoring;

11. encourage a regular dialogue between associations representing cross-border workers, trade unions, employers and political decision-makers, strengthening cooperation regarding cross-border labour markets;

12. support the establishment of a Baltic Sea Labour Forum — working together by Social Dialogue (BSLF) as a cooperation platform for the social partners, governments and politicians in the Baltic Sea Region, with the aim of influencing policy- and decision-making in the field of labour market relations, e.g. by issuing joint opinions and recommendations; of promoting transnational social dialogue, based on the responsibility of social partners for the development of labour market relations in the Baltic Sea Region; and of networking and exchanging experience between the social partners and political institutions in the Baltic Sea Region;

13. recognize the BSLF as an important horizontal element in the Implementation of the EU Strategy for the Baltic Sea Region, and to involve Russian tripartite stakeholders in the Forum, thereby making the Forum a key player in developing a sustainable, prosperous and inclusive Baltic Sea Region during the next program period 2014-2020.”

The excellent work done by the BSLN project, inspired by the spirit of social partnership, together with increasing economic cooperation in the Baltic Sea Region and the challenges posed by an emerging Baltic labour market culminated in the founding of the new Baltic Sea Labour Forum (BSLF), which has the backing of the Council of Baltic Sea States. It was set up by 21 organizations (social partners and political bodies) at the BSLN's Final Conference in Hamburg in November 2011 during the first Round Table. For the first time this creates a permanent arena for social dialogue in the Baltic Sea Region.

The **Baltic Sea Labour Forum (BSLF)** is a platform for exchange of experience and communication between social partners and other key labour market actors in the Baltic Sea Region (BSR). After the successful conclusion of the BSLN project (Baltic Sea Labour Network) the tripartite Forum for Social Dialogue in the Baltic Sea Region and for cross-border cooperation in the labour market was established.

The Forum is intended to be a platform for social dialogue on jointly identified problems and challenges. The agenda of the Annual Round Tables will concentrate on issues such as labour mobility, growth, competitiveness, education and training, and high employment rates. It is important for societies in the Baltic Sea Region to safeguard fair competition for enterprises based on respect for industrial and labour relations as well as decent working conditions and fair treatment of workers.

The mission of the Forum is to work together through social dialogue in order to promote fairness and competitiveness. The core objectives are:

- finding joint solutions to commonly identified challenges
- influencing policy- and decision-making in the field of labour market policies, e.g. by issuing joint opinions and recommendations
- promoting transnational social dialogue, based on the responsibility of social partners for the development of labour market policies in the Baltic Sea Region
- networking and exchange of experience between the social partners and political institutions in the Baltic Sea Region

The members of the Baltic Sea Labour Forum (BSLF) are committed to the core aim of the Forum which is the promotion of social dialogue, tripartite structures and cooperation as crucial elements of sustainable economic growth and social development in the Baltic Sea Region. The members agree that they have a particular responsibility to actively influence development of the labour market in the Baltic Sea Region by reinforcing transnational tripartite social dialogue.

The BSLF will be hosted by the Council of the Baltic Sea States Secretariat in Stockholm and is also financial supported by the European Union.

In the meantime the memorandum of Understanding setting up the Baltic Sea Labour Forum in November 2011 has been signed by the following 22 organisations:

LO Denmark, Confederation of Danish Employers' (DA), Estonian Trade Union Confederation (EAKL), Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA), Central Organization of Finnish Trade Unions (SAK), Finnish Confederation of Salaried Employees (STTK), Confederation of German Trade Unions Region North (DGB Nord), Confederation of German Trade Unions Berlin (DGB Berlin), Employer's Association of the Metal and Electronics Industry (Nordmetall), Free Trade Union Confederation of Latvia (LBAS), Employers' Confederation of Latvia (LDDK), Association of Mechanical Engineering and Metalworking Industries of Latvia, Lithuanian Trade Union Confederation (LPSK), Lithuanian Trade Union Confederation (Solidarumas), Lithuanian Labour Federation (LDF), Lithuanian Confederation of Industrialists (LPK), NSZZ Solidarnosc Region Pomorza Zachodnie, The All-Poland Alliance of Trade Unions (OPPZ), The Federation of Independent Trade Unions of Russia (FNPR), Confederation of Labour of Russia (KTR), Baltic Sea Parliamentary Conference (BSPC), Director General CBSS Secretariat.

Franz Thönnies, Member of the German Bundestag, represented the BSPC on the Steering Committee of the BSLN and now represents it on the Steering Committee of the BSLF.

The BSLN expert network and knowledge pool, plus the experience of the Information centres for cross-border commuters will be used and further developed.

Forum SDBSR (Social Dialogue in the Baltic Sea Region) has been established to support the process of placing the BSLF on an institutionalized footing during 2011-2012. The one-year Forum SDBSR already began back in November 2011 in order to facilitate the transition from the Baltic Sea Labour Network to the Baltic Sea Labour Forum. The project aims to establish a BSLF secretariat function for an initial period at the premises of the Council of the Baltic Sea States Secretariat in Stockholm and to develop cooperative structures for employers' associations in the Baltic Sea Region. Also the second Round Table of the Baltic Sea Labour Forum will be prepared within this project. These are modest but necessary steps to ensure continuation and development of the Forum's potential. All activities will be financed out of the budget for the European Commission's DG for Employment, Social Affairs and Inclusion – heading "Industrial relations and social dialogue".

BSLF Annual Round Table

The main activity of the BSLF is the Annual Round Table - an open event involving a wide range of stakeholders, social partners and other organizations. The Round Table aims at raising awareness and visibility of topical issues by adopting a joint resolution to be disseminated by social partners and decision-makers. The Annual Round Table will focus on one or a few main themes each year. These will be specifically defined according to the work programme.

BSLF Enlarged Steering Committee

The first meeting of the BSLF Enlarged Steering Committee took place on Friday 20 April 2012 at the premises of Nordmetall, the employers' association of Germany's metal and electronics industry. As the Enlarged Steering Committee is the highest strategic decision-making body of the BSLF, the members adopted a common statement as well as "rules of procedure" for the Forum. A work programme for 2012-2013 was also agreed, focusing on the areas of labour mobility and youth employment. The second round table will take place on 15 November 2012 in Hamburg and shall adopt this work programme for 2012/2013:

The overarching objectives of the BSLF work programme are:

- Identifying main common challenges for the labour markets in the BSR
- Putting commonly identified problems on BSLF's agenda in order to develop joint solutions
- Creating a base for issuing joint opinions and recommendations to decision-makers

1. Mobility of labour in the Baltic Sea Region

The Baltic Sea Region (BSR) has a high mobility rate which is predicted to increase, due to free movement of the labour force over the next years. Care must be taken to safeguard fair competition for enterprises in order to secure a sustainable social development of the whole BSR.

The aim sought by BSLF is to ensure that norms, responsibilities, conditions, rules and labour relations in each country are the same for foreign and domestic business and employees.

Special attention will be paid to the border regions since they have to deal with many inter-related aspects of labour force mobility. The existing information centres, which offer information to commuters and migrant workers, could complement the efforts of the BSLF.

1.1 Working conditions

A commonly identified problem is the circumvention of rules and labour relations in the economy of the Baltic Sea countries, which has negative consequences to fair competition on the labour market, the position of employees, the general tax morale and credibility of the entire tax function.

It is necessary to safeguard fair competition for enterprises, based on respect for industrial and labour relations as well as decent working conditions and fair treatment of workers. The BSLF members acknowledge that fair economic competition is conducive to a successful and sustainable business environment, and ensuring that norms, responsibilities, conditions, rules and labour relations in each country are equitable and appropriate for foreign and domestic business and employees.

The BSLF could pursue this aim by

- Establishing a working group in order to identify joint priorities for actions in this field and to develop a common work plan.

1.2 Cross-border mobility

Another problem is the existence of barriers for commuters in the Baltic Sea Region (for example problems in the fields of taxes, labour law and social insurance). Although the existing information centres are aware of these problems, they do not have enough resources to work on these issues. Examples from other regions show that a network of information centres would help to draw special attention to the needs of the border regions. So far there is no structured cooperation between the cross border centres.

The lack of statistics especially on migration is a fundamental problem in this field. With a weak statistical support for decision makers, it is difficult for e.g. politicians to take well informed decisions. There is a special need to find out how many people are working across borders in Europe.

The recommendation of labour market strategies by the BSLF requires sufficient, sound and comparative data and information. Some scattered sources are available but no systematic approach exists so far. It is vital to develop common indicators as otherwise the data is not comparative. There are rapid changes in the mobility of the region's labour force and to be

able to tackle the challenges stemming from this rapid change the ability to develop management activities and strategies is needed.

The BSLF could actively support the establishment of a network for the information centres. A common approach for cross border labour market monitoring could be developed. The network could also identify main barriers for commuters in the Baltic Sea Region.

The BSLF could pursue these aims by

- Establishing a network for the information centres
- Establishing a working group:
- Identifying main challenges for the border regions
- Identifying main barriers for commuters in the Baltic Sea Region.
- Organizing a seminar/conference in cooperation with Hello Norden:
- Analyzing mobility in the South Eastern Baltic Area and in the North West Russian area.

2. Youth unemployment

Especially young people between 15 and 24 have lower participation rates in the labour market. Youth unemployment has strong negative impacts for societies and labour markets alike due to the risk of rising poverty amongst youth as well as a lack of skilled and trained labour in the Baltic Sea Region. Especially missing practical experience and mismatches between education and qualifications that the labour market demands currently pinpoint which in turn makes labour market integration more difficult.

Special attention should be paid to the transition management from school to workplace and occupational safety and health issues. This includes early economic education in schools as well as cooperation between schools and enterprises and other measures such as mentoring and apprenticeships. A comprehensive approach is needed in order to analyse, which qualifications are needed and how to support the personnel development of pupils and students.

The BSLF could pursue this aim by

- Establishing a working group for:
 - Analyzing the most important fields of action (based on existing reports etc.)
 - Exchanging experiences on different practical attempts
 - Pooling best practice examples in the Baltic Sea Region

First Round Table for employers' associations

Representatives from employers' associations in the Baltic Sea Region came together on 23 May 2012 in Hamburg to discuss potential cooperative structures for employers in the Baltic Sea Region. The participants at the meeting underlined the benefits of networking. This has been endorsed during participation in the Baltic Sea Labour Network and other projects. Increased mobility requires a deeper knowledge of foreign legal systems. The delegates welcomed the proposed conference for all interested employers' confederations and associations from around the Baltic Sea which will be held in autumn 2012 in Riga. The dialogue with employers' associations will be further developed in the next months.

BSLF at the Baltic Sea Days in Berlin (23-27 April 2012)

The German Federal Foreign Office organized an event under the title "Baltic Sea Days", one of the highlights of its 2011-2012 Presidency of the Council of the Baltic Sea States (CBSS). One of the main events, the Business Forum on the Baltic Sea Region, was a unique opportunity for the BSLF to showcase its relevance to the region. At the invitation of the organizers – the German Federal Foreign Office and the European Commission's Representation in Berlin, BSLF was presented as an achievement of the Baltic Sea Labour

Network, a flagship project under the EU Strategy for the Baltic Sea Region (EUSBSR). The presentation took place during one of the afternoon workshops, which addressed the question of how the EUSBSR might be relevant to the private sector as well as business/employers/labour cooperation in the Baltic Sea Region in general. The very fact that BSLN project manager Ms. Katariina Röbbelen-Voigt was invited to share the experience and findings of this project on the panel in a discussion with a representative from the European Commission's DG REGIO Mr. Anders Lindholm, and moderated by Ms. Riitta Ahdan (INTERACT Point Turku), confirms that the BSLN is perceived as one of the success stories from the EUSBSR flagship project portfolio. Information about the findings and outcomes of the project was received by the workshop participants with great interest, their comments and reactions proving that labour migration is of particular concern to various business actors in the Baltic Sea Region. The Business Forum was one of the most attended events during the Baltic Sea Days, and was held at the premises of the German Federal Foreign Office. The political relevance of the event was endorsed by Federal Minister Guido Westerwelle's opening speech and by Federal President Joachim Gauck, whose address brought the one-day Business Forum to a close

II. Youth unemployment

Young people are likely to face greater difficulties in entering the labour market, which is why solving the reasons for their unemployment needs special attention and care. The basis for labour market integration, for young people as well as for other groups, is the work-first principle. It has to be more worthwhile to work and to get an education. Every country takes slightly different steps to deal with the youth unemployment issue. Following overviews of national policies on youth unemployment we describe the measures those countries have taken to combat youth unemployment during the last few years.

Statistics show the unemployment rate for young people (aged between 15 and 24) over the past two years. In addition to the unemployment rate the unemployment ratio is calculated, which shows unemployed persons as a percentage of the total population. We have to take into account that many young people are studying full-time and therefore are neither working nor looking for a job, so they are not part of the labour force. The unemployment ratio is slightly different from the unemployment rate.

The Party of European Socialists (PES) launched a new campaign "Your future is my future- A European Youth Guarantee now!" in 2012. The main aim of this campaign is to ensure that every young person in the EU is given a job, training or further education not later than four months after they leave education or become unemployed.

This campaign will be implemented on three levels:

1. Call for a European youth guarantee.
 2. Call for member parties to implement national youth guarantees.
 3. Public awareness-raising of the value and the feasibility of a European Youth Guarantee.
- From the Baltic Sea region – Lithuania, Sweden, Poland, Denmark, Germany and Norway are engaged in the PES campaign.

The campaign proposed by the PES is funded by €10 billion from the EU structural funds and the aim is to bring at least 2 million young people out of unemployment by the year 2014.

Denmark

Youth unemployment in Denmark

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q 4 | 2012 Q 1 |
|----------|----------|----------|----------|----------|
| 14.0 | 14.6 | 13.7 | 14.4 | 15.1 |

Examples of measures against youth unemployment in Denmark

The key words in Danish employment policies for young people are early and active intervention and education. In Denmark the main approach is that young people with an education must work - and young people without education must obtain one if they can. Many Danish youth enter the job market when they are still in school or studying.

In November 2009 the Danish government made a broad political agreement "**More young people in education and jobs**". The package first of all upgraded the activation measures for young people. The measures aimed at 18-19 year-olds are based on **intensive contact** and **rapid active intervention**. New activation tools such as **mentoring programmes**,

education measures or **job training** for the 15 to 17 year-olds who are not in education, employment or training have also been introduced.

In April 2011 the Danish government proposed a new youth package to strengthen efforts to get young people into education or jobs. The new proposal introduced new initiatives including much closer **contact between the job centre and the jobless young person**, expanded opportunities for job training and new initiatives for young unemployed graduates. At municipality level job centres, schools, social partners and employers work together to promote young people's integration into the world of work.

Youth guidance centres are responsible for co-operation with schools and provide guidance services/vocational orientation. There are 45 municipal youth guidance centres, which provide guidance services for young people up to the age of 25 years. The youth guidance centres focus on guidance related to the transition from compulsory school to youth education or, alternatively, to the labour market. The main target groups for the youth guidance centres are: pupils in primary and lower secondary school and young people under the age of 25 who are not in education, training or employment.

In Denmark the social partners are involved to create sufficient training places through their participation in the **Employment Councils**. There is one employment council at the national level, four employment councils at the regional level and employment councils at the local level, one in each of the municipalities.

The education system is very well developed and supported by the government. Denmark as a welfare state provides free education starting from primary school through to higher education. Government grants are provided for all university students. This ensures that everyone is able to get a higher education, regardless of the financial status of the family. It is proven that young people with higher education have a better chance of getting a good job later. Problems occur for young people who for any reason are not able to graduate from university.

Their chances of employment are quite poor, because of fierce competition in the labour market. The main problem group in Danish society is young people from ethnic minorities (immigrants and refugees etc.). They have difficulties integrating into Danish society. By integrating those young people into the education system problems like ghettoization, crime and unemployment can be solved.

Conclusion: in comparison with other Baltic Sea countries in particular and Europe in general, youth employment mechanisms are well developed and the engagement of the state and different organizations is high. The state and various NGOs offer a wide range of programmes and support for young people. Denmark is also a partner in the PES campaign "Your future is my future – A European Youth Guarantee now!".

Norway

Youth unemployment in Norway

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 9.1 | 9.4 | 9.0 | 8.6 | 7.9 |

Examples of measures against youth unemployment in Norway

Young people under the age of 20 are offered labour market measures as soon as possible when out of work and education. Young people aged 20-24 are guaranteed a follow-up after three months of unemployment, and labour market measures after six months of unemployment. The follow-up of unemployed is managed by Work and Welfare Centres. Young people are most often offered labour market measures with a focus on skills and training.

Norway continues to operate measures which include a **youth guarantee** for persons under the age of 20, a **support guarantee for young people aged 20-24** and a **support guarantee for school drop-outs**. Completed upper secondary education is important in order to get a firm foothold in the Norwegian labour market. At the beginning of 2010, The Ministry of Education started a 3-year project in cooperation with the county municipalities regarding drop-out from upper secondary school, called "**Ny GIV**". The project focuses both on preventing drop-out and helping those who have already dropped out to finish their education. Cooperation between the county municipalities and the Work and Welfare Centres is an important part of the project.

Constant efforts are made to create as many apprenticeships/training places as possible. There are cooperative activities between schools and social partners. In Norway there is a structure for tripartite cooperation. Through the National Council for VET (SRY) and the nine advisory vocational training councils established for each VET education programme, the social partners give the Ministry of Education and Research and the Norwegian Directorate for Education and Training advice on the need for changes in the structure of the Upper Secondary Education Vocational Education Programmes, for example.

Norway is a participant in the PES campaign "Your future is my future". One of the PES activities is to develop close contacts with schools and to inform young people about PES services. Norway has developed a national-level agreement which requires schools to provide data on those who graduate or leave (drop-outs) school to the PES, so that the PES can inform pupils on their rights, avenues open to them, and PES services. To reach out to young people PES uses modern media like Facebook, YouTube etc. which are easily accessible and understandable to young people.

Sweden

Youth unemployment in Sweden

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 26.3 | 23.6 | 23.2 | 22.8 | 22.9 |

Examples of measures against youth unemployment in Sweden

In terms of measures to foster youth employment, Sweden is continuing its special strategy, a programme called the **Job guarantee for young people**. The aim is to offer individually oriented activities to enable young people to find jobs or alternatively to return to the regular education system as quickly as possible.

People aged between 18 and 26 cost employers less in social security contributions. In addition **the new start jobs scheme** for young people provides tax relief equivalent to the employer's social contribution to an employer hiring a person between 20 and 26 who has

been unemployed for at least six months (during a period of maximum of 12 months). The reduced social contributions, together with the reductions associated with "new start jobs", cuts the cost of hiring a young person in a "new start job" by about 40% from what it would be without these measures.

In January 2010 a new measure was implemented aiming to help unemployed young people who have not finished upper secondary school back to studies. The initiative includes 1 000 places in folk high schools each year. In addition, financial incentives for young people without a school-leaving certificate to take up studies in the municipal adult education system were strengthened temporarily during 2011. Youth unemployment is likely to be one of the central issues in the run-up to the 2014 parliamentary elections. Youth unemployment is still the highest amongst all the Scandinavian countries. According to the Social Democratic leader Stefan Löfven, Sweden's government needs to support and implement more pro-active business and innovation policies and organize different forms of training in order to reduce the rate of youth unemployment in Sweden.

Sweden is also a participant in the PES campaign "Your future is my future". Last year Sweden launched a new project with an aim of creating a forum for people to ask questions and discuss issues related to any aspect of employment, unemployment or job search.

Åland

Youth unemployment in Åland

Unemployment rate:

| January 2010 | December 2010 | March 2011 | December 2011 |
|--------------|---------------|------------|---------------|
| 10.4 | 8.0 | 5.3 | 3.5* |

***Unemployed total, all age groups together including youth.**

Source: PES' registers, not compatible with the Eurostat criteria); (Ålands statistik- och utredningsbyrå/Statistics Åland

Examples of measures against youth unemployment in Åland

The "**katapult youth project**" which aims to create a permanent, well-functioning and flexible method that leads to the integration of young unemployed into the labour market continues. There is also a variety of supported occupations as well as internship possibilities for young people. In addition all school students do periods of work experience during their education.

Finland

Youth unemployment in Finland

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 22.3 | 20.7 | 20.4 | 19.8 | 19.3 |

Examples of measures against youth unemployment in Finland

The social guarantee for young people involves producing **an estimate of the needs for services** and **an employment plan** at an early stage in the job-seeking process. The employment plan must be drawn up for each unemployed jobseeker under the age of 25 before they have been unemployed for a continuous period of **2 weeks** (changes were made in the Public Employment Services Act in spring 2010 – the time frame used to be much longer). The employment plan is a starting point, on the basis of which a potential programme of **active measures is offered within three months**.

Young people are offered active measures such as:

- job-seeking training
- preparatory or vocational labour market training
- subsidized employment
- a traineeship without an employment relationship or work try outs
- business start-up subsidy or
- if required, vocational rehabilitation.

There were three different Government Policy Programmes for fulfilling the government programme strategies during the last government period (4 years) – all had goals for youth employment.

- A policy programme for employment, entrepreneurship and work life
- A policy programme for the well-being of children, youth and families
- A policy programme for health promotion

Young jobseekers and unemployment allowance/labour market subsidy in Finland:

A person **under 17 years** has no entitlement to unemployment benefit. If a **17 year-old** person has no vocational training qualification he/she can be paid only for the time in active measures. Young persons aged **18-24** are eligible for an unemployment subsidy if there is no reason why they cannot work and if they **have applied for suitable training under the joint application system**.

Estonia

Youth unemployment in Estonia

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 39.5 | 25.5 | 20.3 | 24.7 | 22.3 |

Examples of measures against youth unemployment in Estonia

Estonia focuses, in its consideration of youth unemployment, on **educational policy measures**. Policy priorities include preventing short-term educational spans and dropping out of school is among the key priorities. The main target group therefore is formed of those with low educational and skills levels.

In order **to reduce the number of school drop-outs** and to support the development of the young a number of reforms to the education system have already been implemented. In general education, the new Basic Schools and Upper Secondary Schools Act was approved by Parliament in June 2010. New standards for basic education and general secondary education have recently been worked out. Also, access to vocational education has been improved and opportunities for obtaining vocational education at basic and secondary schools have been created. To increase the quality level in higher education, an **independent quality agency** has been launched.

In the **Labour Market Services and Benefits Act** young people (aged 16-24) are identified as a labour market risk group. In general terms the approach in directing labour market services builds on the principle of individuality: the set of labour market measures that help to direct the unemployed young person back to the labour market are combined for each person individually. In practice the most common measures used to help to guide young unemployed people into the labour market are the following:

- career information and career counselling
- labour market training
- work practice
- job clubs

Examples of successful ESF projects:

- ESF programme "**Developing youth work quality**" (2008-2013) supports the employability of young people. The programme highlights youth work as a learning process and is implemented by the Estonian Youth Work Centre, a government institution, in partnership with the Estonian National Agency for Youth in Action programme.
- ESF programme "**Development of a System of Career Services**" (to 2013) aims to ensure the accessibility and quality of career guidance and educational counselling.
- Two separate ESF programmes, originated by the Estonian Ministry of Education and Research, enable people to **resume and complete their previously interrupted studies** in higher and vocational education.

To support pupils' introduction to the world of work and to increase student motivation, the **creation of a mentoring system** is under development along with a network of adequate counselling services. Competence-based vocational education standards have been introduced in order to better prepare young people to enter and participate in the active labour market.

To better integrate young people into the labour market the **apprenticeship training scheme** has been implemented more extensively to combine vocational training with real work experience in a company. The process of entering the labour market for young people will be supported by a **work practice scheme** in companies, which enables young people to gain practical work experience. On the other hand, it allows the employer to train a potential employee according to company-specific needs in a quick and flexible way.

Latvia

Youth unemployment in Latvia

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 42.1 | 33.3 | 32.5 | 28.2 | 28.1 |

Examples of measures against youth unemployment in Latvia

In Latvia young unemployed people aged 15-24 years can participate in active labour market policy measures, for example:

- training measures
- short-term training and competitiveness-enhancing measures

- paid placements
- complex support measures, including practical work experience
- subsidized employment measures
- training and practice of inspectors' assistants in the Agency
- career counselling services

Career consultants play an essential role in the process of choosing appropriate employment and training measures for young people and in managing their future careers. Methodology for career services is developed by the Agency, some services (different tests, counselling) are available in electronic format online.

To tackle youth unemployment, a new labour market measure "**Providing working experience for young people**" was developed. The measure was launched in the 2nd quarter of 2010 to provide opportunities for gaining first work experience to young unemployed persons aged 18-24 years. Young people can do 6-12 months of practical work experience, receiving a monthly allowance of 120 LVL. Young persons can acquire occupational skills under the supervision of a professional trainer (instructor) provided by an employer. The above-mentioned measure was improved in order to provide more effective support to young people. From 2011, the measure is called "**Workplace for youngsters**", and the main improvements were aimed at providing long-term employment for young people involved in the measure.

In the 2nd half of 2011, young people will be able to participate in a new measure called "**Youth Workshops**" to try out several professions in order to be able to make an informed and final decision on their future career. The young unemployed will be able to try out 3 different professional fields working in each area for 3 weeks and receiving a monthly allowance of LVL 40.

Another new measure "**Support for youth volunteering**", launched in 2011, is aimed at young unemployed persons aged 18-24 years and promotes volunteer work for young people helping them to integrate into the labour market. Young people have an opportunity to carry out community work (lasting up to 6 months) in different non-profit associations and foundations, receiving a monthly allowance of LVL 40.

The goal of the programme "**Measures to encourage Innovations and business start-ups**" is to inform and encourage a maximum number of individuals, especially young people, to start business activities, raise the prestige of entrepreneurship, foster society's understanding of the role of innovation in promoting competitiveness. In 2010, special attention was paid to fostering pupils' interest in innovation and business.

There are also some cooperative activities between schools and the social partners. In 2010, information activities were carried out in 16 Latvian schools – in May within the framework of the State Chancellery's campaign "**To my own school, 2010**" the officers of the State Labour Inspectorate organized lessons on the activities of the State Labour Inspectorate, including labour relations and labour protection issues.

Timely introduction to the world of work in Latvia is supported by projects such as :

- "**Smarts**" competition on labour relations and occupational safety and health issues in 2011 for pupils from secondary schools;
- "**Safe To Do**" campaign for youngest pupils (grades 1-6) in 2009 and 2011 in order to introduce children to safety at home and at work.

School programmes include also some elements of career planning and development which are integrated into the various teaching subjects. It is up to subject teachers to determine the methods to be used for exploring themes within the curriculum.

In Latvia different **vocational education and training programmes** are developed and offered for all branches of the national economy of Latvia.

Lithuania

Youth unemployment in Lithuania

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 35.5 | 34.3 | 33.7 | 32.3 | 30.8 |

Recent measures for supporting youth employment introduced in 2010:

- Young people (up to 29) were identified as a group additionally supported in the labour market. The ESF Project "**Be Active in the Labour Market**" was launched which contributes to subsidized employment of young people (average duration is 5 months); or enables young people to acquire working skills directly in the workplace.
- Young people (up to 29) have priority access to vocational training and supported employment measures.
- Young people (up to 29) are a priority group who can get a credit by participating in the EU funded project "**Promoting Entrepreneurship**" and:
 - participate in the "**Basics of Entrepreneurship**" training scheme;
 - obtain free training in one of 6 training models according to individual needs;
 - obtain a free individual consultation on the preparation of a business plan.
- Young people entering the labour market for the first time pay a **lower rate of social insurance contributions** (7.7 % instead of the mandatory 31 %).
- To increase youth employability in the future, **11 Youth Job Centres** constantly organize vocational motivation seminars at schools and give information about services which the PES provides. There are 700 **Career Information Points** operating around Lithuania and activities in this field will be further expanded in future.

Motivational seminars are available for unmotivated young people who suffer from social exclusion. Since 2008, implementation of the EU supported project "**Development of New Innovative Services for Youth Seeking to Decrease Youth Unemployment and to Facilitate Entering the Labour Market**", provides services to the most vulnerable young people. In 2010 415 such motivational seminars were organized.

A First Job Programme is offered for graduates who have completed education and started jobs commensurate with their acquired professional competences or for graduates or persons with basic education who are seeking a first job. Participants in this programme receive information, counselling and mediation services.

On the website of the Lithuanian Labour Exchange there is a **Talent Bank database** for highly skilled specialists, where jobseekers can provide information about themselves. High school graduates and students of final courses who know at least one foreign language and are computer-literate are invited to participate in the **Talent Bank programme**.

Support is also offered for territorial mobility if no employment can be found locally. The project "**Support for employment and labour mobility**" funded by the European Social Fund has been implemented in this regard.

The National Programme for Promoting Youth Entrepreneurship creates the conditions to design and implement new measures to promote youth entrepreneurship in Lithuania and improve existing ones. In 2010, the Youth Affairs Department under the Ministry of Social Security and Labour funded 14 projects promoting youth entrepreneurship in which over 1,200 young people participated.

Poland

Youth unemployment in Poland

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 23.4 | 23.9 | 25.3 | 26.7 | 26.2 |

Examples of measures against youth unemployment in Poland

Unemployed young people form one specific section of the labour market. As such they are supposed, **not later than 6 months** from the date of registration with the county labour office, to receive an employment offer or an offer to take part in a labour market activity programme aimed at raising their chances of employment.

Young people can benefit from labour market measures, which enable them to gain professional experience and broaden their professional qualifications, i.e. professional preparation for adults, internships and workshops covering free-of-charge training, financing of post-graduate studies or licence/certificate costs and the possibility of obtaining interest-free training loans.

In 2010, almost 300,000 people in this age group were helped by labour market activity programmes. Almost 190,000 of them were granted placements which enabled them to obtain the necessary professional experience.

In 2010 additional money from the Labour Fund target reserve was mobilized to implement the **Professional Activation Programme** for people aged under 30, with a view to increasing financial support to labour offices for assistance to young people. The allocation of additional money from the Labour Fund target reserve to implement special programmes should substantially increase the level of professional activation of unemployed persons and jobseekers, including those in the youth category.

Germany

Youth unemployment in Germany

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q4 | 2012 Q 1 |
|----------|----------|----------|---------|----------|
| 10.9 | 9.2 | 8.9 | 8.2 | 8.0 |

Examples of measures against youth unemployment in Germany

Within Germany's dual system of vocational education and training, it is primarily the job of companies to provide an adequate number of training positions so that a sufficient pool of

young skilled workers is available. The central focus of labour market policy is thus on **integrating disadvantaged and low-skilled young people** into vocational training and the labour market. One example is experimental schools – of which there are currently around 1,000 – where mentors assist young people experiencing difficulties in achieving the grades they need to obtain a school-leaving qualification. This assistance is available to pupils from their penultimate school year onwards. The pilot scheme is complemented by the **Berufseinstiegsbegleitung action programme**, part of the **Bildungsketten – Abschluss schaffen – Anschluss finden** initiative at a further 1,000 *Hauptschulen* (lower secondary schools) and special schools. In addition, the Federal Employment Agency is ramping up its **careers guidance** services and has extended the period for implementing additional careers guidance services to at least 2013.

Many cooperation programmes between schools, social partners and the authorities concentrate explicitly on improving cooperation between the parties involved at the local level. The **JUGEND STÄRKEN initiative** aims to ensure continuous support by closing current service gaps and by bringing together the parties concerned, regardless of their legal system. The **Perspektive Berufsabschluss programme** aims at better coordinating various existing assistance programmes and support services to make the transition from school to vocational training easier. Collaboration on vocational training between the German Federal Government and central business associations is promoted particularly strongly within the **National Pact for Education and Vocational Training**, which has been extended to run until 2014. Among other things, the partners set targets for the creation of new training positions and also for the provision of subsidized long-term company internships for young people who, for various reasons, cannot immediately embark upon professional training after leaving school. Due to demographic developments, in the future the partners within the pact will focus more on better exploiting the potential on the training market – among both high-performing and under-performing young people.

Young people who contact an employment agency in search of a training position or job are first asked a series of questions to ascertain their career preferences and suitability for various jobs. Starting from their skills, their preferences and suitability are determined and the young person and the agency representative sign an **integration agreement**. This includes the integration goal that the signatories have decided together, the steps the agency will take to find its client a training position or job, the steps the client himself or herself will take, and the active labour market support services that the agency will provide.

Russia

Youth unemployment in Russia

Unemployment rate:

| January 2010 | December 2010 | March 2011 | December 2011 |
|--------------|---------------|------------|---------------|
| 29.4 | 29.3 | 30.8 | No valid data |

Source: Rosstat

Examples of measures against youth unemployment in Russia

The most common reasons why school leavers in Russia cannot find work or training positions is a shortage of job vacancies, a lack of professional experience, inadequate salaries and a scarcity of jobs in the required field. The high risk of unemployment for vocational school leavers, i.e. young, newly trained skilled workers, is a serious social problem that is exacerbating the situation on Russia's labour market. The economic crisis

has made it even more difficult for vocational school leavers and even for graduates from higher-level vocational colleges to find work.

In order to improve the ability of graduates from vocational training institutions of all levels to compete better on the labour market, regional programmes can **organize paid six-month internships** that enable these young people to gain professional experience. Since 2010, the scheme has been expanded so that older employees now receive money for acting as mentors and supervisors.

One area where Russia is fostering the employment of young people is by offering **unemployed youth vocational training in basic entrepreneurship**. An important element of the Empowering Youth Through Enterprise project that Russia embarked on with Canada involves **awarding microcredits** to help young people interested in participating in starting a new business. The **careers guidance and vocational training programmes** offered by employment offices are targeted primarily at young people. Job placement centres offer young people with no vocation, who have never worked before, or who are looking for a job for the first time a **personal careers advice session**. These youth take various tests and receive help in choosing possible vocational training approaches. They can also attend specially organized **job fairs**.

Iceland

Youth unemployment in Iceland

Unemployment rate:

| 2010 Q 1 | 2010 Q 4 | 2011 Q 1 | 2011 Q 4 | 2012 Q 1 |
|----------|----------|----------|----------|----------|
| 16.4 | 15.4 | 15.9 | 13.9 | 17.7 |

Source: Statistisamt Island

Examples of measures against youth unemployment in Iceland

The Directorate of Labour in Iceland started a special programme initiated by the Ministry of Welfare in January 2010 for young unemployed persons, **"Youth in action"**. The aim is to activate all unemployed persons age 16-24 (now 16-29) within three months of registration for unemployment benefits. They are offered various opportunities: different forms of education and training, job training, counselling and voluntary work. Participation is obligatory, inactivity is not an option. According to an external evaluation the programme has proved very successful and has fully reached its target group of the young unemployed.

Unemployment amongst young people has increased dramatically in the last two years. The Directorate of Labour has cooperated with various actors such as municipalities, trade unions, civil society (e.g. the Red Cross) and schools under the umbrella of the above-mentioned programme "Youth in action". Also a new project is under way where 1,000 jobseekers are given the opportunity to take up full formal studies at university or secondary school level for one semester while keeping their benefits. This programme is run in close cooperation with a number of schools and universities. Additionally some schools introduce the labour market to some extent to their students within the curriculum, through a subject called "life skills".

General source: Eurostat July 2012