



ENLIGHTEN

EUROPEAN LEGITIMACY IN GOVERNING THROUGH HARD TIMES: THE ROLE OF EUROPEAN NETWORKS

HORIZON 2020 COLLABORATIVE RESEARCH PROJECT 2015-2018

RESEARCH BRIEF

WORK PACKAGE 4

YOUTH EMPLOYMENT CRISIS AND INCLUSIVE GROWTH

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RESEARCH AIMS

Since the launch of the European Employment Strategy (EES), youth unemployment has been a concern at the EU level. Measures put down in the table at the time pointed to the need of increasing young people's employability, one of the central pillars of the whole ESS strategy. At the time, the employment guidelines already advocated for an early intervention so as to intervene before reaching six months of unemployment. Offering a "new start in the field of training or employment" was to prevent the increase of long-term unemployment among the youngest. This the commitment to raise the participation of young people in the labor market was reiterated in the revised guidelines for the 2005-2008 period, i.e. the new priorities for the Lisbon Strategy. Along with employment-oriented policy initiatives, the youth policies were both developed as a dedicated policy initiative (European Youth Package) and integrated into education and training policy (e.g. Education and Training 2010).

The onset of the crisis in the late 2000s intensified problems of youth unemployment in several European countries while highlighting difficulties in matching supply and demand for skills in a European-wide context, and bringing to the fore the challenges of long-term decision-making on investing in higher education and ensuring intergenerational equity. As an immediate reaction to the crisis of youth employment, measures were adopted in several European countries to tackle budgetary deficits placed renewed stress on objectives relating to employment and long-term inclusive growth. Away from the national stages, the employment crisis has also called for a coordinated response and brought about discussions about allocation of financial resources to manage what is a fast-burning crisis. The pace of production of ad-hoc initiatives targeting youths were accelerated and included as full component of the renewed Lisbon Strategy - Europe2020 ("Youth on the Move" Initiative, Youth Employment Package, Youth Guarantee, Quality Framework for traineeships and European Alliance for Apprenticeship).

However, at macro-level, In contrast to the weak recovery in activity rates in the recent period, the quality of jobs continues to deteriorate. The findings point to the urgent need to redirect European-level policies and strategies by putting job quality firmly back on the EU policy agenda and at the same time ensuring its high profile and application. At the micro-level, countries with a high level of long-term youth unemployment suffer also from high levels of NEETs which calls for preventative policies but for also appropriate measures to reach out to young people who are already experiencing long spells of inactivity. Moreover, data for some selected countries show that the youth/adult unemployment ratio is still high

but that its increase is due not only to an increase in youth unemployment but also to the vulnerability of adults on the labor market. It is essential therefore that the focus be placed on the long-term sustainability and appropriate design of labor market policies.

The aim of this research is to understand the different and changing modes of governance (and their long-term effects) at play including traditional modes of governance at the EU level, and linkages to legitimacy demands and expectations. The research therefore explores latest developments in policies and debates in relation to employment and related social policies on the European Union agenda, and in particular policies in the area of youth (un)employment at EU level.

The research also strives to examine the extent of policy thinking and planning in linking up the fast-burning and slow-burning youth employment crisis and resulting mobility trends in a comparative perspective (youth intra-EU migration, including skilled migration). It seeks to analyze the geography of skilled work for those with no work experience or in early career, but also links between national employment levels and explore how questions of skills and workforce are linked to bigger debates on demographic change in Europe.

Finally it looks ahead by analyzing the institutional parameters that enabled coordinated action and the potential for the elaboration of policies that address the European Union's long term needs in light of demographic shifts, innovations emerging from the crisis, and the role of professional networks and European social partners in the elaboration of those new ideas.



MAIN HYPOTHESIS

Several hypotheses are developed under this part of the research:

1. **Mode and level of policy-making:** in spite of coordinated efforts at the European level in terms of employment, notably through the Open Method of Coordination (OMC), research confirms that employment-related activities remain firmly rooted in national contexts and that as a result, one needs to look specifically at national institutional contexts, capacity and intergenerational bargains to assess the opportunities for success stories in youth employment
2. **Policies:** several EU level initiatives including the Youth Guarantee are targeting those under 25 who are not in employment, education or training (NEETs). The EU level became a focal point for fast-burning crisis management and actions.
3. **Nature of the European labour market:** there is a mismatch between aspirations for an EU-wide labour market and practical realities in the movement of people.
4. **Legitimacy of relevant actors:** electoral politics and the relative urgency of an increasing number of citizens failing to progress through the long-standing traditional career pattern following their education vary across the EU.
5. **Demographic trends linked to longer-term employment policies:** 'demographic change' and 'ageing' are common features in discussions about public finances (especially in relation to pension reforms) but seldom included in considerations of the slow-burning crisis of inclusive growth.

RESEARCH METHOD

Following methodologies are used, in line with the ENLIGHTEN project's methodological approach:

Case 2 (labour market outcomes for youth)

Microdata analysis to study population-based phenomena; the research employs the latest wave of the individual level European Labour Force Survey data and compares the developments across the crisis in trends and labour market outcomes for youth.

Case 3 (youth unemployment and poverty)

Microdata analysis to study population-based phenomena; the research uses the empirical leverage of the EU-Statistics on Income and Living Conditions longitudinal (true panel) dataset for residents in 27 European Union polities over a period of ten years (2004-2013).

Case 4 (intra-EU professional migration)

Content analysis and semi-structured interviews; the research analyses key documents relating to intra-EU professional mobility in relation to the financial crisis, complemented by semi-structured interviews with Brussels-based officials, and professional association representatives in health and engineering in key sending and receiving countries.

Case 5 (demographic change at the EU level)

network analysis and semi-structured interviews; the research uses network analysis to depict expert networks on demographic change; it is complemented by semi-structured interviews with key nodes identified.



CASE STUDIES

1. **Modes of governance** and the effects of the crisis on the open method of coordination in EU Employment Strategy
2. Overview of the trends and **labour market outcomes for youth** across the crisis. There is a focus on selected receiving countries depending on relevance of intra EU movements and impacts of crisis separately for Central/Eastern European migrants and Southern European migrants vis à vis nationals.
3. **Youth unemployment and poverty**, both native and migrant. The focus is two-fold: first, on how patterns of unemployment and poverty relate to migrant status and to broader migration patterns across countries and time in the European Union; and second, on how social policy interventions and social policy dependency of European households might make a difference in combatting such youth unemployment and poverty.
4. **Intra-EU professional migration**: the case applies the fast-/slow/burning framework from the project. The slow-burning crisis is the long-term liberalisation of the professions in Europe, which, alongside the single market framework, has encouraged greater intra-European mobility. The fast-burning crisis is the prospect of 'brain drain' from southern and eastern European countries as during periods of austerity, professionals move north and west. The focus is on the clinical health and engineering professions.
5. Overview of competences, capacity and modes of governance related to **demographic change at the EU level**. Analysis of expert networks three areas of policy focus: skill gaps and human capital; work-life balance and policies enabling choice on family formation; and active/healthy ageing.

SCIENTIFIC IMPACT

This part of the research will make significant scientific contributions in several ways. First, it will develop and apply the fast-/slow-burning crisis framework that is central to the ENLIGHTEN project across and within the policy area of youth employment. It will also contribute, conceptually and empirically, to scholarship concerned with the development of policy ideas in environments that are institutionally thin or where competences are blurred. It will also provide new empirical contributions to the study of demographic change, employment trends regarding youth (migrating and not), skilled migration, and the links between youth (un)employment and poverty.



SOCIETAL IMPACT

The wider societal relevance of the research concerns the importance and persistence of short-and long-term trends linked to demographic change, as well as determining the scope of policy activity in those areas. The nature of the project demands close attention to current events and ongoing attitudes to youth employment, demographic change and the relative cost and trade-offs of social policy. The ENLIGHTEN AGORA forum and other interactions with non-academic communities have been especially helpful in identifying the genealogy of some policy ideas; the perceived challenges to proposed solutions, especially in terms of implementation; and what issues are linked and by what actors, in particular when considering intergenerational equity.

For ETUC and Finance Watch, this research provides a scientific background in the concerned policy fields and gives a new approach to the organizations' challenges.

The expected added value of ENLIGHTEN for the ETUC is the provision of high level research which can back both the external action of the organization in the framework of Social Dialogue and the representation of the voice of workers towards the European governing bodies, and the internal level of reshaping ETUC domestic policies and inner organization strategy.

Externally, the ETUC and its youth committee are for instance currently assessing the implementation of the Youth Guarantees in Europe in order to make recommendations to the Commission towards further action on youth employment at European level. The researches and conclusions of this project are going to feed the political messages to be defended by the European Trade Union Confederation. This is also going to be applied to other spheres of ETUC political position towards the implementation of Quality Framework for Traineeships, and other broader political strategies as the "Social Pillar" or the country specific recommendations. Also, the ETUC and BUSINESSEUROPE, CEEP and UEAPME started to negotiate an autonomous framework agreement on the issue of "Fostering active ageing and an inter-generational approach" in January 2016. The negotiations might last until the end of the year. The ETUC will make use of the scientific studies on the "slow burning" crisis to back their position and to prepare its strategy in the framework of this negotiation.

Internally, demographic and labour market changes are reflected among ETUC's affiliates that deny the idea of representing the rights and the interest of a minority of overprotected workers against a vulnerable and rising majority, mostly represented by young people, women, and migrants. ENLIGHTEN therefore sets an analytical framework to study the threats and opportunities of the organizational model of trade unions. Potential political debates of the ETUC and its affiliates at national or sectorial level will take this analysis into consideration.

PEOPLE INVOLVED

- COPENHAGEN BUSINESS SCHOOL (CBS)
- UNIVERSITY VAN AMSTERDAM (UVA)
- UNIVERSITE LIBRE DE BRUXELLES (ULB)
- EUROPEAN TRADE UNION CONFEDERATION (ETUC)



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