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Communication
from the Commission to the Council
on youth employment
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- 1/77 Equality of rights for commercial agents
- 2/77 Community regional policy — New guidelines
- 3/77 Common policy for science and technology
- 4/77 *Youth employment*

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Preface

At the meeting of the European Council on 28 and 29 June 1977 the growing problem of youth unemployment in the Community was discussed. The Heads of Governments recognizing the need for action asked the Commission to give urgent attention to the problem and to make proposals to the Ministers of Employment and Social Affairs at a meeting to be held in the early autumn.

The Commission undertook a detailed review of the measures taken by the Member States to promote the employment and training of young people on the basis of information provided by national administrations. On this basis it prepared the following communication analysing the situation and suggesting a significant expansion of Community intervention to help Member States.

The Council (Ministers for Employment and Social Affairs) considered the communication at its meeting of 28 October 1977, and its conclusions on this matter are also reproduced.

The Standing Committee on Employment was consulted on the communication at its meeting of 24 November 1977. The Chairman's summing up of this debate is also reproduced.

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Communication
from the Commission
to the Council
on youth employment

Introduction

1. At its meeting on 28 and 29 June 1977, the European Council acknowledged the particular importance it attached to the problem of 'structural unemployment among the young', and it 'called on the Commission to continue its work on the problem'. It also requested the Council (Social Affairs) 'to meet in early autumn to consider, in the light of this work and the results of national measures, what common action might be necessary'.¹

2. This communication was drawn up by the Commission to prepare for that Council meeting. The Commission took account of two central considerations when drafting the document. The first, upon which emphasis was placed at the Tripartite Conference in Luxembourg,² concerns the complexity of the economic and social factors that are at the root of the present employment crisis, of which the problem of the young is one of the most serious aspects. The second concerns the nature and the scope of future Community action: it alone is not enough to solve a problem of this magnitude. But it can make a substantial contribution if it deals with both the most urgent aspects and the root causes of the situation. It should be pointed out in this respect that the effectiveness of Community action depends both on the formal decisions to be taken and on joint consideration of the problem, accompanied by an exchange of experiences.

3. Attached to this communication is a review of measures taken by member countries.³ The work carried out by the Commission has taken account of the discussions within the OECD concerning the high-level meeting on the matter to be held in December 1977.

Situation, prospects and diagnosis

The present situation and prospects

4. The figures given in Table 1 indicate that during 1977 unemployment among young people has continued to increase. In fact in each year since 1969 (with one exception) there has been an increase both in the number of young people unemployed and in the proportion of young people among the unemployed. The number of young people unemployed has more than quadrupled, from 400 000 to two million; the proportion of young people among the unemployed has increased by over half from 24% to 37%. The effect of the economic recession is shown by the steep rise in youth unemployment in 1975.

Table 1 — *Youth unemployment in the European Community*

Year	Total number of young people under 25 unemployed (thousands)	Young people unemployed as percentage of total unemployment
1969-1973 (average)	561	26.5%
1974	824	30.7%
1975	1 512	35.3%
1976	1 778	37.0%
1977	1 996	37.4%

5. There is little doubt that, even given an improvement in the economic situation, youth unemployment will remain at an unacceptably high level for several years to come. This prognosis is based in particular on the more than likely persistence of under-employment and on demographic prospects characterized, in nearly all the Member States, by the prevailing increase in the activity rate of young women and by the numerical size of the new generations coming onto the labour market. The demographic element is illustrated by Table 2. It shows that, for the Community as a whole (subject to the particular variations of each country), the number of young persons reaching the age of 16 will increase regularly up to 1980, and decrease slowly from 1983.

¹ Bull. EC 6-1977, point 1.1.12.

² Bull. EC 6-1977, points 1.1.3 to 1.1.7.

³ p. 17.

Table 2 — *Population flows in the Community*
(in millions)

Year	Young persons reaching the age of 16 years	Persons reaching the age of 65 years
1971	3.7	2.4
1975	4.0	2.7
1977	4.2	2.8
1978	4.2	2.8
1980	4.4	2.5
1982	4.3	2.0
1984	4.1	2.3
1988	3.8	3.1

Source: Statistical Office of the European Communities and OECD on the basis of the population structure in 1974 (no adjustment made for evolution of death rates and migratory movements).

The causes of youth unemployment

6. The Commission has drawn the following conclusions from its analyses.¹

7. Youth unemployment is the result of both the general employment situation and the specific demographic factors already referred to. The general lack of employment has been felt most severely for the past two years by young persons entering the labour market, for reasons relating to the actual organization of the market: i.e., legislation oriented towards the protection of existing jobs, employers' unwillingness to recruit new personnel, type of qualifications held by young workers.

8. In this respect, three crucial dates must be taken into consideration:

(i) because, each year, youth unemployment undergoes a seasonal increase beginning in September, autumn 1977 will be a particularly difficult time in all the member countries;

(ii) similar difficulties—possibly slightly mitigated by the recovery—will very probably arise in autumn 1978. It is essential to apply oneself without delay to completing the measures that have been taken, to improve their quantitative and qualitative impact;

(iii) at the same time, it is necessary to determine and undertake actions with a more progressive effect in order to set up a true medium-term policy to boost employment of the young.

Among these medium-term actions, only those which specifically concern labour market policy will be dealt with here. This limitation does not, however, prejudice the actions to be undertaken in the fields of general economic policy, education policy and working conditions.

9. It is, however, not possible to dissociate the quantitative aspects of the problem (increase in youth unemployment) from its qualitative aspects. The matching of the young job seekers to the types of jobs offered them has become more difficult. Over the last fifteen to twenty years, a contrast has arisen, often unnoticed, between the development of educational systems and the higher levels of education on the one hand and the relative stagnation of working conditions and responsibilities offered to young people on the other.

10. The present crisis is also revealing a certain number of structural distortions in the labour market: the devaluation of manual labour, the inflexibility of the occupational hierarchies and warping in the wage hierarchies all serve to accentuate the gaps between the supply of and demand for jobs; the consequences have a particularly severe effect on young job seekers.

11. The solution to these different problems depends on what is done to:

(i) re-establish a form of growth which is more favourable to employment;

(ii) adjust the educational and training systems to the needs of modern society;

(iii) improve working conditions in order to meet the needs of workers—in particular by developing those aspects which increase the motivation of young people for work.

12. The Community has taken action in these three directions, the intensity varying according to the possibilities for action and influence it has

¹ In particular, its paper for the Standing Committee on Employment of December 1976; Bull. EC 12-1976, points 1301 to 1312.

in each field.¹ It is, in particular, examining the problems of reducing working hours, of the possibility of job creation in the tertiary sector, of the relationship between investment and employment, and of the international environment, in the context of the work arising from the Tripartite Conference of June 1977.² The Commission intends to ensure that these different aspects of the work converge. This communication is however limited to action which relates to labour market policy.

Measures taken

In the Member States

13. A review of the measures taken in member countries has led the Commission to draw the following conclusions:

(i) Although the most obvious concern is the quantitative lack of jobs available, all the countries are anxious not to neglect the areas of training and placement services.

(ii) The development of training for school leavers in its various forms is now more than ever an essential task. It has taken the form, depending on the country, of either a strengthening of public effort in order to compensate for the slackening of effort by undertakings, or of reform projects aimed at adapting existing training systems for school leavers, or again of the establishment of new formulae of an experimental nature (particularly for the vocational preparation of the young).

(iii) All the countries have, in one form or another, adopted measures of direct aid to job creation (including, where appropriate, tax relief or reduced social charges). The various procedures which implement these measures comprise three basic types of aid:

- (a) premiums paid to undertakings to encourage them to increase their staff, within the framework of their normal activity;
- (b) programmes of employment in the public sector in the context of general interest activities;
- (c) aids paid to undertakings to encourage them to organize periods of practical experience employing young job seekers.¹

¹ Work or activities carried out within the framework of, respectively,

(i) the Economic Policy Committee and the Tripartite Conference;

(ii) the Education Committee (following the resolution of the Ministers of Education of December 1976, Supplement 12/76 — Bull. EC);

(iii) the European Foundation for the Improvement of Living and Working Conditions.

² Bull. EC 6-1977, points 1.1.2 to 1.1.7.

¹ A distinction must be made between these periods and vocational training courses proper (non-existence or short duration of courses). Furthermore, they are generally based on contracts of a specific duration and do not necessarily involve a contribution by the trainees to the productive activity of the undertaking. See Review of the measures taken by Member States, p. 17.

It is not always easy to assess their effectiveness, owing to the displacement effect.¹ Countries have a tendency to restrict the scope of these measures (e.g. only the registered unemployed are eligible or certain regions). Italy is perhaps the only country with a massive aid system.

According to information received (whose heterogeneous character should be noted) the gross expenditure by Member States on different types of employment subsidy and on job creation schemes has amounted at present to about 400 million u.a. assisting the employment of about 250 000 young people for varying periods of time.²

(iv) Certain countries have also concentrated on job prospection within undertakings, vocational guidance for the young and the development of placement services.

14. One of the most important conclusions of this analysis is as follows: the guidance-training-c canvassing-placement-employment chain constitutes a whole which is liable to be jeopardized at any time at the local level by the divisions in administrative responsibility or by communication difficulties. It is therefore essential to encourage actions which combine two or more of these functions, particularly when they are originally the responsibility of different operators (e.g. 'work experience' in the United Kingdom, employment/training contracts in France combining the efforts of employers and trainers).

Community measures

The European Social Fund

15. Since July 1975,³ the European Social Fund has allocated over 280 million u.a. as aid to vocational training programmes for the young unemployed. In the same period, it received applications for assistance for such programmes which represented a total of over 600 million u.a.

16. The inadequacy of financial resources has forced the Commission to limit its intervention in two ways:

(i) The priority given by the Council to grants for young people seeking their first job has become exclusive: it has not been possible to con-

sider applications in respect of young people who have become unemployed after having a job.

(ii) Moreover, in 1977 grants are being given in the first place for programmes of vocational preparation of young people without any educational qualifications,⁴ and in second place to programmes of training in specific trades in which there is a shortage of skilled workers.

Recommendation concerning vocational preparation

17. The Commission, following consultations with national administrations and both sides of industry, considers that young persons who leave school upon completion of their compulsory schooling without suitable preparation for employment constitute the category most threatened by unemployment.

In July 1977, it therefore sent a Recommendation to the Member States proposing that they should offer the young unemployed without vocational qualifications the means of obtaining vocational preparation. The Commission Recommendation defines both the content of such vocational preparation⁵ and the methods of achieving it. For example, Member States are encouraged to provide integrated courses reinforcing basic skills, providing an understanding of the world of work as well as some practical initial training in a broad skills area. The form of these courses should be appropriate to the age and adult status of the young people and there should be appropriate financial support for those taking part. In addition the European Centre for the Development of Vo-

¹ The displacement effect shows the indirect consequences of employment subsidies on employment in other firms. It consists of two elements: the creation of jobs in one firm with the aid of subsidies may entail the loss of jobs in a competing firm where jobs are not subsidized; secondly the subsidies may have the effect of attracting workers to the firm who would otherwise have found work elsewhere.

² Review of the measures taken by Member States, p. 17.

³ Council Decision of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties; OJ L 199 of 30 July 1975. Article 1 of this Decision states that 'specific operations to facilitate the employment and the geographical mobility of young people under 25 years of age who are unemployed or seeking employment shall be eligible to receive assistance from the Social Fund'.

⁴ Point 17.

⁵ OJ L 180 of 20.7.1977; Bull. EC. 7/8-1977, point 2.1.40.

cational Training assists the Commission and the Member States in defining these two aspects and seeking the methods of dispensing Community aid in the most effective manner possible.

Action programme in the field of education

18. The contribution that can be made by education to the preparation of young people for working life forms the subject of a resolution, adopted by the Ministers of Education in December 1976,¹ which provides for a Community level triennial programme of studies, pilot schemes and other actions. The Commission with the help of the Education Committee has made considerable progress in the implementation of this programme. At present, the final development stage of the pilot schemes is being reached and they should be put into action in 1978. They will cover a wide range of subjects concerning education and employment. For example, the possibility will be studied of including more work-oriented practical training in the last two years of compulsory school attendance. The possibility of active links with industry during the latter stages of school attendance will also be studied, as will the need to improve vocational guidance and counselling within the school system. Their purpose is to provide Member States with a practical aid to the definition of their respective national policies by contributing to experiments which meet the needs of innovation in the context of education systems.

Suggestions for strengthening Community action

19. The Commission considers that all Member States should be in a position to offer to young job seekers either the possibility of working or the opportunity of undertaking training. To this end it suggests that the Council should envisage two types of action in the field covered by this communication:

- (i) the extension of *financial assistance* for young job-seekers, whether in the context of the Social Fund or otherwise;
- (ii) *more general measures* aimed at widening or increasing the commitments of member countries to the promotion of the employment of young people, with the assistance of the Community.

Extension of financial aid from the Community

20. Up to now, Community action in respect of youth employment has been focused for the most part on aids to training (and mobility). The European Social Fund (ESF) is entitled, pursuant to the Decision of 22 July 1975, to grant assistance for operations to 'facilitate the employment and the geographical mobility for young persons under 25 years of age, who are unemployed or seeking employment'.

21. In fact, the eligible applications submitted in this respect are considerably greater in value (about three times) than the appropriations available in this field. Under such conditions, the nature of the common action to be taken can, in accordance with the wish of the European Council, be sought in two directions:

- (i) the first would consist of increasing Community aid in the present areas of intervention, i.e. essentially vocational training and preparation for the young. It would be necessary to take the appropriate decisions to increase the level of appropriations without prejudicing the other areas of intervention of the European Social Fund;
- (ii) the second would consist of providing new types of aid for young job-seekers, in addition to present aids to training and mobility. This could involve aid to the creation of jobs and the employment of young people.

¹ Supplement 12/76 — Bull. EC.

22. In the light of the attached review of action taken by Member States, it appears that these are tending to modify their measures in the light of the increasing need to supplement the provision of training by job creation or other forms of employment. It would seem opportune for the Community to examine the possibility of similarly modifying its policy so as to correspond to the actual needs of Member States and taking account of the diagnosis presented above.¹

New subsidies designed to assist recruitment or the provision of work for young people

23. The gravity of the present situation and the near certitude of prolonged under-employment have led Member States to grant subsidies to assist recruitment² or the provision of work to compensate for the inadequacies of the normal economic process—at least in particularly worrying cases.

24. According to the figures produced in the review of the measures,³ actions taken by the Member States correspond to an annual gross expenditure of approximately 400 million u.a. and concern some 250 000 young persons. This gross sum has a very limited significance however; some of the measures taken include, in addition to wage payments, an element of on-the-job training which it is often difficult to isolate; furthermore the additional net cost of these measures to national budgets is less than their apparent cost because of the savings made in the payment of unemployment benefits.

25. Until now none of these interventions has been taken in charge by the Community, contrary to the situation in certain areas of vocational training and the encouragement of regional investments. A partial financial involvement in these interventions by the Community would appear advisable for the following reasons:

Firstly, it is desirable to ensure a Community framework for these aids. Initially seen as provisional, counter-cyclical actions they are now tending to take on a more durable character. Some of them may affect competition in certain sectors (employment premiums). On the other hand, it is desirable that there should be cooper-

ation in their implementation and follow-up in order to ensure their full efficiency. The necessary cooperation and coordination can only be achieved if the Community is capable of affecting developments through its own resources.

26. In the same order of ideas the Community can exercise a role of stimulation as regards these aids. Although all the member countries have to face the same problem they do not all have the same means to do so: the cost of the aids is a handicap for some countries and can prevent them from being given the desirable scale. It is desirable to divide this cost more equitably, it being understood that the transfer element should be compensated by an element of Community control.

27. Thirdly the successive declarations of the European Council on youth employment⁴ can only be interpreted—in view of the already existing interventions of the ESF—as implying a qualitative change in Community interventions, introducing a new dimension alongside aid to training.

28. Further justifications appear on examination of the needs which emerge as a result of the development of other Community policies.

On account of the difficulties in resolving quickly the problems caused by these policies (restructuring of sectors, creation of alternative work for the labour force released by this restructuring), the opportunities for young people entering the labour market are even more reduced. In such a situation, aid for job creation for young people would reinforce the reconversion policies undertaken in common by the Community and by the Member States in the employments areas most affected. Moreover, this meets the concern of public opinion which is aware of the consequences, at sectoral or local level, of the constraints rightly imposed on, or agreed by, Member States in the

¹ Points 6 to 12.

² This term is used in the strict sense, and covers only public aid to recruitment or the payment of wages by enterprises, excluding all aid to investment.

³ p. 17.

⁴ Bull. EC 3-1977, point 2.1.1, and 6-1977, point 1.1.12.

context of increasing inter-penetration, of the customs union and of trade policy.

Furthermore, Community interventions could allow the transfer of experience from one State to another or could allow some countries or regions to test solutions which cannot be attempted due to a lack of sufficient means.

Community subsidy for the creation of jobs by undertakings

29. It would be fitting to envisage a Community aid for creation of jobs:

(i) either with a view to promote or to support certain Community policies (particularly in the industrial field). In this case, the aid should allow the Community to promote the development of activities or of alternative jobs for young people suffering the direct or indirect consequences of rationalization measures;

(ii) or in labour market areas with particularly serious sectoral difficulties or a particularly high level of youth unemployment.

30. The aid would be granted subject to specific conditions relating, for instance, to the carrying-out of Community projects in industry.

Community participation in job creation programmes in sectors of public interest

31. There is, in this field, particular potential for Community action. Community resources could be allocated to assist national programmes to create employment for the under-25s.

32. The nature of programmes which could benefit from Community aid should be determined after consultation with the Member States, particularly on the following points:

(i) the type of work given to the young. These latter could be employed in public sectors (e.g., health, education, rural or urban development, aid to the elderly) which all have pressing needs;

(ii) the organization and objectives of such programmes;

(iii) the duration of programmes and the period for which a young person may benefit.

Arrangements for Community intervention for these two types of operations

33. The arrangements for such grants and their levels should be fixed in relation to the measures taken by Member States. The exceptional character of the Community's intervention should be recognized, and the intervention should be modified in response to the development of the labour market for young people.

34. It is for subsequent consideration whether the intervention proposed above¹ should be undertaken in the context of the Social Fund or otherwise.

Strengthening of Community aid to post-school training for young people

35. Assistance granted to young job seekers should constitute one of the ESF's priorities in the year to come. The contribution of this aid varies from one country to another:

(i) in some countries, the ESF contribution is sufficiently large, in volume, to give a considerable boost to the national effort in the field of training for school-leavers;

(ii) in other countries, the ESF contribution is more specific. Sometimes it takes the form of aid designed to strengthen or modernize training potential in certain less-favoured regions. Sometimes it is designed to assist certain types of more advanced training (often experimental).

36. The Commission considers that, in devising measures for young people, it is important to link theoretical and practical training with employment. Periods of practical experience in a job should be linked with a substantial element of training. Such activities which seem to be needed in the majority of Member States deserve to be encouraged at Community level.² In the Commission's view they deserve a special priority in the context of the Social Fund, and additional resources should be made available to make it pos-

¹ Points 29 to 32.

² The Recommendation quoted in point 17 represents a first step in this direction, in so far as vocational preparation is concerned.

sible for them to be developed on an adequate scale.

37. Since 1975, the share of the ESF expenditure devoted to aid for young people has grown considerably. Despite this increase, the available budget has allowed, up to the present, the financing of only such applications as met quite restrictive qualitative conditions.¹ The enlargement of this priority, in the spirit of the preceding paragraph, would imply an increase in the resources of the Fund. It would be harmful if this enlargement of the 'young persons' category operated to the detriment of the other categories of the ESF.

The stimulation of the public training programme would appear indispensable in the member countries. The training carried out by enterprises which is by far the most important seems to have been reduced since the beginning of the crisis despite the growth in the age-cohorts principally concerned. It would seem inevitable that the stagnation in recruitment and the uncertainty of medium-term perspectives will lead to a reduction in the spontaneous training effort of enterprises. This impression is confirmed in the small number of countries where recent statistics on the total number of training places exist.

Projects with a wider scope

38. The specific Community measures discussed above² have an essentially narrowly-focused effect which, although certainly appreciable, may have a limited impact on the overall youth employment situation. The Commission considers that their scope could be considerably increased if they were accompanied by other measures, perhaps less direct, but likely to reinforce the influence of national employment policies and their coherence in the medium term.

39. It would be wise in this regard to pay particular attention to the labour market institutions. The quality of the results obtained by the survey of national measures is to a great extent connected with the presence, at the conception and executive level, of competent guidance, canvassing and placement services. In a number of cases, moreover, the most significant measures, those most likely to solve the root causes of youth un-

employment, are those aimed at strengthening the fragile links of the guidance-training-canvassing-placement-employment chain, and the combined efforts of trainers and employers. The public labour market institutions, in this respect, have played the role of mediator and encourager rather than the authoritarian role taken in the traditional public services.

40. It therefore seems necessary that Member States should, simultaneously, strengthen their services or institutions responsible for labour market management (training and placement services). The national training and placement apparatuses are now going through a difficult period. The management of unemployment and its consequences often tends to take precedence over an active employment policy. The canvassing, guidance and counselling function for young job-seekers within undertakings and coordination with other departments need substantial development in several member countries. The setting-up of viable and efficient institutions, which was the purpose of the reforms undertaken by certain countries at the beginning of the seventies, is developing unequally from one country to another.

41. The differences in national structures prevent the proposal of definite guidelines at present. But the importance of the role of these institutions in the youth employment problem justifies the development of active cooperation between them.

42. The Commission therefore submits the following suggestions to the Council:

(i) the Community could provide technical support for reforms in progress in certain member countries, particularly for vocational training and placement; this technical support could, more particularly, take the form of exchange of specialists and of experience, of comparison of methods and common evaluations;

(ii) the Council could acknowledge the value of practical cooperation between the public institutions responsible for placement and searching out of jobs;

¹ Point 16.

² Points 20 to 37.

(iii) the Community could encourage these institutions to develop their operations within a minimum time-span of two to three years to enable them to benefit from all the components of a forward-looking policy. The positive experience of certain countries with multiannual programmes is most encouraging in this respect.

Conclusions

The probable persistence of youth unemployment in the next few years requires action of two types: one aimed at the rapid reduction of the number of young unemployed, the other at remedying the root causes of unemployment in the fields of the economy, education and organization of the labour market.

The contribution of the Community should be aimed at both levels simultaneously. This communication has outlined the various aspects, in the fields coming under the aegis of the Ministers responsible for Employment and Social Affairs. The guidelines and suggestions put forward in this communication should give rise to an in-depth exchange of views within the Council in order to assist the Commission in the choice that must be made.

These are:

- (i) its suggestion concerning the introduction of proposals for the creation of new Community aids for job creation premiums, and job creation programmes in public interest sectors;
- (ii) the suggestions for increasing the activities of the European Social Fund in the linking of training and employment;
- (iii) the measures likely to assist the development of labour market institutions;

In the light of this first exchange of views and its conclusions the Commission will submit definite proposals in order to supplement the measures already operational at Community level.

Review of the measures of Member States to promote the employment and training of young people

Introduction

1. This review contains a commentary on the information provided by Member States about the measures they have taken to promote the employment and training of young people. This report meets the request of the European Council that the Council (Social Affairs) should consider what common action should be necessary in the light of the results of national measures. It is based on the replies received from Member States in September 1977 to a list of questions sent to them in July 1977, as well as the information gained during a series of visits made by members of the staff of the Commission during that period. These replies are summarized in Tables 1 to 10.

2. Although the majority of Member States have provided useful information, it should be borne in mind that of the measures reported a number were instituted relatively recently and their results cannot as yet be assessed. Some other measures were intended to have a counter-cyclical effect and are therefore less suited to the emerging medium-term character of the problem. This has, in the last year or so, led to a reassessment of several measures with a view either to their being put on a medium-term footing or replaced by measures better suited to meet the medium-term needs.

3. This review therefore relates to the position in September 1977. It takes its place in the Commission's series of reports on measures to promote employment. The commentary includes attempts towards a first evaluation of the impact of measures taken, based mostly on elements provided by governments.

4. Tables 1 to 10 contain tabulated summaries of the replies of Member States to the list of questions put to them. Tables 11 and 12 set out:

- (i) the number of young people unemployed;
- (ii) unemployment rates among young people;
- (iii) the proportion of young people among the unemployed.

5. It is proposed to issue narrative summaries of the documents submitted by Member States as soon as possible.

Comments on the tables

Vocational training (Table 1)

6. Seven Member States report specific measures to expand and intensify their vocational training provision. It should be noted that, although Member States were asked to report measures taken by ministries other than those of labour and social affairs, not all did so. Moreover, statistical information about numbers affected by the various measures and the cost to governments is patchy. In some Member States, such as the Federal Republic of Germany and Italy, this patchiness is due to the devolution of responsibility for such vocational training to regional authorities.

7. Although not required to do so, one or two Member States attempted to provide short time series, which give an indication of the trend in provision. In the majority of cases, the figures relate only to the position in the summer of 1977, which provides neither a time series nor figures for a complete 12-months' period.

8. The public expenditure figures also are incomplete and do not make it possible to identify any criteria which might give a valid indication of the scale of expenditure. In a few cases provision made within the public educational system is included.

Although no estimate is available of the training expenditure by firms, there are other indications of a decrease in the intake of new trainees and a stagnation of the overall training effort within industry arising from uncertainties about economic prospects.

9. The one aspect of the picture which does emerge fairly consistently is the growing tendency to link training with job experience. If one compares Table 1 (vocational training) with Table 6 (subsidies) and Table 8 (job creation) one is struck by the substantial overlaps between them. Indeed, classification is not always easy. This development is a reflection of the recognition in Member States:

- (i) that effective vocational training must include a strong element of practical experience; and
- (ii) that, in a medium-term situation of high unemployment, training must be oriented closely towards employment prospects, if it is not to be wasted and lead to the mere postponement of the arrival of the trainee on a saturated labour market.

10. Apart from this result the information provided does not lead to clear-cut conclusions.

We know already that public provision for vocational training is expanding and that most Member States regard it as an important ingredient of their policies to reduce youth unemployment.

Vocational preparation (Table 2)

11. Five Member States are already experimenting in various ways with the provision of vocational preparation for some of those leaving school at the minimum age who do not have access to further education and training. Most schemes date from 1976, the period during which the Commission's Recommendation on the subject was in preparation. The Federal Republic of Germany alone has been making provision of the kind since 1971-72.

12. In most countries the numbers concerned are quite small in relation to the age-cohorts who are entering the labour market. This suggests that the Commission's Recommendation, backed by the resources of the ESF, is timely. A vigorous expansion in this field should be encouraged in 1978 and the following years.

13. The evidence on the present position in this field also suggests that there is scope for joint development work at Community level on the structures, form and content of vocational preparation.

This is a new area of work which up to recently has not been regarded as the concern of either the school system or the established system of vocational training. There is little tradition to guide or constrain those responsible for its development. It is therefore an area in which a Community approach may be both appropriate and cost effective.

Vocational guidance (Table 3)

14. Little evidence emerges here of substantial expansion of vocational guidance service in response to the unemployment situation. The assessment and guidance centres established in Belgium since the winter of 1974 probably constitute the most innovative development. The guidance services have also been reinforced in one or two other countries. It appears, however, that a good deal of vocational guidance is provided, implicitly or explicitly, in the expanded vocational preparation and training arrangements.

The summary provides no clearcut information on the adequacy or otherwise of the vocational guidance provided for young people.

Placement services (Table 4)

15. In these services also the position has not undergone marked changes in the light of the worsening youth employment position. There has been some expansion of staffs but little specifically additional provision for young people.

16. It is for consideration whether the traditionally low productivity of some placement services, which often derives from their dual role as dispensers of social security as well as repositories of information about employment opportunities, can be significantly increased by a more entrepreneurial approach. There is some evidence from the United Kingdom about the useful results of a redefinition of the role of placement staff. Although the direct impact of placement services for a significant reduction of unemployment is likely to be limited when notified vacancies remain around 10% of registered unemployed, it should be borne in mind that the adequate operation of these services may be crucial as a provider of information on vocational guidance and training and as a means of improving the matching of supply and demand on the labour market.

Geographical mobility (Table 5)

17. Four Member States report measures to encourage job-seekers to move to jobs. The significance of these measures also appears to be limited, and, if the German experience is representative, declining.

It is possible that factors such as the difficulty in finding suitable housing and the dislocation caused to their way of life may be among the causes why workers are tending to be less mobile.

Employment subsidies (Tables 6 and 7)

18. Direct employment subsidies exist, or are proposed, in all Member States other than Denmark. In most Member States the incentive takes the form of a direct grant to employers. In France and Belgium, the incentive is provided by means of a reduction in the level of social security charges payable in respect of young workers. In the Netherlands the government is considering a proposal to reduce social security charges as part of its plan to stimulate employment.

19. The net amount of employment generated by such measures is less than the number of subsidies paid out because of the displacement effect. This refers to the indirect consequence of these measures on employment in other firms. It consists of two elements: the creation of jobs in a subsidized firm may lead to the loss of jobs in an unsubsidized competing firm; in addition subsidies may have the effect of attracting to the firm workers who would have found a job elsewhere. Finally it is possible that subsidies are paid in respect of workers whom the firm would have employed even if no subsidies had been offered. Only the United Kingdom report makes an estimate of the amounts involved; it estimates that 60% of the young people aided by the youth employment subsidy would have found a job without the help of the subsidy.

20. None the less, clearly, employment subsidies lead to a significant net increase in employment. Employers are stimulated to take on additional workers since the subsidies help to meet the heavy costs incurred in recruiting new workers. This is particularly important in the case of young people who are generally inexperienced and require training.

21. From the governments' point of view the cost of the subsidies may not be very much greater (indeed may be less) than the social security payments (and loss of tax and other contributions) which would arise if the worker were to remain unemployed.

Job creation schemes

(Table 8)

22. All Member States appear to have schemes which fall within this description, except France; Italy has yet to implement its scheme.

23. The distinguishing characteristic of these schemes is that they employ young people for work in the non-market public service sector on 'activities which are in the public interest'. This could mean work to improve environmental or ecological conditions, work to raise the level of performance in the social, health or education services, or the creation of community facilities. As such the employment displacement effect is usually quite limited.

24. The cost of the schemes varies in accordance with the wages structure applied. In a number of countries non-market wage and subsistence rates are applied, workers remaining available for employment in the market sector should this become available. For this reason, and on account of the social security payments which the workers on job creation schemes would attract if they were unemployed, the net cost of most schemes is modest, as the table indicates.

25. Until the present time most individual job creation projects have been short-term in character, i.e. not longer than 12 months in duration. This has caused problems in using labour effectively and constructively. If the schemes are to be effective in the medium term, more consistent policies should be adopted, making for continuity and enabling the benefits of cumulative action to be achieved.

26. The capital investment element might also have to be larger than at present. Almost the entire cost of the schemes tends to be devoted to wage costs; the use of such labour in conjunction with capital investment on any scale is rare.

Additional recruitment of young people by government and other public services

(Table 9)

27. Only three Member States have reported such schemes, which are in effect job creation schemes, but within existing enterprises and administrations. No information is provided about the employment effects of this additional employment.

Work sharing

(Table 10)

28. France and Belgium operate what are in effect job substitution schemes, whereby workers nearing retirement are replaced by young workers.

Given job security legislation, retirement is, however, often the only opportunity for a firm to reduce its labour force (cf. the steel industry). Thus measures of this kind have to be applied with discrimination.

General comments

29. In a number of Member States the scale and likely duration of youth unemployment has led to the establishment of interdepartmental committees or agencies. Their task is to coordinate the efforts of Ministries of Education and Labour and other relevant government and voluntary agencies. In at least two countries the employers and trade unions are formally associated with the policy formation and management of the agencies responsible for many of the measures described in this paper. These coordinating arrangements are being made also at the regional and sub-regional levels in those countries, such as the Federal Republic of Germany, where responsibility is divided.

30. The information collected is on the whole fairly comprehensive on specific schemes of employment premiums and job creation. It is much more sketchy on the actual operation of the various functions of labour market management (guidance, training and placement)—where formal decisions play a less significant part. It should be borne in mind that any medium-term approach implies a thorough assessment of these functions, and a careful planning of their development as an integral part of employment policy. The concern expressed in some circles about these areas would justify additional work being done at Community level.

31. The importance of information about the available incentives is also stressed in order that firms, particularly the small ones, may know what they can do or what help is available to them.

32. This review has not considered the problems that certain of these measures (in particular employment premiums) might present in relation to competition policy, which should be taken into account in the course of subsequent work.

Table 1 — Vocational training

Country and measure	1975		1976		1977	
	Number of trainees	Expenditure	Number of trainees	Expenditure	Number of trainees	Expenditure
<i>Denmark</i>						
(a) Apprenticeship expansion	.	*	.	*	1 000 additional places	* DKR 58 million (1975-77)
(b) Expansion of commercial training	600	*	650	*	.	* DKR 14 million (1975-77)
<i>Federal Republic of Germany</i>						
(a) Training grants for firms (Umlage-Finanzierung) to ensure adequate supply of training places			so far not needed			
(b) Off-the-job training places	31 000 (places)	.	.	.	Places: 1978 (estimate) | 1982 (estimate) 40 000 | 67 000 capital cost 1974-82 DM 985 million 3 000 (estimate) DM 800 million (Total)	
(c) Handicapped	.	.	.	.
(d) Länder-Initiativen: Baden/Württemberg	.	.	4 800	.	6 000	DM 25.6 million
Saarland	.	.	.	.	1 700	.
Rheinland/Pfalz	.	.	.	.	.	DM 2 million
Nordrhein/Westfalen	.	.	.	.	.	DM 2 million
<i>France</i>						
(a) Contract Emploi-Formation	5 000	*	17 000	*	13 000 (-31.7)	* FF 74 million (total since June 1975)
(b) Stages de formation et de préparation à la vie professionnelle	.	.	.	.	.	as for work experience (Table 8)
(c) Training levy for young workers	.	.	.	.	.	FF 1 500 million (0.3% of wages)
(d) Stages de mise au niveau	.	.	2 400	.	.	.
<i>Ireland</i>						
In vocational training institutes	3 000	IRL 2.0 million	.	.	4 500	IRL 3.5 million
In firms	300	IRL 150 000	.	.	1 500	IRL 860 000
Apprenticeships (1st year off the job)	.	.	.	.	1 100	IRL 3 million
<i>Italy</i>						
Training contracts (Law No 285 of 11.6.1977)	.	.	.	.	in the course of implementation	

Table 1 (continued)

Country and measure	1975		1976		1977	
	Number of trainees	Expenditure	Number of trainees	Expenditure	Number of trainees	Expenditure
<i>Netherlands</i>						
— Stimulation of vocational training of school leavers			1 500	HFL 4 million	9 500	HFL 16 million
— Training in textile industry			7 000	HFL 15 million	5 000	HFL 8 million
— 'Pseudo-jobs'			1 900	HFL 5 million		
<i>United Kingdom</i>						
Training award	.	.	4 700	UKL 8 million	5 790	UKL 11 million
Continuity of training	.	.	3 400	UKL 2.6 million	.	.
Short industrial courses	.	.	13 000	UKL 11.3 million	.	.
Occupational selection courses	.	.	1 500	UKL 2.0 million	.	.
Young people with special problems	.	.	2 400	UKL 2.4 million	.	.

Table 2 — Vocational preparation

Country	Type of measure	Period covered	Numbers concerned	Cost
<i>Belgium</i>	Vocational preparation	To begin 10.1977	.	.
<i>Denmark</i>	(a) Workshop courses in technical schools	1976 1977/78	575 300	DKR 4.1 million DKR 10.0 million
	(b) Vocational preparation	1975/76 1976/77	900 (80 courses) (187 courses)	DKR 9.0 million DKR 14.0 million
<i>Federal Republic of Germany</i>	Berufsvorbereitung	1971/72 1972/73 1973/74 1974/75 1975/76	7 902 11 143 13 965 29 846 38 838	DM 10 000 per head <i>Individuals</i> DM 80 million <i>Institutions</i> DM 20 million
	Sonderprogramme 28.1.1976	Since then		
<i>France</i>	'Pré-formation' for young people	1976	7 500	.
<i>Ireland</i>	Career training Pre-employment courses	1976 1976	2 600 500	.
<i>Luxembourg</i>	Draft law on vocational preparation (in course of preparation)			
<i>Netherlands</i>	Preparation for vocational training 'link' courses	1977	650	HFL 5 million
<i>United Kingdom</i>	Unified vocational preparation (pilot schemes) 12 weeks	1976	152	UKL 0.025 million

Table 3 — Vocational guidance

Country	Type of action	Period covered	Numbers concerned
<i>Belgium</i>	(a) Assessment and guidance centres (since December 1974) (b) Production of special information material (c) Centre de recherche et d'information sur les études et professions	1976 Created 1976	3 412 referred; of these 2 249 completed course, of these 1 220 sent for vocational training .
<i>Denmark</i>	Production of special material for young people and establishment of specialist groups to contact young people	.	.
<i>Federal Republic of Germany</i>	Vocational guidance (Berufsberatung)	Annually	± 1 million
<i>United Kingdom</i>	Careers service (and placement) expanded to improve contact with employers	July 1977	320 officers (in addition to 5 000 existing) obtained 23 000 vacancies

Table 4 — Placement

Country	Type of action	Period covered	Numbers	Cost
<i>Belgium</i>	Appointment in each regional employment office of two youth employment specialists	.	.	.
<i>Denmark</i>	185 new officials appointed	.	.	.
<i>Federal Republic of Germany</i>	No separate status for young	1976 1977 (to 8.7.)	Job seekers placed: 2 327 000 1 571 492	.
<i>Ireland</i>	Increase in number of placement officers (covering all age groups) from 64 to 82 officers	.	.	.
<i>United Kingdom</i>	See Table 3	.	.	.

Table 5 — Geographical mobility

Country	Type of measure	Period covered	Numbers	Cost
<i>Federal Republic of Germany</i>	Programme of 16.12.1974 Programme of 10.11.1976	Since then to 29.7.1977 Since then to 29.7.1977	6 081 (under 20 years) 784 (mobility) 161 (removal)	DM 25.8 million —
<i>France</i>	Mobility premiums	1976	3 400	FF 4 400 per person
<i>Ireland</i>	Resettlement grants for persons under 30 years (including returning emigrants)	1972-76	300	—
<i>Netherlands</i>	Migration regulation for Northern Provinces	1974-77	320	HFL 0.4 million
<i>United Kingdom</i>	Job Search Scheme	1.1 to 30.6.1977	approx. 2 750	UKL 1.38 million

Table 6 — *Employment subsidies*

Country	Type of subsidy	Period covered	Numbers concerned	Cost
<i>Belgium</i>	Employment premium for small and medium-size firms in areas of industrial change or development (Royal Decree of 23.1.1975 amended by that of 14.1.1976)	.	.	BFR 15 000 per worker 18 and over
<i>Federal Republic of Germany</i>	(a) Arbeitsförderungsgesetz §54 Programme 10.12.1974 Programme 16.11.1976 (b) Maintenance of jobs (recruitment regulations 24.3.1977)	1.1 to 29.7.1977 Since then to 29.7.1977	5 959 6 732 466	. for young people .
<i>Ireland</i>	(a) Employment incentive IRL 10 per week for 2nd level school leavers recruited (only in respect of additional workers) (b) Training grants for new or expanding industries	Introduced February 1977 1976	5 000 (estimated for 1977) 12 500 (some of these trained by the government training authority, see Table 1)	Largely self-financed, since offset by social welfare payment savings IRL 4.6 million
<i>Italy</i>	(a) Recruitment subsidy (law 285 of 11.6.1977) Age limits 15 to 29 years Length 18 to 24 months (b) Subsidy for agricultural cooperatives (Law 285 of 11.6.1977) Age limits 18 to 29 years Length 24 months	To be implemented To be implemented	. .	LIT 32 000 per man/month LIT 64 000 per man/month in Mezzogiorno and related regions LIT 50 000 per man/month in Mezzogiorno and related regions
<i>Luxembourg</i>	Subsidies to maintain employment (law of 26.7.1975)	8.1977	138	.
<i>Netherlands</i>	Young people's subsidy 30% wage subsidy Stimulation premium for part-time education Handicapped	1976-77 1975-76 1975-76-77 1977	900 1 200 61 000 500	HFL 7 million HFL 8 million HFL 43 million HFL 5 million
<i>United Kingdom</i>	(a) Employment subsidy (general) (b) Small firms subsidy Temporary employment subsidy (c) Premium grants to recruit trainees	1.10.1976 to 31.7.1977 1.8.1976 to 31.7.1977 1976	23 000 gross (displacement effect 60%) 11 000 (estimate) 7 650 (off the job) 10 350 (on the job)	UKL 5.3 million . UKL 11.5 million UKL 8.8 million

Table 7 — *Other incentives to employers: e.g. relief from taxes or social security contributions etc.*

Country	Type of measure	Period covered	Numbers affected	Cost
<i>Belgium</i>	Temporary reduction of employers' social security contributions (law of 24.1.1977)	.	.	.
<i>France</i>	Relief from employers social security contribution (private sector; full-time employed)	for young people recruited in the period 1.7 to 31.12.1977 relief up to 31.12.1978	.	FF 70 million per 10 000 people (estimate)
	Development of apprenticeship contracts: (a) Relief from social security contribution (b) Simplification of apprenticeship contract (c) Increased financial support for apprenticeships	those engaged between 1.7 and 31.12.1977	200 000 (estimate 1977)	FF 1 400 per annum per apprentice (estimate)

Table 8 — Job creation

Country	Type of measure	Period covered	Numbers involved	Cost
Belgium	(a) Optional work experience (law of 13.8.1975)	to 31.8.1977 (now discontinued)	3 205	.
	(b) Obligatory work experience (law of 30.3.1976)	7.1977	13 503	.
	(c) Public service schemes (Royal decree 15.4.1977)	6.1977	7 400	BFR 525 to 625 per day per worker
Denmark	Job creation schemes	1975-76 and 1976-77	10 000 (estimate)	DKR 75 million
Federal Republic of Germany	Arbeitsplatzbeschaffungsmaßnahmen	3.1976 to 4.1977	6 419	.
France	Job creation premiums (discontinued July 1977) Work experience (stages pratiques) 6-8 months, + 200 hours of off-the-job training	to 31.12.1975 1976 to 30.6.1977 open until 15.12.1977	37 700 } 45 000 } 10 000 }	FF 200 million (estimate) under 18: FF 410 per month over 19: 90% of minimum wage
Ireland	Community youth training programme	1977	1 200	IRL 1.2 million
Italy	Job creation schemes for activities which are in the public interest (law 285 of 11.6.1977, age limits 18 to 29 years, length 4 to 12 months)	to be implemented	.	LIT 50 000 per month
Luxembourg	Job creation schemes (law of 26.7.1975)	see under 'Employment subsidies'		
Netherlands	Interim measure for unemployed young people Temporary work places	1975-77	4 000	HFL 125 million
		1976-77	3 400	HFL 50 million
United Kingdom	Job creation programme (displacement very small) Work experience Community industry (disadvantaged young)	9.1975 to 8.1977 1977 1976	94 000 40 000 (estimate) 4 200	UKL 136.16 million (gross) ± UKL 45 million (net) UKL 16 million ± UKL 10.4 million UKL 9.0 million

Table 9 — Additional recruitment of young people by governments and other public services

Country	Type of measures	Period	Numbers affected	Cost
<i>Federal Republic of Germany</i>	Postal service	1977	4 000	Met from postal service resources Federal subsidy DM 50 000 per place
	Railways	1977	1 000	
	Länder Governments Nordrhein-Westfalen (in addition) public and social organizations	1977	4 000 5 000	
<i>France</i>	Recruitment of temporary staff in postal service, justice department and economic representation of France abroad	1977	20 000 (full or part-time)	FF 400 million
<i>Netherlands</i>	Temporary employment by government and voluntary agencies for people under 23 who have had at least 2-months' unemployment	.	.	.

Table 10 — Work sharing where this contributes to the increase in youth employment

Country	Type of measure	Period	Numbers affected	Cost
<i>Belgium</i>	Voluntary early retirement of workers aged 60+ (men) and 55+ (women). Employer <i>must</i> replace retired worker by young worker (under 30) for at least 6 months (law of 30.3.1976)	30.6.1977	13 487	
<i>France</i>	Voluntary early retirement of workers aged 60+, so as to free places for young workers	.	50 000 (estimate)	FF 250 million (Government share)
<i>Luxembourg</i>	(a) General prohibition on overtime (draft law on measures to promote economic growth) (b) Prohibition of employment of pensioners in receipt of retirement pension above the minimum wage (ditto)	.	.	.
<i>Netherlands</i>	Experiments with early retirement (at 63-64) of workers in four sectors (docks, construction, education and metal)	.	.	.

Table 11 — *Unemployment of young people in the Community*
Unemployed people registered with the employment services

	Date	Registered unemployed (thousands)		< 25 as % of unemployed		
		Total	<25	Total	Male	Female
<i>Belgium</i>	May 1973	98.0	21.6	22.0	15.0	29.9
	May 1975	175.3	57.9	33.0	26.2	39.4
	May 1977	274.4	93.0	33.9	26.8	38.6
	July 1977	325.3	138.1	42.5	38.4	45.2
	August 1977	335.3	147.7	44.1	40.7	46.3
	September 1977	337.5	.	.	.	.
<i>Denmark</i>	July 1973	9.9	.	26.7*	26.3*	28.3*
	July 1975	99.6	.	.	.	.
	July 1977	131.8	.	25.5*	20.8*	32.5*
	August 1977	138.2	.	.	.	.
	September 1977	140.5	.	.	.	.
<i>Federal Republic of Germany</i>	May 1973	211.3	.	.	.	.
	May 1975	1 017.7	253.7	24.9	23.0	27.5
	May 1977	946.5	251.4	26.6	23.3	29.7
	July 1977	972.6	.	.	.	.
	August 1977	963.5	.	.	.	.
	September 1977	911.2	.	.	.	.
<i>France</i>	May 1973	343.1	94.5	27.5	20.7	34.8
	May 1975	736.9	267.8	36.3	29.1	44.4
	May 1977	976.1	373.6	38.3	29.2	46.4
	July 1977	1 004.3	404.7	40.3	31.3	48.3
	August 1977	1 063.9	449.7	42.3	33.6	49.9
	September 1977	1 177.0	540.1	45.9	36.8	53.5
<i>Ireland</i> ¹	May 1973	65.2	.	.	.	.
	May 1975	96.1	.	.	.	.
	May 1977	108.8	.	.	.	.
	July 1977	106.7	.	.	.	.
	August 1977	107.3	.	.	.	.
	September 1977	103.6	.	.	.	.
<i>Italy</i> ²	May 1973	968.9	.	60.4	56.8	65.9
	May 1975	1 077.9	.	39.8	55.6	66.2
	May 1977	1 282.2	.	.	.	.
	July 1977	1 381.7	.	.	.	.
	August 1977	1 445.5	.	.	.	.
	September 1977	1 556.1	.	.	.	.
<i>Luxembourg</i>	May 1973	0.032	.	.	.	.
	May 1975	0.124	.	.	.	.
	May 1977	0.609	.	.	.	.
	July 1977	0.703	0.384	54.6	49.3	62.9
	August 1977	0.825	0.488	59.2	52.7	68.6
	September 1977	0.881	0.526	59.7	55.4	65.7
<i>Netherlands</i>	May 1973	94.7	27.1	28.6	25.9	41.3
	May 1975	173.4	62.4	36.0	31.8	52.9
	May 1977	179.8	66.4	36.9	30.6	54.5
	July 1977	201.4	88.6	44.0	36.1	62.7
	August 1977	208.7	96.6	46.3	37.4	65.3
	September 1977	205.3	94.4	46.0	36.5	65.2
<i>United Kingdom</i>	July 1973	567.0	.	27.4*	22.9*	50.7*
	July 1975	990.1	.	41.8*	35.4*	64.6*
	July 1977	1 622.4	738.4	45.5	37.1	64.9
	August 1977	1 635.8	.	.	.	.
	September 1977	1 609.1	.	.	.	.

¹ The only information available is furnished by the labour force sample survey; in the spring of 1975 it is estimated that young people made up 43.6% of all unemployed.

² The percentages are based on the results of the labour force sample survey, the only available source.

* Estimate.

Source: Statistical Office of the European Communities, information provided by national services as part of the work on standardized statistics of registered unemployment (for definitions see the statistical telegram on registered unemployment).

Table 12 — *Unemployment rates among young people*

Persons declaring themselves to be unemployed as a percentage of the labour force of the same age and sex

	Spring 1973			Spring 1975		
	Total	Male	Female	Total	Male	Female
<i>Belgium</i>						
14-19	4.1	(2.9)	5.5	10.0	7.3	13.0
20-24	2.7	2.0	3.4	7.0	5.5	8.6
>14	1.6	1.2	2.6	3.2	2.2	5.5
<i>Denmark</i>						
14-19	.	.	.	12.7	11.2	14.8
20-24	.	.	.	14.1	16.0	12.0
>14	.	.	.	6.8	7.0	6.5
<i>Federal Republic of Germany</i>						
14-19	1.3	1.2	1.4	6.5	6.3	6.7
20-24	0.6	0.6	0.7	4.4	5.1	3.7
>14	0.5	0.4	0.8	2.9	2.8	3.2
<i>France</i>						
14-19	6.0	4.5	7.9	12.3	8.8	16.7
20-24	3.5	3.0	4.0	6.1	5.9	6.4
>14	1.9	1.5	2.6	3.3	2.6	4.3
<i>Ireland</i>						
14-19	.	.	.	21.6	22.3	20.6
20-24	.	.	.	10.8	12.9	8.0
>14	.	.	.	9.6	10.0	8.7
<i>Italy</i>						
14-19	18.7	18.8	18.7	16.0	15.2	17.0
20-24	12.6	12.2	13.2	11.3	10.7	12.2
>14	4.0	3.3	6.1	3.3	2.7	4.9
<i>Luxembourg</i>						
14-19	.	.	.	.	.	.
20-24	.	.	.	.	.	.
>14	(0.6)	.	.	(0.6)	.	.
<i>Netherlands</i>						
14-19	3.4	3.3	3.5	6.9	8.1	5.9
20-24	2.8	3.5	1.8	5.2	7.2	2.7
>14	1.9	1.9	1.7	3.2	3.4	2.9
<i>United Kingdom</i>						
14-19	3.7	4.5	2.9	9.1	8.8	9.3
20-24	2.9	3.2	2.4	7.0	7.1	6.9
>14	2.1	2.4	1.7	4.6	4.2	5.2
<i>EEC</i>						
14-19	.	.	.	10.1	9.4	11.0
20-24	.	.	.	7.0	7.3	6.7
>14	.	.	.	3.7	3.3	4.4

Source: Statistical Office of the European Communities; Labour force sample survey 1973 and 1975.

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Extracts from the press release
of the Council (Social Affairs)

28 October 1977

Youth employment

The Council had before it a communication from the Commission on youth employment and held a policy debate on this subject with particular reference to the nature of the joint action to be taken to stimulate such employment.

The initial suggestions made by the Commission in its communication involved mainly:

- new subsidies designed to assist the creation of jobs and the provision of work for young people in the form both of a Community subsidy for the creation of jobs by undertakings and of Community participation in job creation programmes in sectors of public interest;
- the strengthening of Community aid for post-school training for young people in the form of assistance for practical training and of projects of broader scope.

The various delegations made known their initial reactions during the discussion, and the Commission undertook to bear these reactions in mind when preparing the formal proposals to be submitted to the Council at a later stage.

At the end of this exchange of views the President drew the following conclusions:

'As instructed by the European Council at its meeting on 28 and 29 June 1977, the Council, in the light of its review of the measures taken by the Member States to promote employment and training for young people, held an initial examination of the joint action to be undertaken.

The Council accordingly invites the Commission to prepare detailed proposals for Community aid for programmes designed to encourage youth employment in the Member States. The Council considers that such proposals should be selective and should ensure that the aid is granted to areas of greatest need.

The Council invites the Commission to work out measures, within the framework of the European Social Fund, for strengthening the link between the post-school training and the employment of young people.

Finally, the Council encourages the Commission to secure an increase in assistance and cooperation among the Member States in developing their institutions for achieving optimum balance between supply and demand on the labour market.'

Following the discussion, the Council instructed the Permanent Representatives Committee to examine these proposals, and in particular their financial aspects, as soon as they had been forwarded by the Commission.

These questions will be discussed at the meeting of the Standing Committee on Employment on 24 November and at the next Council meeting on social affairs planned for December. The Commission has undertaken to forward to the Council for this December meeting an outline programme

which will precede the practical proposals it intends to make in the first few months of next year.

European Social Fund

With regard to the question of the creation of a new category of aid for the promotion of employment, the Council, in the light of its discussion on the Commission communication on youth employment, adopted the following conclusions:

- The Council finds that it is not in a position at present to take a decision which would make aid for the promotion of employment available immediately.
- The Council nevertheless considers that, within the framework of the resources available for the Fund's operations, a category of aid which would be likely to promote employment—centring on employment for young workers—and which would not fall within the current categories of aid for vocational training or occupational mobility, is appropriate in the present labour market situation.
- The Council therefore asks the Commission to submit suitable proposals to it, in the light of the present discussions and of its communication on youth employment, so that this new category of aid can be introduced as soon as possible.

Extracts from the press release
of the Standing Committee
on Employment

24 November 1977

The Committee used as a basis for its discussions the Commission communication on youth employment which was discussed by the Council (Ministers for Social Affairs) for the first time at its meeting on 28 October 1977.

The Commission communication highlighted three main points:

- (i) the large numbers of young people coming onto the labour market;
- (ii) the tendency for the general shortage of employment to hit new entrants to the labour market particularly hard;
- (iii) the gap between the educational system and the world of work.

It included four specific suggestions, namely:

- (i) Community financial aid for the creation of new jobs by undertakings;
- (ii) financial participation by the Community in job creation programmes;
- (iii) the stepping-up of Community aid to post-school training for young people;
- (iv) Community support for the development of labour market institutions.

Today's discussions within the Committee provided the participants with an opportunity to speak about points of particular concern to them and to comment on the suggestions put forward by the Commission.

At the close of the discussions, the Chairman was able to confirm the conclusions drawn by the meeting of the Standing Committee on Employment in December 1976, on the structural nature of young people's unemployment and the necessity of an approach not limited to short-term measures. He emphasized that the problem of young people's unemployment was part of the wider unemployment problem.

In this connection, all specific measures for the benefit of young people must be situated within a more general economic and social strategy aimed at growth capable of creating jobs and ensuring a better quantitative and qualitative balance in employment.

The employers' representatives were also aware of the seriousness of the current employment crisis and emphasized that the causes of this crisis lay in the fundamental disequilibria existing in the Member States' economic systems, which led to an inadequate investment capacity. They referred to the excessive rigidity on the labour market between supply and demand, the social security burdens and administrative burdens which weighed heavily on small and medium undertakings in particular, the inadequacy of placement services and inadequate preparation of young people for active life.

Most of the employers' representatives had reservations on the measures suggested by the Commission, due to the fact that these measures seemed to be directed not towards the causes, but towards the symptoms. However, the employers'

representatives indicated that they were more interested in the suggestions for stepping up Community measures in support of further training for school-leavers and in the activities of the labour market bodies.

The workers' representatives felt that although the various Community measures so far taken or now being examined contained some interesting points, they were generally inadequate for the objective in view, which was to eliminate all unemployment as far as possible, and in particular young people's unemployment.

In these comments, the emphasis was placed on the necessity, at both Community and national levels, of commitment to a strategy capable of attacking the causes of unemployment, which were to be found not only in the present economic difficulties, but also in the structure of our economic systems.

The workers' representatives recorded their agreement in principle on the specific measures which had been proposed, while emphasizing that the other questions relating to employment which were discussed at the Tripartite Conference—and in particular the problem of work-sharing—should be thoroughly examined. They also insisted on the extreme urgency of adopting specific measures which could make an effective and rapid contribution to solving the problem of young people's unemployment.

In this connection the Chairman pointed out that the Community had already given an initial response to the requirement to act speedily in completing the review of the Social Fund. From the beginning of next year onwards this instrument was to serve a more incisive policy with regard to employment, more particularly youth employment. As a result of today's discussions the Commission will have at its disposal all the information necessary to enable it rapidly to put forward adequate proposals to the Council, and the latter will lose no time in following those up.

The Chairman also said that the problem of the link between school and professional activity, to which several speakers had referred, had been discussed by the Council at its meeting on social affairs on 28 October 1977. One of the results of that meeting was a request that the Commission develop projects to strengthen the link between post-school training and youth employment, within the context of the European Social Fund.

This wide-ranging and complex problem should, however, be looked at in the context of the educational systems of the Member States. The Community and the Member States have accordingly since 1975, and most recently in the Resolution of 3 December 1976, pledged themselves to a number of measures to be taken with a view to improving the preparation of young people for professional activity and thus facilitating their transition from school to working life.

The Chairman reminded the Committee of one of these measures, a programme of pilot projects centred on a number of priorities concerned in particular with opportunities for job

guidance, the possibilities for ensuring continuous education, and the training of the teachers themselves. The Community is about to launch this programme which will cover a three year period beginning in 1978.

In conclusion, the Chairman felt that, with regard to the specific suggestions outlined by the Commission in its communication, the Commission should work out proposals aimed at creating new Community aid to facilitate the creation of jobs, in particular by granting employment subsidies and aid for activities of general interest where the needs of the Community are felt to be most pressing, bearing in mind today's discussions.

In the same way, the Committee felt that particular priority should be accorded, where the Social Fund disposed of adequate financial means, to measures designed to strengthen the links between post-school training and employment.

Finally the Committee, mindful of the need for stronger cohesion between all the stages of employment policy (school, guidance, training, placement and employment), urged the Commission to increase the aid and cooperation between the Member States in the development of their institutions on the employment market.

European Communities — Commission

Youth employment

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This Supplement to the Bulletin assembles a number of recent documents concerned with the theme of youth employment. The first is the communication from the Commission to the Council on youth employment of 17 October 1977, which comprises an analysis of the problem of youth unemployment and suggestions for strengthening Community action in this field. A detailed review of the measures taken in the Member States to tackle youth unemployment is also included. This communication was subsequently discussed at two important meetings: that of the Council (Ministers of Employment and Social Affairs) of 28 October 1977 and of the Standing Committee on Employment of 24 November 1977. Papers setting out the conclusions reached at these meetings are included.