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PUBLIC SERVICE

DOCTORAL SCHOOL OF
PUBLIC ADMINISTRATION SCIENCES

THE INFLUENCE OF YOUTH POLICY ON THE YOUTH UNEMPLOYMENT ISSUE IN THE EUROPEAN UNION

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Approved: _____

February 2023

ABSTRACT

Unemployment refers to the share of the labour force that is without work but available for and seeking employment. Youth unemployment refers to the share of the labour force ages 15-24 without work but available for and seeking employment. (International Labour Organization, ILOSTAT)

Unemployment generally is one of the important economic issues of social life. In recent decades the problem has become more visible and actual for a specific target of youth. As mentioned above, the European Union and the International labour organization have defined the term “Youth” under the age of 15-24. The issue of youth unemployment is more specific and complex compared with the general unemployment issue as it is more specific and target oriented. It also has its characteristics such as transition period, obstacles to entering the labour market, etc. In most European Union states Youth unemployment has become one of the most important challenges of the 21st century. Employment of young people and the difficulties associated with it. To study the unemployment issue of young people, the most important is to analyse the social-economic environment, and to define policies that directly apply to youth and unemployment.

After the labour law, Youth policy must be one of the most important documents that regulate the youth employment market in each state. In this dissertation, I would like to analyse the role of the policies and what exact outcomes and influence it has on the unemployment issue of young people

“Youth policy is a strategy implemented by public authorities to provide young people with opportunities and experiences that support their successful integration into society and enable them to be active and responsible members of their societies, as well as agents of change” (Council of Europe CM/Rec(2015)3)

The youth unemployment issue generally requires special attention and policy developments from the state as they defer from other social groups by many aspects

such as education level, professional experience, adaptation, mobility level, and many more that will be analysed and studied in this dissertation work. It is important to develop special mechanisms by governmental and private institutions to simplify various problems or challenges faced by the youth while entering the labour market. The youth unemployment issue must be tackled with a careful approach as young people are the most active part of society and their reaction to social injustice is way too critical.

In the dissertation, first of all, I want to discuss what is an understanding of youth policy, how it regulates and influences youth unemployment, what specifications it has and how it differs from state to state. What is the role of non-governmental organisations in this process and what are the best practices to have fewer young people unemployed? What institutions are involved in solving unemployment issues of young people and what are the examples of some member states of the European Union? For a better picture and comparison, I will compare examples of two countries – Hungary and the Czech Republic, besides some specific examples of other EU member states. My reasonings for choosing these states is that both of them are more or less at the same economic development level, have a similar historical background, and nowadays have significantly different youth unemployment rates according to Eurostat.

Studying and researching each country's example is very complex and deep work, as it covers a whole big area of social-economic processes. Therefore, the dissertation will be focused on the general European Union approach, youth policies of some EU member states and a deep analysis of above mentioned two states. Also, the research data will be narrowed down, and statistical data used in the dissertation will only cover the years 2007 to 2019.

Covid 19 pandemic has significantly influenced the social-economic environment worldwide and therefore it had played a role in the youth unemployment issue in the European Union, but in this dissertation, I will not tackle this global problem and its consequences as I believe based on its complexity it needs separate study and deep

research with close understanding of the problem. Therefore, all the data and research in the dissertation covers years before 2020.

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INFLUENCE OF EU YOUTH POLICY ON THE YOUTH EMPLOYMENT PROBLEM

CASE:

The challenges and opportunities provided by youth policies across the EU.

METHODOLOGY:

The methods used in this thesis are mainly qualitative and include document and text analyses and case studies. Methodologically, the dissertation is implied in the qualitative research category and uses a case study method as its basic methodological approach. The research process focused on regions characterised mostly by self-conditionality and self-socialisation, yet which have and continue to follow European aspirations. This was mainly due to the fact that the European Union does not implement strict conditions and does not apply sufficient individual focus or tailor-made approaches towards its partners.

Based on research objectives, the main goal of the research is to define the role of youth policy in the unemployment rate and identify the labour market specialities and its readiness for young professionals. To define the goal certain period of 1990-2019 will be assessed. The design of the research is based on cases study of European states, and a deep analysis of the labour market, youth policy documents and activities of government and non-governmental organisations towards youth unemployment. In order to fully adhere to the research goal, a refined literature and empirical analysis has been conducted.

My aim of employing a literature review was to thoroughly analyse, interpret and critically evaluate literature linked to my topic. Therefore, I synthesised sources in

order to highlight outlines, main themes and information gaps that might have proved to be key findings for the future development of this dissertation.

With regard to the literature analysis, I employed an empirical analysis, taking into consideration the fact that conclusions from the theoretical review may already answer key questions.

Since empirical research is based on observation and the capturing of experiences, I would like to get answers to the following questions to enable me to present relevant results for this dissertation:

1. Youth policy of the European Union – is it a key approach to dealing with youth unemployment?
2. What is the role of non-governmental organisations in the employment of youth?
3. How do vocational education and training help young people get employed?

The sample used is the 27 Member States of the European Union and the period of the study covers the years 2000 to 2019. The most recent databases of Eurostat and OECD Stat have been fully employed. In relation to youth employment and youth policy, I have included the most noteworthy indicators in the analysis because they represent different sub-sections of youth unemployment. It seems reasonable that the phenomenon be better understood if a more diverse subset of indicators are involved.

Based on the fact that the 2007-2008 economic crisis had a very strong impact on labour market outcomes, I thought it would be useful to examine the period after the crisis (between 2000 and 2019) but in some cases, I felt a statistical analysis from previous years would be of significant importance in order to compare before- and after-crisis periods.

In addition to using case studies in my research to answer the questions surrounding the role of youth programs, I also analysed one of the programs of the European Union – ‘Erasmus +’, which itself includes several disciplines and gave me clear feedback on the role of vocational education and its accessibility. The purpose of a case study in my dissertation was to expand upon the issue and provide greater clarity through analysing one specific situation in the field of vocational education. This led to interesting findings about the classification of effects.

The case study in my dissertation is an analytical piece. It includes research and the presentation of theories, concepts and knowledge commonly found in my topic of focus. It highlights common problems in the employment and education fields and illuminates them via a detailed study.

The method of content analysis of primary and secondary sources is also used in the research. The analysis of official documents, reports and legal acts was carried out within the framework of the research of primary sources, and the content analysis of scientific literature was carried out within the scope of secondary sources. The dissertation also uses the method of comparative analysis, a deep and comprehensive analysis of two states in the framework of youth unemployment is conducted in chapter III. In the last chapter based on the previous chapter’s research and cases of successful states (on youth unemployment), some conclusions were stated, and some recommendations are developed. Some finding was underlined, and the importance of vocational/non-formal education recognition is highlighted.

KEY QUESTIONS OF THE THESIS:

- What is the role of the education system and what challenges does it face?
- What kinds of instruments have been applied and who are the actors in different countries?
- What are the positive impacts of the European programs? What are the benefits for young people and how do they influence their employability?

- Do non-governmental organisations (NGOs) play a role?
- What is the role of youth programs (e.g. Erasmus)? Can they help in youth unemployment issues?
- How is national youth policy impacted by EU-level policies? Do young people have any say in decision-making at state, regional or international level?

OBJECTIVES OF THE RESEARCH:

This dissertation, with the above constantly in mind, aims to discover if any kind of relationship exists between EU youth policy and youth unemployment rates in member states and to determine whether the various non-governmental organisations have generation-specific impacts and this has been attempted by seeking to prove or disprove the following three hypotheses:

1: EU-funded youth programs play a significant role in the employability of young people within the European Union member states.

2: In EU member states, the rate of unemployed youth depends on and has a strong connection with the performances of non-governmental organisations.

3: National youth policy papers do not have the strength nor capacity to play a role in solving unemployment issues at the local level.

LITERATURE REVIEW

A literature review on youth unemployment in the European Union (EU) would likely find that the issue is a complex and multifaceted problem with a number of underlying causes.

One of the main causes of youth unemployment in the EU is the lack of job opportunities. Many studies have shown that the economic crisis that began in 2008

led to a significant reduction in economic growth and job creation, making it difficult for young people to find work (e.g. European Commission, 2013; Eurostat, 2015). Additionally, many EU countries have an aging population, which means that there are fewer job openings as older workers are not retiring as fast as they used to¹.

Another major cause of youth unemployment in the EU is the mismatch between the skills of young people and the needs of employers. Many studies have shown that many young people are not properly educated or trained for the jobs that are available, making it difficult for them to find work (e.g. European Commission, 2013; Eurostat, 2015). Additionally, many EU countries have rigid labour markets that make it difficult for young people to gain experience and move up the career ladder (European Commission, 2013)².

The EU has been trying to tackle the problem of youth unemployment through several initiatives, such as the European Youth Guarantee. A number of studies have evaluated the effectiveness of the Youth Guarantee, and have found that it has had limited success in reducing youth unemployment (e.g. European Commission, 2017; OECD, 2018)³. Additionally, the EU's Youth Employment Initiative (YEI) provides funding to help young people find work in some of the EU's most affected regions. Studies have shown that the YEI has had some success in reducing youth unemployment, but more needs to be done to improve the program's effectiveness (e.g. European Commission, 2017; OECD, 2018).

Despite these efforts, youth unemployment remains a significant issue in the EU. Many studies have recommended that more needs to be done to improve the education and training system so that young people are better equipped for the job market (e.g. European Commission, 2013; Eurostat, 2015). Additionally, policies that

¹ Eurostat regional yearbook (2015), Luxembourg: Publications Office of the European Union, ISBN 978-92-79-49273-0, <https://ec.europa.eu/eurostat/documents/3217494/7018888/KS-HA-15-001-EN-N.pdf>

² Görlich, Dennis; Stepanok, Ignat; Al-Hussami, Fares (2013) : Youth unemployment in Europe and the world: Causes, consequences and solutions, Kiel Policy Brief, No. 59, Kiel Institute for the World Economy (IfW), Kiel

³ Implementation of the Youth Guarantee by the Public Employment Services Success factors and key challenges (2018), Luxembourg: Publications Office of the European Union, ISBN: 978-92-79-99982-6.

encourage small business growth, entrepreneurship and innovation can also help create jobs for young people (e.g. European Commission, 2013). Government can also implement policies to improve working conditions and wages, which can help create more job opportunities for young people.

After getting acquainted with the work, the reader will have a feeling of what institutional actions, policy documents and actions of the state and non-governmental organizations are related to the problem of youth employment in the European Union. In this regard, it is important to review the literature related to youth policy, labour law and literature analysing statistical data. The following groups of sources can be distinguished in the work: books, academic articles and official documents.

On the topic of youth unemployment and generally on youth policy, much literature has been written up over the last century. As part of my research, I have reviewed a great deal of it and compared the theories of several authors in this chapter. I also analysed a report paper by the International Labour Organisation (ILO) – Global Employment Trends for Youth 2017, as well as some articles that offered several theoretical approaches to the topic.

The United Nations defines “youth” as: young people between the ages of 15 and 24 (United Nations, 1992) and has remained the traditional capture period between childhood and adulthood, with one aspect of this transition concerning the switch from a life of full-time education to that of full-time employment.⁴ Not all children participate in such an extended period of education, nor do all those who leave any length of education get employed. Nevertheless, the age range was intended to encompass the common school-leaving age and the most common age when one starts working full-time⁵

⁴ United Nations. (1992). World Programme of Action for Youth to the Year 2000 and Beyond. Retrieved from <https://www.un.org/development/desa/youth/wp-content/uploads/sites/21/2015/01/wpay.pdf>

⁵ O'Higgins, N. (2017). The challenge of youth employment in advanced economies in a time of austerity. *Oxford Review of Economic Policy*, 33(1), 170-188

Unemployment is a multidimensional concept involving a variety of economic angles. One variable of interest often found in literature refers to economic climate shifts; another is the young professional population structure.⁶ According to the ILO report, the ratio of the global youth unemployment rate has changed in recent years. Regrettably, a better change was anticipated but it goes a long way to demonstrating how disadvantaged the labour market is for the youth of the EU⁷.

Youth employment features prominently in the Sustainable Development Goals. The 2030 Agenda for Sustainable Development places full and productive employment and acceptable work for youth at the centre of the new development vision which itself includes so-called Key Targets for the youth workforce⁸:

4.4: “By 2030, to increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship”;

4.6: “By 2030, to ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy”;

8.5: “By 2030, to achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value”;

8.6: “By 2020, to substantially reduce the proportion of youth not in employment, education or training”;

8b: “By 2020, to develop and put into operation a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organisation”; and

13b: “To promote mechanisms for raising capacity for effective climate change-related planning and management in the least developed countries and small

⁶ ILO. (2017). World employment and social outlook: Trends for youth 2017. Geneva: International Labour Organization.

⁷ Dietrich, H. (2012). Youth Unemployment in Europe Theoretical Considerations and Empirical Findings. Friedrich-Ebert-Stiftung, International Policy Analysis, Berlin.

⁸ United Nations. (2015). Transforming our world: The 2030 Agenda for Sustainable Development, General Assembly, 70th session, Resolution adopted by the General Assembly on 25 Sept. 2015, A/RES/70/1 (New York). Retrieved from https://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

island developing States, including focusing on women, youth and local and marginalised communities.”

The ILO report offers full statistics about transition jobs, jobs combined with studies and how successful they are for young people. One chapter is dedicated to the development of modern technologies and how they will influence the issue of youth unemployment.

The impact of such technological developments on jobs and generally on markets is predicted to be unequal. It will very much depend on individual states' stages in development, what the economy looks like and how well workers are prepared for adapting to new market requirements experiencing the transition process.

“There are many young women and men in developing countries who will remain unaffected by front-line technological changes but who will eventually need to adapt to an ever-digitalised and autonomous world.”⁹

Young workers get really well acquainted with the new world of work; they often take jobs that have never had a chance to exist which in general places them in a better position than previous generations. Besides, for a younger generation which, for the first time, was born into a work environment that is open to technologies, it is far easier for them to adapt to new waves of technological changes; not to mention they can more easily get the jobs that are connected to this new digital world.

Global Employment Trends for Youth 2017 provides everything from trends to policy implementation focusing on the instability of the labour market and any issues faced by young workers¹⁰. This report analyses data from the International Labour Organisations - Trends Econometric Models, Labour Force Surveys and other national surveys, as well as the ILO's 2017 Youth and the Future of Work Survey.

⁹ International Labour Organization (2019). World Employment and Social Outlook: Trends 2019. Geneva: International Labour Office.

¹⁰ International Labour Organization (2017). Global Employment Trends for Youth 2017: Paths to a better working future. Geneva: International Labour Office.

The report includes a detailed overview on youth labour markets, good and bad practices of the states and regional and international strategies for overcoming the issue of youth unemployment. Focus is put on falling workforce numbers, continued unemployment, issues surrounding working conditions, youth migration and all possible changes that might come up in the near future. The second part of the report concentrates more on globalisation processes and its own influence on youth unemployment.

The world of work is changing rapidly nowadays and there are some key factors determining a successful transition to an acceptable job. The report discusses how young professionals will work in the future and the connection between modern technology. It discusses changing requirements with regard to the skills necessary to enable youth to be more compatible in the global market. The last part of the report analyses the new job landscape and never-before-seen ways to work. The paper briefly introduces the future of jobs, what they will look like and what the perspectives of a digitalised world will be. For example:

“... create more high-quality employment for young workers and ultimately realise an inclusive future, as proposed in the 2030 Agenda for Sustainable Development. It presents policy options for achieving this, especially in the context of the rapidly changing technologies that impact labour markets. Self-employment is possible and rewarding. This may be in one’s own or family business and is now increasingly aided by technology. Entrepreneurship is central to the 2030 Agenda for Sustainable Development, whose target 4.4 aims at increasing the skills of youth and adults for employment and entrepreneurship.”¹¹

Certain areas of development are sure to have an effect on production systems. The report highlights four such technologies:

¹¹ International Labour Organization (2017). Global Employment Trends for Youth 2017: Paths to a better working future. Geneva: International Labour Office

- Artificial intelligence – created to replace human mental involvement. Examples of AI are: Google’s DeepMind, smart personal assistants such as Apple’s Siri, aircraft or car autopilots, etc.
- Robotics – Machines programmed to execute tasks with minimum human involvement. There are also a range of domestic applications such as automated hoovers or socially interactive robots in shops or for lonely individuals.
- Online connectivity – devices related to sensors that record different kinds of data: The Nest home thermostat informs owners via an app of any home heating issues, for example.
- 3D printing - objects are built up from digital files layer upon layer with special printing materials.

Youth unemployment is harmed by a particular set of difficulties, not only because they make up a far less homogeneous group than others. From a school-to-work transition perspective, the path of opportunity is more convoluted with personalised variance in regards to labour market-related resources being much more diverse. School-to-work transition-related institutions are different from country to country, much like national and time-specific factors such as structural changes and demographic changes over the business cycle¹².

In conclusion, youth unemployment is a significant issue in the European Union, with millions of young people struggling to find work. The EU has been trying to tackle the problem through several initiatives, but more needs to be done to improve the education and training system and create more job opportunities for young people¹³. Additionally, policies that encourage small business growth, entrepreneurship and innovation can also help create jobs for young people, as well as policies to improve working conditions and wages.

¹² Dietrich, H. (2012). Youth Unemployment in Europe: Theoretical Considerations and Empirical Findings. *International Journal of Business and Social Science*, 3(8), 147-154.

¹³ European Commission (2019). "Youth Employment in the EU." Retrieved from <https://ec.europa.eu/social/main.jsp?catId=89&langId=en&pubId=8214>.

CHAPTER I: YOUTH UNEMPLOYMENT IN THE EUROPEAN UNION

1.1 GENERAL OVERVIEW OF THE ISSUE AND RECENT STATISTICS

It is quite a startling fact that youth unemployment in the EU has, since 1945, been higher than that of older adults but it is even more concerning when we discover that, since 2008, it has increased to even more disheartening levels. The EU now has a situation on its hands in which around 20% of its youth is jobless; some regions even go as high as or surpass 50%¹⁴. The global labour market is perceived as not being as accessible as it once was, which is one of the primary causes of this appalling statistic, itself one of many others. Countless European and international organisations, on behalf of the youth workforce, have been working hard to bring to light the very important issues behind the disadvantages and what can only be called discrimination towards young people looking to enter full-time work¹⁵. Unsurprisingly, the vast majority of responses regarding policy implementation have not come close to meeting any needs, not to mention being very uncoordinated and missing the mark far too often.

As a by-product of such poor levels of youth employment, it is perhaps unsurprising that crime, drug addiction and alcohol rates have sky-rocketed in many regions, especially in Greece and surrounding member states. A social and economic

¹⁴ European Commission (2020). "Youth Unemployment." Retrieved from https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Youth_unemployment.

¹⁵ United Nations Department of Economic and Social Affairs (UN DESA). (2019). Online survey on promoting empowerment of people in achieving poverty eradication, social integration and full employment, and decent work for all. Retrieved from <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2019/11/UN-Survey-on-Promoting-Empowerment.pdf>

chasm has now appeared, if not been exacerbated, due to these disparities and many fear that Europe has a difficult road ahead in this regard because a whole generation's work future is being put more and more at risk. It is quite obvious, then, that measures need to be put in place with a view to encouraging growth and facilitating employment. To make matters worse, swathes of young workers are fleeing native lands, even Europe itself, in search of better opportunities, causing a brain-drain which will be very difficult to stem, let alone reverse.

Following on from the financial crisis which took place in 2008, young people have struggled more and more when it comes to employment, feeling included in society and being able to live out their lives in a dignified manner. A knock-on effect of these widening income gaps and a lower quality of life has been social and political unrest Europe-wide. If the protection of youth labour and social rights are truly important to the EU, their initiatives need to be a lot more on-point and hard-hitting than what they have been to date.

Poverty and unemployment among the European youth are down to the outsourcing of one generation's problems onto the next and while the so-called Youth Guarantee is indeed a welcome measure, and a minimal one at that, without truly and fully investing in young people's future prospects, future generations will blame the current youth for their failed economic system too, which will be tragic for the EU, result in even more backlash and, almost ironically, cause it to pay the ultimate price¹⁶.

¹⁶ Daly, M., & Scutella, R. (2010). The Impact of the Financial Crisis on the Employment and Social Inclusion of Young People. What should be done?. Melbourne Institute Working Paper, (9/10)

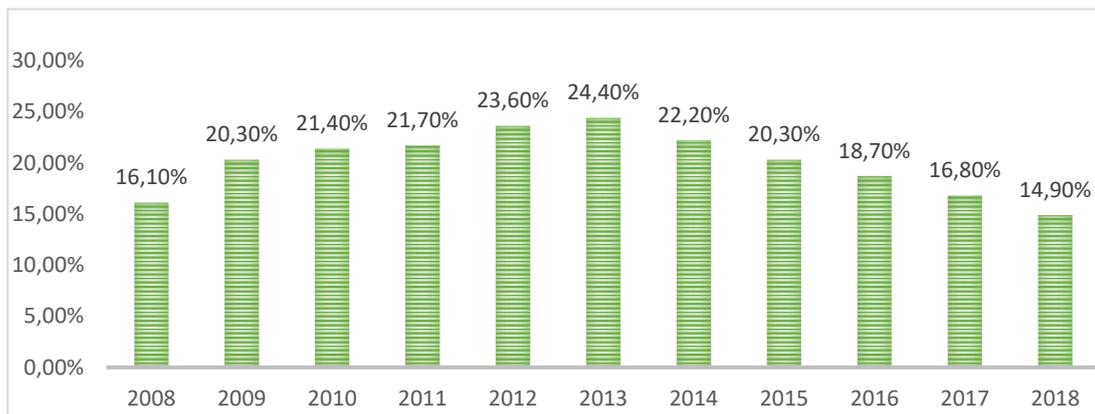


Figure 1: Youth Unemployment Rate in the European Union (2008-2018)¹⁷

At present, youth participation is not sufficient in the decision-making processes of topics that are directly linked to them. There are also several cases when topics linked to youth are made by different political institutions without any intervention with the target audience¹⁸. Further down the line, youth have to fight for their rights and hope to change already-made decisions, which is much more difficult to achieve. This is why European youth policy promotes active involvement when policies are being designed and supports youth rights at higher political levels.

Despite the above, however, youth unemployment remains one of the most important problems of EU youth policy which is perhaps why there are several types of research, projects and indeed strategies which have been developed by the EU institutions to help overcome this problem.

According to statistics of International Trade Organisation, there are 75 million youths unemployed in the 15-24 age bracket worldwide. Also, ‘Eurostat’ published statistics in 2018 which showed that in EU states, 23.5% of the youth are officially unemployed. The highest percentages of youth unemployment are recorded in Spain (55.7%) and Greece (58.7%), with the lowest in Germany (5%). When experts examine these numbers, they feel that the problems are headed on a

¹⁷ Eurostat. (n.d.). Youth unemployment rate in the European Union from January 2008 to November 2018. Retrieved from <https://www.statista.com/statistics/268830/youth-unemployment-rate-in-eu-countries/>

¹⁸ United Nations Department of Economic and Social Affairs, Division for Inclusive Social Development, "Youth Political Participation" (2013), <https://www.un.org/esa/socdev/documents/youth/fact-sheets/youth-political-participation.pdf>

downward trajectory, see it as a major threat to all member states and therefore encourage each and every one of them to come up with projects and/or campaigns to deal with the situation as quickly as practical. In previous years, a lot of activities and conferences were held, as well as different types of projects linked to youth unemployment being deployed but without too much remarkable success¹⁹.

The International Labour Organisation (ILO) identifies three categories of the labour force: employed, unemployed and economically inactive. In the data provided above by Eurostat, the definition of unemployed is used according to ILO's guidelines. The labour force, also known as an 'active population', is also considered employed or unemployed and these definitions apply the same way to the youth population as they do to adults. The United Nations considers youth as between 14-24 but in different countries, one can find a variety of definitions and age groups. This is an important note, to compare several countries and generally to analyse statistical data from them. In some cases, the youth are divided into two groups: teenagers (15-19) and young adults (20-24). Several studies and authors argue on this issue as it affects several unemployed youths in these two age groups and underlines the need for a separate approach for each.

The definition of 'Unemployment' is also an issue when diving into the data, as there are several details that make the understanding of 'unemployment' different. According to the United Nations definition, an individual is considered 'unemployed' when they have not been working for a specific period but is still able and willing to find a job. As an example of the importance of this issue, there exists the status of 'student', who in some countries is considered a 'job-seeker' yet still count as 'employed'.

Thus, the definition and true status of an 'inactive youth' makes statistical data mining questionable, as in some countries, young people that are not actively searching for work or are in education are not considered 'unemployed'. Data on

¹⁹ International Labour Organization (2018). Global Initiative on Decent Jobs for Youth: Baseline Report. Retrieved from <https://www.ilo.org/global/topics/youth-employment/Gloabal-Initiative-on-Decent-Jobs-for-Youth/lang--en/index.htm>

unemployment which covers both an unemployed and inactive youth in the country can be more significant as it sheds better light on the true nature of the problem. However, it is not as visible as it should be due to the definition of deference. At the same time, it can in some way hide the actual problems the country faces.

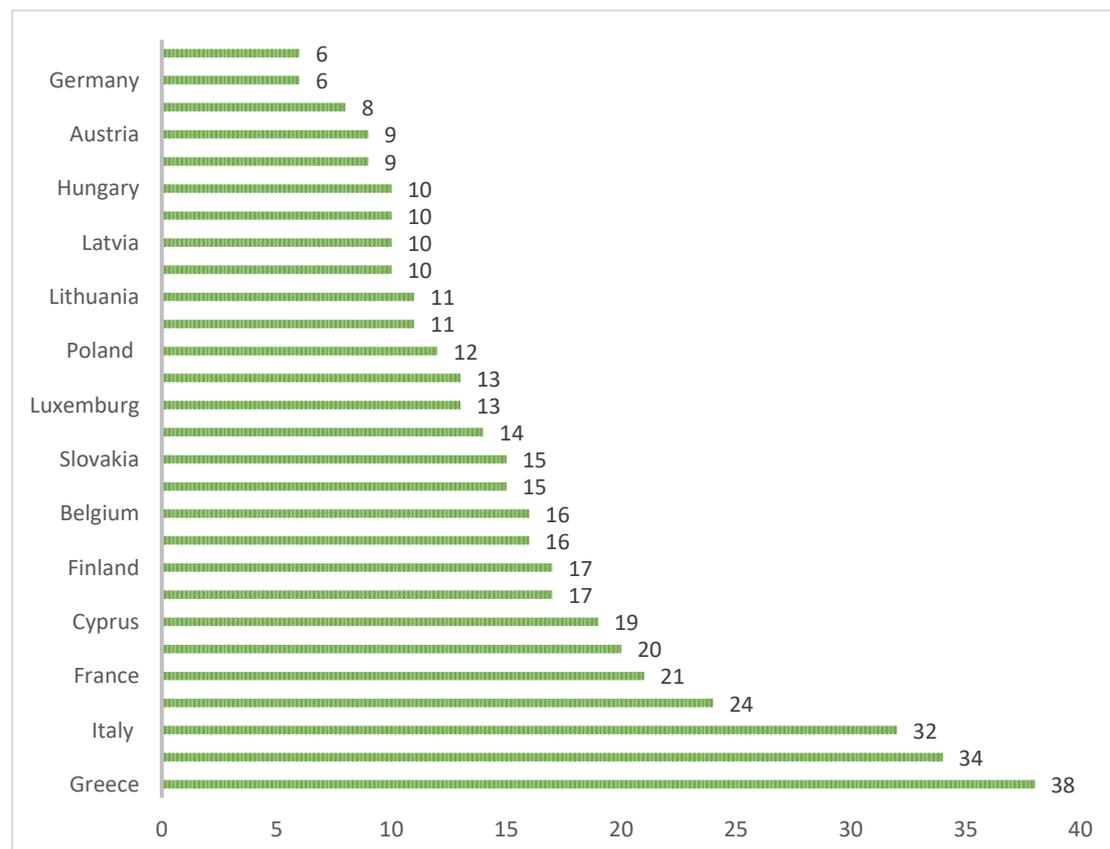


Figure II: the Youth unemployment rate in the EU, Source²⁰

Noteworthy differences exist when it comes to the rates of youth unemployment across the EU. The figures and data above reveal the proportion of youth unemployment in all member states of the European Union and show significant differences between Eastern and Western European regions. Several reasons are behind the unemployment of youth generally speaking but there is quite a large consensus on the matter. The most well-known cause can be named, ‘reduced macro-economic performance’: Poor economic performance and a lack of growth

²⁰ Eurostat. (2019). Youth unemployment rate. Retrieved from <https://ec.europa.eu/eurostat/databrowser/view/tesem120/default/table?lang=en>.

come together to affect every target group of the state but some groups tend to be harder hit²¹.

Young people are more affected due to the reason that youth unemployment itself is highly cyclical and therefore it tends more towards youth unemployment. Higher-cyclical, unstable performance of youth unemployment is caused by several factors, one of which is youth workers in the labour market who, in most cases, have lower job protection²². Moreover, young people in the labour market have less job-specific experience, which for the employers causes an additional investment in training and education that they wouldn't need if employing adults in the same role.

Voluntary work and internships are also more likely to be carried out by young people than adults because such jobs provide an opportunity for the youth to enjoy different experiences before they find a proper job. It also helps low economic performance in terms of taxpaying. The youth face lower opportunity costs for resigning, as there is always less chance that they have dependants who need their support. Returning to higher education is a more likely natural process and on the other hand, a good option, unlike in the case for adults.²³

The main problem and barrier for the youth to enter the labour market is a lack of experience and in some cases, a lack of informal education. Also, to access possibilities for youth, there are fewer chances to see them as individual entrepreneurs based on the fact that they don't have a long credit history and do not have good access to business networks. Furthermore, during a recession, before setting out to lay individuals off, companies initially stop hiring. This means that young staff are disproportionately plagued by such lags in hiring.²⁴

²¹ Williamson, Howard (2008). Supporting Young People in Europe. Volume 2. Council of Europe Publishing.

²² Signorelli, M. (2008). Youth unemployment in transition economies. *Comparative Economic Studies*, 50(2), 312-337. doi: 10.1057/palgrave.ces.8100186

²³ Kis, V. (2016), "Work, train, win: work-based learning design and management for productivity gains", OECD Education Working Papers, No. 135, OECD Publishing, Paris.
<http://dx.doi.org/10.1787/5jlz6rbns1g1-en>

²⁴ Global Employment Trends for Youth 2020: Technology and the future of jobs International Labour Office – Geneva: ILO, 2020

Also, one noteworthy fact that influences the high level of unemployment among the younger generation in the European Union is the rise in the number of youths overall. This is particularly more relevant in South European states where countries face limited labour demand, which itself prevents many young people from finding a proper job. This issue can be counterbalanced by economic growth which helps states to create more space in the labour market for young job-seekers.

In developed states, the adult society makes way for young workers by resigning and entering retirement. This fact also has a direct link to the economic performance of the country. In some developing states where pensions for retired people are way too low, one can find many older people at and in the age of retirement still working. In this case, states with strong economic performance will solve the problem of youth unemployment by themselves. Yet, youth consequences have worsened despite an older population²⁵.

Employment Protection Legislation (EPL) has a big influence on the youth unemployment rate in every state of the European Union. Since 1980, when the first wave of economic crises gathered pace in Europe and unemployment became one of the major problems of society, policy-makers started to work on and soon after introduced many reforms connected to better economic performance in order to overcome unemployment problems. One of the main reforms was to make EPL more accessible and encourage companies to move to fixed-term (temporary) contracts while Employment Protection Legislation remained unchanged for long-term (permanent) contracts.

This reform, in general, created many places in the labour market at the time but at the same time, many of them were temporary. Those temporary jobs are mainly the ones that the youth are more suitable for than adults.

²⁵ Banerji, A., Saksonovs, S., Lin, H., & Blavy, R. (2014). Youth unemployment in advanced economies in Europe: Searching for solutions (IMF Staff Discussion Note No. 14/11). International Monetary Fund, European Department and Research Department.

During the crisis, the creation of many temporary jobs was one of the starting points when youth unemployment as a term was created. During the last crisis and recession, influence on youth unemployment was greater than before since young people got hit strongly as temporary contracts became the only option offered by many companies. The biggest disadvantage of the temporary contract is that the rights of the employees are not as protected as in permanent contracts²⁶.

As we can see in the previous chart, youth unemployment rates are a red flag in Mediterranean countries, especially the problem of a segmented labour market in Spain²⁷. There is a different approach in literature where some authors think that EPL and minimum wage does not have a big influence on the youth unemployment rate^{28,29}, whereas others argue the opposite and claim that there are some effects and they play a significant role in youth unemployment rates. To clarify the general mismatch, there is a big gap between the request and sources of skills possessed by youth employees, which is one of the main reasons for a higher youth unemployment rate in the European Union³⁰.

There is a strong link between the mismatch of skills and youth unemployment rate not only in Mediterranean countries but in every country of the world. The skill mismatch is a widely important issue which leads and links us to the problem of the education system worldwide. Based on the above-mentioned reasons, youth unemployment rates are different to adult unemployment rates. However, they still need an assessment on how problematic an issue they can be as youth unemployment might be a smaller problem for youth due to its shorter duration³¹. Also, young people

²⁶ Caporale, G. M., & Gil-Alana, L. (2014). Youth unemployment in Europe: Persistence and macroeconomic determinants. *Comparative Economic Studies*, 56(4), 581-591.

²⁷ O'Higgins, N. (2001). Youth unemployment and employment policy: A global perspective. *International Labour Review*, 140(4), 435-451.

²⁸ Freeman, R. B. (2005). What, Me Vote? In: D. Card, R. B. Freeman (Eds.), *Small Differences That Matter: Labor Markets and Income Maintenance in Canada and the United States*, University of Chicago Press, Chicago, 27-70.

²⁹ Godfrey, M. (2003). Minimum wages and youth unemployment. *Australian Economic Review*, 36(1), 84-91.

³⁰ Coenjaerts, J., De Graaf-Zijl, M., & Van der Steeg, M. (2009). Mismatch and the effectiveness of education and training systems. IZA Discussion Paper No. 4460. Institute for the Study of Labor (IZA).

³¹ OECD. (2019). Tackling the youth skills gap: Bridging the gap between learning and earning. Retrieved from <https://www.oecd.org/education/tackling-the-youth-skills-gap-651a939d-en.htm>

still have time to develop their skills and competences before entering the labour market. Likewise, youth workers might switch from one job to another quite often because they seek the right one and are in the process of finding a proper, more suitable job.

The high unemployment rate in the young generation could also be based on a constant searching process of new opportunities, which for economic performance is not as harmful as it seems. Nevertheless, unemployment at an early age might have a direct influence later in the job search as employees always tend to look for the experience flow and career gaps tend to be a negative in job-seekers' career paths. It may have a negative impact on employment opportunities later on, though³².

Certainly, there is also a direct link to unemployment at an early age and reduced wages, which also increase the chances of a future unemployment cycle³³. There are several reasons for such effects on the unemployment of young people. For example, patterns of behaviour that are established in the very early stages tend to continue. That, in the end, makes employees less and less productive. Also, we have to mention that skills and motivation might degenerate during the unemployment spell.

One day, the skills that are not used and developed might become obsolete due to not using them at all. This is also under the processes of globalisation, where all technical and general skills need constant practice to keep up with recent developments. Technological and organisational developments nowadays change fast and make formally acquired skills and knowledge less and less valuable. Based on all the above-mentioned ideas, employers consider potential employees potentially less productive if one had an employment gap in their career path³⁴. Besides the effect that that is quite scary, youth unemployment has a direct link to bigger social problems

³² Dietrich, H., & Möller, J. (2015). Youth unemployment in Europe – business cycle and institutional effects. *International Economics and Economic Policy*, 13(1), 5-27.

³³ Elmeskov, J., & Pichelmann, K. (1995). Unemployment and labour force participation – Trends and cycles. OECD Economics Department Working Papers, No. 130.

³⁴ World Economic Forum. (2020). The future of jobs report 2020. Retrieved from <https://www.weforum.org/reports/the-future-of-jobs-report-2020>

such as drug abuse, crime, etc. This fact can be explained in another way: unemployment has a direct link to youth with other social problems³⁵.

EPL reforms, which were just partial, got youth society more attracted to temporary jobs. Temporary jobs characterise themselves as more delicate and at the same time, less protective as they pay a lower wage and give lower job security³⁶. Therefore, young employees, due to temporary job contracts, do not have access to credits or mortgages. Also, the companies, because of a better tax system and fewer responsibilities, prefer to have permanent job contracts over temporary ones³⁷.

Temporary workers are also lacking in training and educational opportunities, which of course has a negative influence on their long-term employment perspectives. As mentioned above, temporary workers are much more affected by globalisation processes worldwide. It is also obvious that the labour market is adjusted to off-shoring, mainly through temporary workers³⁸. Generally, off-shoring is directly linked to lower wages and higher chances for the unemployment of temporary workers, which means that it has a direct link to youth unemployment.

1.2. LABOUR MIGRATION OF YOUNG PEOPLE IN EUROPE

The EU has been working on migration issues for several years now and several policies and structures have been developed to better manage processes connected to migration. Legal labour migration remains one of the challenges and is still a very fragmented and limited process. For some specific categories, legal labour

³⁵ Eichhorst, W., Hinte, H., & Rinne, U. (2013). Youth unemployment in Europe: What to do about it? *Intereconomics*, 48(4), 230-235.

³⁶ Dietrich, H., & Möller, J. (2015). Youth unemployment in Europe – business cycle and institutional effects. *International Economics and Economic Policy*, 13(1), 5-27

³⁷ ILO. (2013). *Global Employment Trends for Youth 2013. A Generation at Risk*. Geneva: International Labour Office.

³⁸ European Foundation for the Improvement of Living and Working Conditions. (2018). *The changing nature of employment and new forms of work organisation: Effects on worker well-being and company performance*. Retrieved from

<https://www.eurofound.europa.eu/publications/report/2018/working-conditions-labour-market/the-changing-nature-of-employment-and-new-forms-of-work-organisation-effects-on-worker-well-being-and-company-performance>

migration is much easier; for example, highly qualified workers, seasonal workers, students, researchers, etc. The approach does not refer to the main challenges of migration in the European Union as the labour market does not legally integrate migrants from outside Europe (for example, third-country nationals) and does not legally integrate family members of legally migrated people, asylum seekers or even students studying in the European Union member state.

The labour market still has several challenges such as the articulation of international migration processes within and outside the EU. It also has to be mentioned that one of the challenges is to record and manage the process inside the union, movement between states and the compatibility of competences³⁹. Under the labour migration processes and its challenges, the recognition of qualifications from different states is significant.

The internal migration rate between member states is significantly low. For example, in 2010, according to Eurostat, the inter-EU migration rate was 0.3% of the population of whole member states, which includes all labour-migrated ages between 15-64⁴⁰. Despite the rise in the rate of unemployment and an economic crisis, the European Union member states still face the challenge of a labour and skill mismatch. The European Union, therefore, has started to create a strategy which focuses on growing geographical migration. The idea behind it stands for reducing the mismatch for supply and demand inside the labour market⁴¹.

In the European Union's growth strategy of 2020, it was highlighted that the labour movement within member states is a key element and a primary mechanism for the future of the labour market. Each member state is encouraged to share information about a lack of skills and qualifications in order to promote labour mobility between

³⁹ Biletta, I., & Cerf, C. (2018). Work on demand: Recurrence, effects, and challenges. Publications Office of the European Union, Luxembourg.

⁴⁰ Haas, H. (2018). European Migrations: Dynamics, Drivers, and the Role of Policies. EUR 29060 EN, Publications Office of the European Union, Luxembourg.

⁴¹ King, R. (2000) 'Southern Europe in the Changing Global Map of Migration', in R. King, G. Lazaridis and C. Tsardanidis (eds) *Eldorado or Fortress? Migration in Southern Europe*, pp. 3-26.

countries and regions.⁴² This strategy has increased chances for job-seekers to get employed and to find a job easily in a wider area. Also, for companies, it has a big advantage by way of finding proper, highly qualified workers.

Nevertheless, we have to mention that the competitiveness of job-seekers within the European Union also has its own challenges. The changed incentive for encouraging a geographical migration of labour at the EU level is somehow dominated at the national level by worries about negative side effects such as migrant inflow to the national labour market. These might include discarding local workers, the possibility of abusing the welfare system and financial problems that migrants might introduce to the labour system of the receiving state.

The idea behind promoting geographical mobility is to advocate the notion of a single market within the EU and to generally enhance regional integration. The free movement principle of internal EU labour was first presented by the Treaty of Rome (1958). The job of the European Court of Justice is also significant as they have supported the idea of general free movement, not only labour migration. Later on came the Maastricht Treaty (1993), consolidating freedom of movement inside the European Union member states and bringing into the loop the idea of European Citizenship. This was then followed by the Amsterdam Treaty (1997), which also further promoted free movement within the Union with the cooperation of the Schengen Agreement⁴³: “Every citizen shall have a right to move and reside freely within the territory of any Member State” (Maastricht Treaty, Article 18).

The principle of free migration and free movement is usually protected by European Law, where many cases can be found involving national policy-makers of migrant-receiving states being concerned about the negative outcomes within their national labour market following the migration of such labour. The enlargement

⁴² European Commission. (2020). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: EU strategic framework for sustainable growth and development. Retrieved from <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0065>

⁴³ Huddleston, T., Bilgili, Ö., Joki, A. L., & Vankova, Z. (2018). Migrant integration policy index: 2015–16 national and local perspectives. Brussels: Migration Policy Group.

process of the European Union always plays a negative role too, as there are usually migration flows from newly joined states to more economically developed member countries. According to practices of last year on each EU enlargement case, many existing EU member countries applied limits and restrictions on the national labour market to avoid excessive migration flows. In 2004, when the EU underwent one of its biggest enlargements, most of the existing member states applied some restrictions to the new member states and the ones with lower economic performance, mainly Eastern European ones. Restrictions were different for each member state but they did not last long since all restrictions within the EU member states were dismissed around May, 2011⁴⁴.

Mobility processes inside the European Union were implicated in and had direct influences on the performance of labour markets at national level. For example, the labour market in Germany demonstrated a higher level of unemployment in the years of 2004-2006, when the majority of German people started to use freedom of movement and started to migrate to the United Kingdom and Ireland⁴⁵. By that time, the labour market of the UK and Ireland recorded a very low rate of unemployment.

In 2007, the EU Enlargement Action Plan for European Job Mobility was adopted for the years 2007-2010. The action plan was mainly dedicated to supporting geographical free movement within the European Union. The action plan did not follow its content due to the economic crisis in 2008 when attention changed direction and everyone started to focus on the main issue of crisis times: unemployment⁴⁶.

During the crisis, member states realised the direct link of labour migration and unemployment and as an outcome, employment committees started to work on free movement rights protection and upgrading skills at national level.

⁴⁴ Funck, B., & Pizzati, L. (2002). Labour, Employment, and Social Policies in the EU Enlargement Process. Washington: The World Bank.

⁴⁵ ILO. (2013). Global Employment Trends for Youth 2013. A Generation at Risk. Geneva: International Labour Office.

⁴⁶ Kahanec, M., & Zimmermann, K. F. (2010). EU Labor Markets after Post-Enlargement Migration. IZA Discussion Paper No. 5398

Further coordination between nations regarding labour mobility and creating a strong common European labour market became a priority for the European Commission and state authorities. Thus, in 2011, all mobility barriers were removed inside the European Union. The recognition of qualifications and using more efficiently language diversity became a priority. As part of free mobility, barriers like access to social security and national services became available for the employed migrants within the EU⁴⁷.

Generally, the aim of creating labour-related migration policies is to make sure supply and demand are matched on the labour market⁴⁸. As an example, most of the labour policies are dedicated to making sure that qualified workers are available in the labour market without additional transactional costs for companies. The connection between migration policies to labour market policies are usually well connected to the national and European level.

Both national and European policies try to ensure human capital availability and facilitate processes of migration connected to the labour market. To access the connection between labour migration and the needs of the labour market, one has to underline the issue of transaction cost. Companies that usually seek employees try to avoid recruitment from abroad due to the inherent costs. These change from country to country but what does apply across the board is the documentation companies usually have to apply for for the employee. Only in cases of a lack of qualification on the national labour market can companies seek employees from the global labour market. The same goes for the EU⁴⁹.

The above could be considered the reason for international initiatives but at the same time, they aim to restrict other actors into handling the costs regarding labour movement.

⁴⁷ Burda, M., & Wyplosz, C. (1994). Gross Worker and Job Flows in Europe. *European Economic Review*, Vol. 38, No. 6, pp. 1287–1315.

⁴⁸ Boeri, T., & Brücker, H. (2001). Why are Europeans so tough on migrants? *Economic Journal*, 111(470), F31-F54.

⁴⁹ European Commission. (2016). Communication from the Commission to the European Parliament, the European Council and the Council: A European agenda on migration. Brussels: European Commission.

There are other types of migrants who, in the first stage of migration (when they enter the new state) are not considered a job-seeker but in certain periods they start to enter the labour market. In such a group, people arriving for the purpose of study, family reunification, research, etc. can exist. Countries nowadays are working to reduce costs as much as possible which will directly strengthen the idea of having a strong, common European Union labour market.

To speak about legal perspectives, the Lisbon Treaty gives the full right to each EU member state to fully regulate their national migration policy and the freedom to establish conditions of obtaining a work permit⁵⁰. Usually, member states use this opportunity and freedom to monitor the process and limit the volume of entries to their national labour market. The Lisbon Treaty advises the institutional setting that it must be valued in any new initiative of the European Union connected to the field of labour migration. It is highly important to guarantee step-by-step implementation of any labour migration connected to the EU and to articulate between international migration to the EU and migration inside the EU for its citizens⁵¹.

Besides developing several strategies at the European Union and national level, intra-EU labour mobility still has several challenges and obstacles to overcome. One of the remaining obstacles is the lack of recognition of qualifications and educational backgrounds. To manage the processes of labour mobility in a good way, several frameworks and directives have been implemented and applied at EU level.⁵² Some directives were directly connected to the issue of the recognition of qualifications to establish a framework for common European qualifications. EU directives promote the idea of recognising professional qualifications when citizens of the European Union have to automatically receive authorisation to work in a certain

⁵⁰ Fargues, P. (2011). From Maastricht to Lisbon: The European Union's Migration and Refugee Law in the Making. *International Journal of Refugee Law*, 23(4), 634-661

⁵¹ Boeri, T., & Brücker, H. (2001). Why are Europeans so tough on migrants? *Economic Journal*, 111(470), F31-F54

⁵² European Commission. (2013). *Strengthening the social dimension of the Economic and Monetary Union: A roadmap*. Brussels, Belgium: European Commission.

occupation in any EU state if they are qualified workers in the home country. This recognition is guaranteed by minimum training requirements in the member state where one is willing to immigrate.

Besides all these regulations and directives, some European Union member states still require obtaining a license before permitting a person to enter their labour market. Those restrictions usually apply to medical personnel such as doctors, surgeons, dentists, pharmacists, nurses, etc.

On the matter of the socio-demographic characteristics of migration within the European Union, there are a lot that make almost all EU member states have common trends. The most important and significant trend is the age group of migrants. Most of the labour migrants within the European Union are younger than the average population. According to the statistical data from Eurostat, the majority of migrants inside the EU are within the age range of 20-40. Mainly in northern European states, Sweden, Finland and Norway record that the majority of migrants are under the age of 30. Similar data exists in some states of central and southern Europe such as Austria and Italy⁵³.

To speak about the gender of labour migrants, we have different pictures as it varies a lot from country to country. Women tend to be marginally more in mobility data in Eastern European member states, whereas men are more mobile in the old EU member states but the gender differences are usually very low which is the reason gender-orientated labour mobility has never been an issue to be taken into consideration. Another trend that has to be noted is repetitive mobility, which means that a person has already relocated several times from one state to another⁵⁴. A high record of this pattern of labour mobility exists in Spain, where the influence of this type worsening the labour market is significant.

⁵³ Kahanec, M., & Zimmermann, K. F. (2010). EU Labor Markets after Post-Enlargement Migration. IZA Discussion Paper No. 5398

⁵⁴ O'Reilly, J., Eichhorst, W., Gábos, A., Hadjivassiliou, K., Lain, D., Leschke, J., McGuinness, S., Mýtna Kureková, L., Nazio, T., Ortlieb, R., Russell, H., & Villa, P. (2015). Five characteristics of youth unemployment in Europe: Flexibility, education, migration, family legacies, and EU policy. *Sage Open*, 5(1), 1-19

To analyse backgrounds and data on the educational levels of migrants is not possible in numbers as most member states do not record it. Only according to a few member states' records, labour migrants often possess higher average education levels. One of the European Union member states which records the educational background of migrants is Hungary, where statistics show, for example, that women with higher education mainly move to central regions of the EU than the ones with lower education. Data from Slovakia shows that the majority of migrants from the country are the ones with lower or no formal education. In Hungary and Slovakia, very low levels of labour migration are recorded for the people with an average formal education level⁵⁵. It can only go as far as generalised to speak about tendencies of migration linked to educational background as only 4 member states tend to keep such records.

Regardless of the economic crisis in 2008, some regions and states kept a shortage of labour and skills in their national labour market. The main challenge for the European institutions and policy-makers is still in balancing the labour market of each member state, which is not easy since many patterns, trends and challenges characterise the mobility of labour within the EU.

One such trend is mobility to the countries with high economic performance from the states with low GDP. This process seems very natural as job-seekers concentrate on a better working environment and welfare, especially in the case when they perform a high level of qualification. Within the European Union, the main destination country for labour migrants is characterised by high economic performance. In-Eu mobility records are less in Eastern European states compared with Central European States. The highest level of labour mobility is recorded in Germany, Austria and Northern European Union member states⁵⁶. Labour mobility in some states increased after the economic crisis of 2008 in those countries which

⁵⁵ European Migration Network. (2021). Migrant Integration Statistics - Education. Retrieved from https://ec.europa.eu/home-affairs/sites/default/files/00_emi_report_education_final_221220.pdf

⁵⁶ Huddleston, T., Bilgili, Ö., Joki, A. L., & Vankova, Z. (2018). Migrant integration policy index: 2015–16 national and local perspectives. Brussels: Migration Policy Group

performed fast recovery economic actions and had strong post-crisis plans. It also has to be mentioned that usually big cities and the capitals are the major places that benefit from labour migration in the European Union.

Generally, youth labour migrants make up more than 10% of the overall migration of about 200 million people worldwide.⁵⁷ Labour migration of young people is characterised by many trends and is considered the most mobile social group, which is why, within the many European states, they tend to be the majority in annual migration movements. Many reasons motivate young people all over the world to consider labour migration. First of all, there are the opportunities to have a better life and achieve personal and professional development through the educational opportunities offered by the receiving state⁵⁸. Living abroad for young people gives additional value to the motivation to immigrate, which gives an additional opportunity to personal development as well as improvements of social and professional skills. Yet, the main motivation for young migrants is always related to the low economic performance, youth unemployment rate and working conditions in their home county.

The unemployment rate is usually double for young people in comparison to the adult generation. According to a report by the International Labour organisation (ILO) entitled 'Global Employment Trends on Youth', 621 million young people between the ages of 15-24 have little or no education, are not employed or are not undergoing any training. It is further assumed that around 23% of the youth currently working earn no more than \$1.25US per day⁵⁹. This data shows the main motivation and a need for young people to seek a job abroad and join labour migration statistics. As a negative aspect, a lot of young labour immigrants are frequently victims of job-related abuse and they very often face exploitative jobs and unconsciously turn up in forced labour environments.

⁵⁷ ILO Global Estimates on International Migrant Workers – Results and Methodology – Third edition International Labour Office – Geneva: ILO, 2021

⁵⁸ Fargues, P. (2011). From Maastricht to Lisbon: The European Union's Migration and Refugee Law in the Making. *International Journal of Refugee Law*, 23(4), 634-661

⁵⁹ International Labour Organization. (2013). *Global Employment Trends for Youth 2013: A generation at risk*. Geneva: International Labour Office.

It is very common when labour migrants and more often young job-seekers become victims of the economic and social system performance of their home country. Usually, when the reason behind the immigration of young people is the lack of freedom, dignity, equality or a lack of security in their home country, it can lead to very positive economic and social developments for the home country as well as for the receiving country. That is the main reason why the International Labour Organisation always includes young people as main stakeholders in the processes of social exchange, where the youth have a say in what decision are made, which promotes coherent labour migration policies and offers better work for young job-seekers.

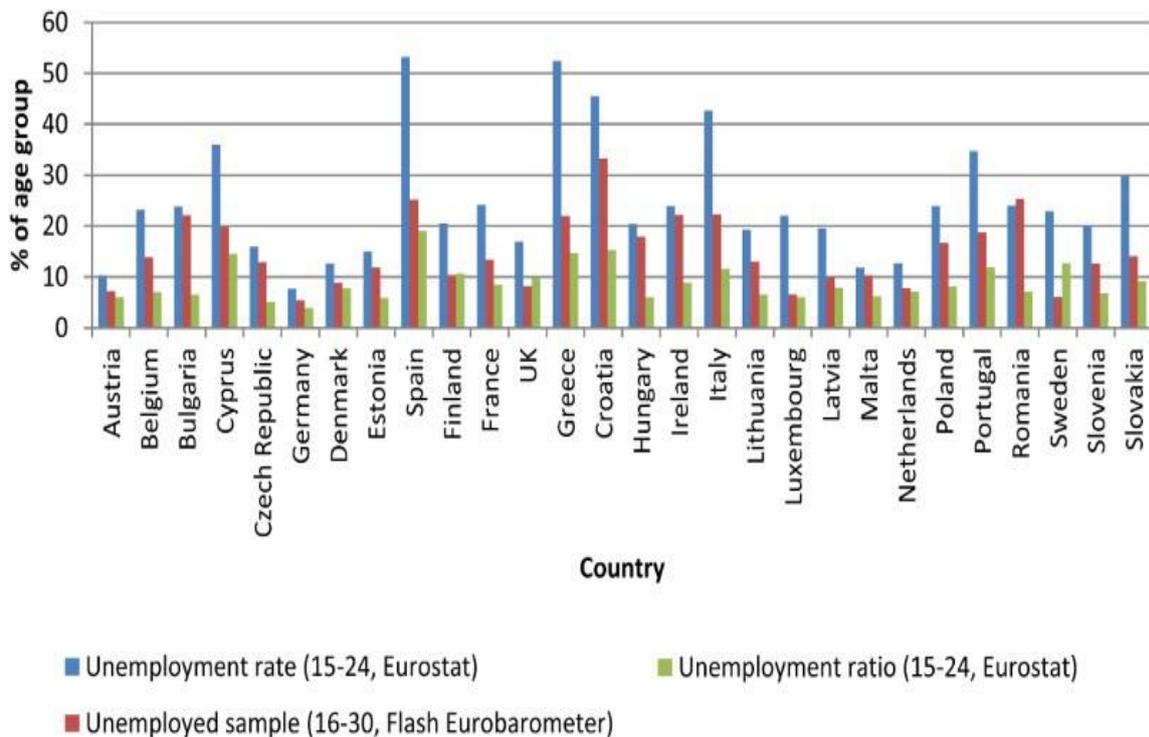


Figure III. Comparison of Eurostat youth unemployment rates and ratios with the share of unemployed young people in the sample.⁶⁰

⁶⁰ Christof Van Mol (2016) Migration aspirations of European youth in times of crisis, Journal of Youth Studies, 19:10, 1303-1320, DOI: 10.1080/13676261.2016.1166192

Young worker migration tends to be one of the main characteristics of changes in the unemployment rate throughout the European Union. The labour market situation for young citizens very much depends on general economic performance and employment policies that in the end create the whole economy of the EU. Inside the European Union, labour mobility is, at some level, promoted as a turning mechanism which ensures more effective labour migration⁶¹. Such migration inside the EU is also understood to be an advantage to create a better labour market with better matching possibilities and at the same time reducing regional inequalities in unemployment.

Significant European Union enlargement in 2004 and 2007 caused an unexpected flow of internal EU labour migration from central and eastern European states to Western Europe. These facts were mainly linked to the economic performance of each member state and it varied between countries. The youth programs that were created under the youth policy strategy paper also promoted and encouraged young society for internal EU migration. East to West migration flow after the enlargement of the European Union had a proportion of youth migration with higher education but it is necessary to mention the negative sides of labour migration, which in the case of intra-EU migration, had played a significant role. First and most importantly is that, despite the qualification and educational background of employees, a majority of immigrants got employed in low-skilled jobs, with fewer possibilities of promotion and with salaries lower than that of locals⁶².

Youth mobility during those times was also quite high and was caused by the multifaceted set of push and pull aspects. It very much depended on the economic background of the sending and receiving country of an immigrant. Several migration flow factors have been identified which link the sending and receiving countries of an immigrant. Such reasons can be geographical, cultural backgrounds, religion, language and many more, which sometimes have bigger values than the economic

⁶¹ European Commission. (2021). European Semester 2021: Country Reports - European Union. Retrieved from https://ec.europa.eu/info/publications/2021-european-semester-country-reports-european-union_en

⁶² O'Reilly, J., Eichhorst, W., Gábos, A., Hadjivassiliou, K., Lain, D., Leschke, J., McGuinness, S., Mýtna Kureková, L., Nazio, T., Ortlieb, R., Russell, H., & Villa, P. (2015). Five characteristics of youth unemployment in Europe: Flexibility, education, migration, family legacies, and EU policy. *Sage Open*, 5(1), 1-19

stability of the country⁶³. Migrant networks and communities in Europe also play a significant role in migration flow inside the Union.

The labour mobility of young people from East to West could simply have been caused by the choice to exit the local labour market due to experiencing low economic performance and difficult labour conditions. Another significant motivation for young migrants is better access to higher education and a better fit for their qualifications to the labour market of a different state. With this example, we underline education and labour market performance problems of recently joined member states.

Another big wave of labour migration inside the EU was caused by the financial crash in 2008. It also had a big impact and slowed down outward migration flow, which has slowly restarted since the big flow of migration from Central and Eastern member states in 2007. The crisis had a big impact and promoted a new type of migration from those countries where finding a job became more difficult than before. An important fact about the crisis was that some countries suffered less than others and even in some states, return-migration occurred. For example, Poland and Slovakia had a big flow of migration when they joined the European Union but when the economic crisis of 2008 did not affect their economic performance, return-migration started to occur⁶⁴. The same effects were applied to the countries that started to have fast recoveries from the crisis, for example Estonia and Lithuania.

The biggest influence of the crisis was visible on the South and Northern states of the European Union. Spain, Greece, Italy, Portugal and Ireland were the ones who suffered most from the large immigration of young people⁶⁵. Receiving countries in most cases appeared in central Europe but many young people also moved outside of the European Union during the crisis period. Internal migration within the

⁶³ Kahanec, M. (2013). Labor mobility in an enlarged European Union. In *The Challenges for the Economic Governance in the European Union* (pp. 179-196). Springer.

⁶⁴ Sari, R., & Korkmaz, M. (2017). The impact of economic crisis on intra-EU labour mobility: The case of Poland and Slovakia. *Journal of Contemporary European Studies*, 25(2), 181-196.

⁶⁵ European Commission. (2014). *Youth employment policies in the EU: Evaluation and perspectives*. Luxembourg: Publications Office of the European Union.

European Union might also have positive consequences in terms of projecting lower unemployment rates through the EU and increased levels of better options and experiences for the youth generation of Europe.

Nevertheless, intra-EU labour mobility might result in some young labour immigrants appearing employed on a temporary flexible contract and in most cases they have to accept jobs which do not match their qualifications. Employers, in this case, benefit from lower wages and a cheaper labour force. The eventual effects of youth labour migration and re-migration are usually linked to a migrant's accumulation of their financial and social capital, which they targeted before and during their migration experience⁶⁶. Also, returns are usually caused by the economic well-being of the sending state. Thus far, not much is known about the discernment of Western and Eastern return labour mobility and their work-related path or what labour market outcomes and consequences this has caused to date.

However, the positive consequences of labour migration might be limited if the returning migrants face the same economic environment in the home country and face the same financial difficulties caused by the performance of the state economy. There are several policies which have been created and inspired by labour migration in the European Union. Policies tend to apply and affect mobility processes and provide welfare and social security for the migrants but they often turn out to have more political issues than intended⁶⁷.

In one way, there have been different opinions regarding freedom of labour movement within the European Union. One party (critiques and Euro-sceptics) opposed the idea and tried to restrict regulations and decried migration of the labour force. At the same time, another group argued policies and tried to promote the idea to facilitate and promote mobility to have potentially transparent prosperity and social

⁶⁶ Kahanec, M. (2013). Labor mobility in an enlarged European Union. In *The Challenges for the Economic Governance in the European Union* (pp. 179-196). Springer

⁶⁷ Bruzelius, C., Chase, E., & Seeleib-Kaiser, M. (2014). Labour migration and welfare policies in the EU: Dynamic patterns of inclusion and exclusion. *Journal of European Social Policy*, 24(4), 315-327. doi: 10.1177/0958928714530628

security rights via a social insurance fund. This idea promoted reforms in migration policy and investment on the social well-being of immigrants.

The Erasmus Mundus program has to be mentioned as it is one way for young people in Europe to start their mobility. In addition, a series of policies have been pursued to achieve better job search results and promote a better exchange of relevant knowledge through various European employment packages. This process also led to the extension of the Erasmus Mundus mobility area to include formal education in the scheme of vocational education and to turn more towards the traditional education system. This occurs combined with other sides of the labour market such as mediator companies and temporary and permanent recruitment agencies whose role is to shape the mobility of youth labour and influence characteristics of employment contract details (wages, working conditions, security, etc.). These come with both negative and beneficial effects on the host community and state, as well as on the labour migrant community.

Recently, more attention has been given to the migrants that move to another state with families and who settle down there permanently. Research by the Organisation for Economic Co-operation and Development (OECD) from 2014 showed that the proportion of 15 year-olds with two foreign parents has doubled in recent years and already second-generation migrants, whose parents were in the low skilled labour force, tend to perform at higher levels in the labour market. Their integration into society and the labour market is more natural and less painful⁶⁸.

Also, to mention non-EU migration to the European Union, dramatic differences are caused by the policies of each state, including a significant downgrade and slow work-related recovery during the first ten years of workforce mobility in the European Union. To reduce the mismatch of skills and education to the labour market, many migrants start their first years spending on education to get better qualifications

⁶⁸ Organization for Economic Cooperation and Development (OECD). (2014). International migration outlook 2014. Paris: OECD Publishing. doi: 10.1787/migr_outlook-2014-en

and recognition in the destination state⁶⁹. For the second generation of young migrants, at the earlier stages of migration, many things like social status and ethnic recognition depend on the performance of their parents but usually and according to the above-mentioned research of OECD, second-generations perform on the labour market with better qualifications, skills, education and work-related status than their parents.

To summarise, labour migration in the European Union generally has a huge influence on the rate of unemployment, particularly youth unemployment. The policies applicable to immigration characteristics do not protect or influence immigrants and do not prevent countries from immigration flows as they are supposed to. There have been several discussions and debates regarding immigration policies recently, especially after the immigration crisis of Europe that started in 2017 and was caused by the Syrian war. Many new policies have been applied within the European and local levels of each member state with the topic becoming a more serious talking point since many states used discriminatory approaches to protect themselves from the flow of immigration.

1.3. TRANSITION PERIOD - FROM EDUCATION TO THE LABOUR MARKET

The difference between youth and adult unemployment can be based on the high-level job mobility caused by the globalisation process, as well as the higher possibility of passiveness among the younger generation. The inactivity rate is quite diverse in different countries and is directly linked to youth unemployment. To compare adult and youth inactivity in the European Union, youth perform at a four times higher rate than the adult population. Higher inactivity usually has a direct link to the entry into formal education⁷⁰. The transition process in this chapter describes

⁶⁹ Kahanec, M., & Zimmermann, K. F. (2013). Migration policies and EU enlargement. In B. C. Perry & K. F. Zimmermann (Eds.), *European migration: What do we know?* (pp. 309-350). Oxford, UK: Oxford University Press. doi: 10.1093/acprof:oso/9780199663894.003.0010

⁷⁰ Allen, J., & van der Velden, R. (2001). Educational mismatches versus skill mismatches: Effects on wages, job satisfaction and on-the-job search. *Oxford Economic Papers*, 53, 434-452.

the period from educational institutions towards a stable working position. The transition period generally reflects the processes itself and how young people enter the labour market, along with how entry to the labour market is regulated and what the general consequences are for young job-seekers during this time. During the transition period, individual resources and the background of the person play an essential role while also coming with some consequences and barriers.

Countries which consider youth in education as employed display much lower inactivity rates than others. Such countries are Germany, Austria, Denmark and Switzerland. Results of this can be easily noticed by comparing unemployment rates from statistical data. Besides, in this case, the younger generation is often not so involved with the labour market and has less possibility to experience withdrawal from the labour force. In cases of other countries, we should also analyse school-to-work transition periods and find out what the links are between these two phases from an unemployment perspective⁷¹. This perspective can also be recognised as a framework to assess a young person's path from education to temporary employment. This path, which we call the transition period from education to the labour market, in most cases, contains a gap and is usually caused by different, more individual factors.

During this period, some young people take vocational training, temporary or voluntary jobs, internships, or even military voluntary services. Some young people during this period tend to pay more attention to the search for a proper job and start their career path already from the right spot⁷². Childcare and staying at home due to health reasons, in this case, we have less than in the case of adults. The education to work transition period is mainly characterised as the main integration period that serves to develop skills and knowledge independently and according to one's own needs. It serves individuals with successful integration into the labour market. This approach also changes the rate of unemployment from country to country so here again we go back to the previous issue of defining the term 'unemployment'.

⁷¹ Nojkovic, A., & Gligorov, V. (2018). Youth unemployment in the Western Balkans. In J. Adamowski & A. Apeldoorn (Eds.), *EU enlargement and socialization: Turkey and the Western Balkans* (pp. 157-178). Routledge.

⁷² Belanyá, B., Hout, W. van den, Smith, M., & Streek, W. van (2000). *Europe Inc. Regional and Global Restructuring and the Rise of Corporate Power*. London: Pluto Press.

In some states, a person in vocational education or an internship might be counted as employed. In others, a person who has graduated from a higher education institution does not count as unemployed for a few months. So in this case, state policy surrounding unemployment covers the transition period. The transition period is also highly associated with the level of educational achievements one has⁷³. According to Eurostat results (2013), youth who have obtained lower or secondary education have almost twice fewer chances of employment than youth with higher or secondary education and to compare data of university graduates and secondary or lower educational level graduates', their chances are more than twice as low. Another important detail to notice while analysing statistical data from 2013 (Eurostat) is that in particular, European Union member states, where the economic crisis of 2008 was harder, these differences in education level and employment are much less than in other states.

For example, in Greece, Italy, Spain and Portugal, there is almost no difference in the unemployment rate between the youth who hold a higher education and the ones with lower secondary education, whereas in other states, the difference was almost twice as much in favour of youth with a higher education background.

Differences between the economic performance of a state, general education level and labour market policy may result in and bring a different picture across of the states. Therefore, in rates and levels on youth unemployment, it has significant value and can reflect in results. As stated above, young people from the countries that were more greatly influenced by the economic crisis (Greece, Spain, Italy, Portugal and Ireland) and are showing structurally very low labour performance, are likely to demonstrate a high unemployment rate⁷⁴. Further, it is predictable that they will keep this path for some time, referring to both the inactivity of youth and the lower rate in returning to higher education.

⁷³ European Commission. (2015). Employment and Social Developments in Europe 2014. Brussels: European Union.

⁷⁴ Olofsso, J., & Wadensjö, E. (2012). Youth, Education and Labour Market in the Nordic Countries Similar But Not the Same. Friedrich Ebert Foundation Paper 23698.

There exists a close relationship between institutions of the labour market. It is also important to look into the hiring policies of the state, minimum wages and the level of youth unemployment but most studies underline the relationship between entry of the labour market and the education system⁷⁵. Difficulties to enter the labour market may also have a negative influence on the quality of employees, as it might encourage young people to leave education at a lower level (secondary or lower) in order not to experience difficulties in entry to the labour market⁷⁶. That is the factor that explains the correlation between youth unemployment and their general education level. Post-mandatory professional education is another important element while speaking about youth transition from education to the labour market.

Vocational education which, besides a formal education qualification, gives young people additional skills and competences, tends to be important when entering the labour market for the first time. There are several states in the European Union who have established a tracking tool for vocational education (Germany, Austria, Czech Republic, etc.) In these states, young people who participate in vocational education perform a faster and more successful entry into the labour market than the youth who are only just entering the labour market from a general education institution⁷⁷.

The main reason for this fast entry after vocational education underlines the higher demand of the employees that, besides education, they require social and practical skills that are perfectly performed after such educational experience. In particular, here we don't see the same gap that we mentioned earlier, that youth job-seekers usually have less experience and practical skills than adult job-seekers. Skill and qualification mismatch is reducing in this case and the unemployment rate of the young population is also decreasing.

⁷⁵ Addison, J. T., & Teixeira, P. (2003). The Economics of Employment Protection. *Journal of Labor Research*, 24(2), 137-159. doi: 10.1007/s12122-003-1001-3

⁷⁶ Bertola, G., Blau, F. D., & Kahn, L. M. (2007). Labor Market Institutions and Demographic Employment Patterns. In D. Card & O. Ashenfelter (Eds.), *Handbook of Labor Economics* (Vol. 4, pp. 6099-6171). Elsevier. doi: 10.1016/S1573-4463(06)04010-0

⁷⁷ Kaufmann, O., & Kupka, P. (2018). Vocational education and training for young people in Europe—experiences and challenges. *CESifo Forum*, 19(3), 41-48.

Potentially, this pattern might also have some negative long-term labour market effects. These effects can be over-education, which can lead to over-qualification and again to a mismatch of the labour market and its needs. Over-education can influence low-skilled workers as it might lower chances for low-skilled jobseekers to enter the labour market. On the contrary, it raises competitiveness and promotes education among the young generation. Greece, Spain, Italy and Portugal are the countries within the European Union who demonstrate the highest level of over-educated young populations and over-qualified jobseekers⁷⁸.

There are two main institutions in each state which are directly involved in the facilitation processes of the transition period from school to the labour market. Those two institutions are: the education system of the state and the labour market⁷⁹. Between these two institutions, usually there are major links and huge interdependence. As one of the main factors of the education system is vocational education which at the same time plays an essential role in the principles of the labour market, the connection and interdependence of these two institutions are important. The idea behind standardising and succeeding in the educational system, including vocational education elements, stands for providing better qualified and educated sources for the labour market. In most cases in the European Union, these two institutions share a common aim and objectives yet their work is always interdependent. The states which fail to have strong employment-related vocational education systems, training of the workforce is usually provided by the employees. In such cases, companies usually tend to provide training that is more individual and company needs-oriented⁸⁰.

Generally, the level of labour market regulations has a big influence on the decisions of employers while hiring the workers, which is also particular and relevant

⁷⁸ Quintini, G. (2011). Over-Qualified or Under-Skilled: A Review of Existing Literature. OECD Social, Employment and Migration Working Papers, No. 121. OECD Publishing.
<https://doi.org/10.1787/5kg58j9d7b6d-en>

⁷⁹ Ryan, P. (2001). The School-to-Work Transition: A Cross-National Perspective. *Journal of Economic Literature*, 39(1), 34-92.

⁸⁰ UNICEF. (2019). *Transitions from School to Work*. New York: United Nations Children's Fund (UNICEF).

for the young job-seekers to enter employment relationships for the first time. The employers who tend to set high standards on the labour market are more likely motivated by receiving highly standardised potential employees. Such hiring standardisation might also pose some particular consequences for the young job-seekers as they might not fit into high standards due to the lack of skills and education. Additionally, labour market regulations might have a harmful effect on the youth labour market by the regulations of employment protection as it slows down the dynamic of labour and, in general, has an impact on the rate of unemployment.

Regulation within a country-level labour market has effects on the transition period from education to labour and strict regulations may provide positive effects. Such outcomes are usually guaranteed by the strong and well-functioning unions with good cooperation with other institutions involved in the processes. Cooperation and good coordination might be the main factor leading moderation to wage policies to improve integration of the youth labour market in the global labour market⁸¹. This cooperation is most visible when institutions together establish common standards with regard to training for certain jobs.

It is even more successful when in this cooperation, corporate bodies are involved and they take part in the implementation of the training. For example, in Germany, corporate bodies are one of the main service providers in dual education and as a clear result, we see a very low youth unemployment rate. In Germany, companies and unions with cooperation with governmental stakeholders are involved in both stages of dual education in conceptualisation and delivery⁸².

There is, of course, no clear evidence proving that labour market regulations are directly influencing the labour market of young job-seekers. Youth unemployment rates might be dependent on the level of legislation of employment protection but this

⁸¹ OECD (2017), In-Depth Analysis of the Labour Market Relevance and Outcomes of Higher Education Systems: Analytical Framework and Country Practices Report, Enhancing Higher Education System Performance, OECD, Paris.

⁸² Caliendo, M. (2012). The German labor market after the Great Recession: Successful reforms and future challenges. IZA Journal of European Labor Studies, 1(1). <https://doi.org/10.1186/2193-9012-1-3>

does not apply in the case when the dual education system is applied. It is very obvious that instability in some labour market institutions might create negative effects on the rate of youth unemployment and generally on unemployment issues in the state. There are just few cases but it still has to be noted that in some states, youth unemployment rate is low but the state struggles with a high level of unemployment. This can be explained by the well-developed system of dual education and well-structured education system and institutions.

The dual education system provides young people with additional skills and education for the labour market and incorporates work-related elements by avoiding negative outcomes from the general employment protection system that defends youth unemployment⁸³. A lack of employment protection systems can speed up labour market entry which is very obviously beneficial for young job-seekers but on the other hand, it creates instability in career growth⁸⁴. Along with legislation on employment protection, unemployment reduction is connected to the protection of individuals from the risks of the labour market.

Usually, most of the European Union member states use different cooperation methods between educational and labour market institutions. Unemployment insurance is one of the important features that some states provide for unemployed citizens. For example, in Denmark, a high level of unemployment insurance is performed by the state institutions but at the same time, Denmark is one of the states in the European Union having a low level of employment protection. This difference level of two systems creates a balance and a kind of compensation for the labour market overall⁸⁵.

It has to be noted that such an approach has positive effects on the unemployment rate and strengthens the idea of labour market mobility, as well as

⁸³ Tremblay, D. (2003). The German dual apprenticeship system: An analysis of its evolution and present challenges. *Élé-université, Université du Québec*.

⁸⁴ European Commission. (2017). Study on the effective use of apprenticeships in the EU. <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7897&type=2&furtherPubs=yes>

⁸⁵ OECD. (2019). Denmark: Youth policies and programmes. https://www.oecd-ilibrary.org/employment/denmark-youth-policies-and-programmes_9b49c476-en

making the labour market for the young people more flexible. The flexible labour market for youth and the high level of unemployment insurance systems in Denmark creates a positive picture for youth unemployment rates. In the last few years, the country has kept its youth unemployment rate under 10% which is quite a good result in comparison to other European Union states.

Generally, benefits from the unemployment protection system might have fewer effects on the youth unemployment rate as a usual system is designed in such a way that not many young people can benefit from it. As mentioned above, it very much depends on the perception and definition of unemployed persons that the state has adopted.

Practically, all European Union member states operate a centralised education system, controlled by the government. School systems in many states and curricula are divided into general and vocational education⁸⁶. Connection with the education system and future employment are directly linked to each other. Going back a little, during socialist times, transition times from school to work was much different. Workplaces were assigned to the young citizens by special institutions after graduating the school. This system was supported by companies and was secured for everyone graduating school.

Later on, the system was developed and changed quite a lot. At the first stage, after socialist times, a curriculum of general education was introduced, while vocational education was taken to a new stage and widened. Next, vocational training was adopted in post-secondary education, which was new to everyone. The emergence of the involvement of private institutions led the processes to a new stage, where vocational education fully went under the control of the school as the

⁸⁶ Le Mouillour, I., & Friedrich, M. (2018). Federal Institute for Vocational Education and Training. VET Data Report Germany.

companies and enterprises, due to financial reasons, were not able to keep and sustain equipment for vocational education⁸⁷.

The next stage was market reforms which led to cooperation between schools and enterprises to collapse fully and start a new stage of creating vocational education from scratch. Nowadays, still not all member states of the European Union have a well-functioning dual education system. The sustainability of secondary education significantly increased and private institutions' needs for a strong higher education system arose. The big demand for higher education was mainly based on the fact that young people decided to stay in education and postpone their entry to the labour market due to the high rate of youth unemployment.

Within the European Union, there are several countries that have a record of higher participation in vocational education than in higher education. Such countries are the Czech Republic, Poland, Slovakia, Slovenia, etc. but nowadays, this demand can be understood by looking at their labour markets. These countries have recently become more industrial with a lot of factories. Therefore, there is no high demand and need for higher education for young people to enter into the labour market⁸⁸. The same case was in Hungary because in the late 90s, vocational education was very popular and in high demand but nowadays this has shifted and general high education became a priority⁸⁹.

The demand and development of the education system, as mentioned above, very much depends on the economic performance and needs of the state. In the states where industrial development took place and the need for workers with vocational education is high, the system acts accordingly and develops better structured and dominated vocational education.

⁸⁷ Gonon, P., & Maurer, M. (Eds.). (2002). *Towards a history of vocational education and training (VET) in Europe in a comparative perspective: Proceedings of the first international conference*. Peter Lang AG.

⁸⁸ O'Higgins, N. (2007). Trends in the youth labour market in developing and transition countries. *International Labour Review*, 146(3), 133-153. <https://doi.org/10.1111/j.1564-913X.2007.00029.x>

⁸⁹ Kozma, T., & Kovács, I. (2016). Vocational education in Hungary: Evolution and current challenges. *Journal of Vocational Education and Training*, 68(3), 307-321

Despite the fact that in European Union member states all education systems keep different tracks from each other, they still try to resemble highly standardised systems from countries like Germany, Belgium, Austria, etc. Those German-speaking states are considered to give a better education system within the European Union⁹⁰. Some states still fail to follow others and have a big gap between education and labour market systems. Some states keep medium standardised system connections between those two institutions. Low-level cooperation between the two systems of education and the labour market means that qualifications received during vocational education do not guarantee work for the young job seeker upon entering the labour market. Good connections and interdependence are rather a guarantee for a smooth and quick transition from education to the labour market.

Reconstruction of the whole economy and creation of a common economic market of course had its effect on labour market development. Reforms associated with the common labour market within the European Union date back to the stage when the European common economic market was created. One of the systematic changes was employment regulations which included employment protection and unemployment insurance. Despite the level and strength of labour laws at the country level, influence on economic performance can be really low due to the failure of different institutions involved in the process. Such institutions can be law enforcement institutions on the state, economic agencies or some others who don't follow regulations or just don't apply themselves sufficiently.

Failures in labour laws could also be linked to the failure of the defining target, when the regulations are dedicated to specifically defined workers only. The most significant issue that the labour market has on the European Union member states is that employers do not follow the regulations. Often, small entrepreneurs and small companies try to obey the rules but will find another way to avoid certain regulations. One of the cases is linked to migrant workers, who usually end up working without a contract and of course in such cases no regulation is applied. A low

⁹⁰ Le Mouillour, I., & Friedrich, M. (2018). Federal Institute for Vocational Education and Training. VET Data Report Germany

level of labour is clearly visible when a violation of work-related law is not investigated and the rights of the workers are not protected.

There is further evidence that shows the failure of the labour law and it is very common: when workers do not make a claim to protect their rights due to the fear of losing their job. This fear mainly exists in states where the unemployment rate is higher. This could be regulated by the strictness of the labour law at the country level and also by the regulations that oblige each member state to protect workers more sufficiently.

One of the main actions to provide full employment security law is to have at the country level a strong trade union. Trade unions are the main institution that must supervise the relationship between employee and employer, how the legal provisions are regulated and they should be the ones supporting workers in cases of abuse of labour laws. The performance of trade unions are also very different from each other within the European Union but there are some good and less qualified practices. The low-level performance of the trade unions is directly linked to labour market flexibility⁹¹. Generally, trade unions work in regards to protecting labour law but if the state fails to have well-structured labour law, it automatically results in the failure of the trade union. In the states where trade unions have high-level performance, their involvement in the transition period from school to the labour market is significant as they do facilitate and monitor the whole process⁹².

Contract terms are one of the aspects that are linked to the transition period. Usually, there were examples in the European Union when young people were receiving permanent contracts from their first employment opportunity. Nowadays, fixed-term contracts are more wide-spread and popular among many companies.

⁹¹ O'Higgins, N. (2007). Trends in the youth labour market in developing and transition countries. *International Labour Review*, 146(3), 133-153. <https://doi.org/10.1111/j.1564-913X.2007.00029.x>

⁹² Ian Hurd (2014), *International organisations: Politics, Law, Practice*, 2nd edition (Cambridge University Press).

To analyse, this gives quite a lot of flexibility in the labour market. According to the European Commission report⁹³ regarding the Baltic states, a noteworthy amount of workers were working without any contract. There is only a verbal agreement between employee and employer about the working conditions and benefits. Another trick that employers use to avoid the regulations and restrictions of the labour market is to ask employees to sign the extra agreement at the same time as the regular contract. This additional agreement gives the right for the employer to dismiss employees anytime without advance notice. Such ways of avoiding labour market laws and regulations are not common but still exist. The main victims of such irregular actions are generally young people who are signing it to avoid unemployment. Those cases are evidence that prove that labour market regulations in the European Union are flexible because employees can avoid it.

Policies to support unemployed citizens are very diverse throughout the European Union but have some common features as well. In some states, a relatively small amount is spent to support unemployment, whereas some states stand quiet well on this issue. In Eastern and Baltic states, benefits for unemployment are very low, conditional and their duration is very short, whereas in central European states they are well-structured and regulated⁹⁴. Unemployment insurance policies are average in the UK and Southern Europe. In central Europe and Nordic states, policy levels of unemployment insurance is very high and its citizens fully benefit from them. Nevertheless, policies for unemployment insurance are slowly becoming less and less generous in the states which were below the average level of performance of labour law. The welfare system of many European states remains under the process of classification by mixed and different characteristics of European models of unemployment insurance policy⁹⁵.

⁹³ European Commission. (2004). Employment in Europe 2004: Recent trends and prospects. Luxembourg: Office for Official Publications of the European Communities, 157.

⁹⁴ Eurofound. (2021). Social policies in the European Union: state of play 2020. Luxembourg: Publications Office of the European Union.

⁹⁵ European Commission. (2019). Employment and Social Developments in Europe 2019: Sustainable Growth for All. Luxembourg: Publications Office of the European Union.

The occupational labour market system is directly linked to the education system of the state and is standardised by the demands of the labour market. In the case of the occupational labour market system, education is specific and vocational and the main aim is to lead young people to integrate into the labour force. Most important in the occupational labour market is to provide a level of education and qualification that will be reliable for the labour market. Within the European union member states, a standardised and well-functioning occupational labour market operates in the states which perform at a high level on vocational trainings⁹⁶. Therefore the education and training system is defined by the needs of the skills and education for the labour market. One country which is a good example in the European Union judging by its performance on the occupational labour market is Germany. Germany also has one of the best educational systems and performs a very strong linking between educational and labour market systems.

Outcomes of such a standardised and well-functioning system are easily visible by the rate of youth unemployment which, within the last few years, has remained around 5%. States that demonstrate a high level of youth unemployment have a less standardised labour market system, no differentiated educational system and there is almost no cooperation between educational and labour market institutions.

To speak about competitive regulations, it has to be mentioned that employers usually look for profits that do not last long. Those cases are very common in the states where the unemployment rate is high and labour and educational institutions fail in cooperation and performance. Companies operating in such a labour market usually take advantage of it and recruit a more experienced labour force.

These facts have significantly negative effects on youth employability as young people entering the world of work are less likely able to find a job. Such an approach also influences the interest and motivation for vocational education. Central and Eastern member states have more challenges than Central and Northern states in

⁹⁶ Bundesministerium für Wirtschaft und Energie. (2020). Dual vocational training in Germany. Berlin: Federal Ministry for Economic Affairs and Energy

terms of employment and vocational education. There have been many regulations and policies applied to overcome these issues but they remain a problem.

To summarise, the transition period and unemployment rate very much depend on institutions and companies. It requires recognition of vocational education, good performance of the general education system and general policies that apply to labour market functioning. Access to market-orientated institutions and policy performance varies across the EU and are linked to the economic performance of the state. Accessibility to the market institution is based on different factors: the nature and environment of the state, demography (e.g. migration), qualification recognition, business cycles, in-demand jobs, etc. Also, demand from the labour market from specific companies and the mismatching of skills, competences, education and qualification.

However, access to education is another important thing that has to be taken into consideration. In some states, upper secondary schools, as well as universities, are easily accessible. Accessibility of education in most cases depends on financial conditions, tuition fees and many more details. In the end, compared with adults, career paths and perspectives for young citizens are highly affected by the transition period from education to the labour market. Institutional mechanisms play a role in the risks of becoming unemployed more for youth than that of an adult. At the same time, motivation for institutions to reduce unemployment mainly applies to young people.

Furthermore, institutions that serve the transition period from school to the labour market react more immediately to social and other factors (demography, business environment, etc.) Even if the tools that are used from education to work transition by institutions remain stable at the current level, the structure of opportunities changes by its very nature and raises the risk of individuals becoming unemployed rather than helping to pass through the transition period from education to the labour market successfully.

1.4. THE INFLUENCE OF GLOBALISATION ON THE YOUTH UNEMPLOYMENT ISSUE

In this chapter, I have already tackled several issues that are directly linked to youth unemployment. More particularly, there is a strong correlation between the economic performance of the state, the general unemployment rate and the youth unemployment rate. The most important things to help states improve their statistics are to work on economic performance and create better possibilities for the young population of society. Growing economic environments will have a positive effect on the unemployment rate in the short term but it still tends to be the most important issue of states. Policies would do well to concentrate on developing the areas that will influence a high potential of employment growth. For example, tourism, social services, environmental management, etc. which will be more attractive to young people and will give them more chance at getting employed. It is obvious that to develop in the framework of unemployment and especially to concentrate on the youth generation of society that the country needs a full package of economic developments⁹⁷. Youth unemployment is directly linked to the general and broader development stages of the state. Another issue not yet tackled is the unemployment of youth in rural areas.

In the European Union, the development of rural areas and general accessibility for young people from rural areas are a priority that the EU itself pays big attention to. To overcome the problem of unemployment of youth in rural areas, states must first of all apply reforms to an agricultural framework⁹⁸. In developing countries, it is also important to promote and support the move of the agricultural sector from general farming towards more commercial use. Furthermore, it is essential to provide space for job-seekers' informal sectors to make sure that young people from rural areas get the possibility to find proper and career-orientated,

⁹⁷ Ashton, M., Brown, S., Carolan, E., Donnelly, N., & Weaver, L. (2005). Youth and the Millennium Development Goals: Challenges and opportunities for implementation. Ad hoc Working Group for Youth and the MDGs.

⁹⁸ International Labour Organization. (2019). Rural youth employment in developing countries: Challenges and opportunities. Geneva: International Labour Organization.

temporary jobs. Nowadays, there are several possibilities worldwide offering employment online⁹⁹.

These processes started with the fast development of globalisation processes. Online jobs day by day became more popular and more and more youth got employed through different networks. Numerous possibilities offered by the internet lead young people to become part of the global labour market. There are several platforms nowadays that can offer a task to be fulfilled electronically, which can easily be carried out anywhere in the world. There is a tendency that the young generation has a better relationship with modern technologies and developments, so these online jobs suit them better than many adult job-seekers.

The world grown to a new level of globalisation. Technological developments have also come much further. Another important change since 2005 is online education. Nowadays, more and more universities offer online courses and it's easily possible to get a degree from home. Several platforms for online education have been created, like Moodle, Ski prep, Thinkific, etc¹⁰⁰. Besides, we have to mention that the new era of Facebook has conquered global online space which also offers a very good platform for job-seekers. Through this platform, everything is possible like blogging, trading, finding partners, searching for jobs, education... and it can even be considered one of the most widely used search engines.

Globalisation, or the significant rise in capital, goods and people passing from country to country, is behind huge changes in power relationships and continues to define the 21st Century with new challenges and opportunities for all actors¹⁰¹. The concept of 'global governance' refers more to an undefined mismatch or states, laws and processes, amongst other things, which are above individual country requirements. Some examples may include formal agreements, international and

⁹⁹ World Bank. (2018). *Harvesting Prosperity: Technology and Productivity Growth in Agriculture*. Washington, D.C.: World Bank

¹⁰⁰ Marginson, S., & van der Wende, M. (2006). *Globalisation and higher education* [Draft #2b, 12 September 2006, prepared for OECD].

¹⁰¹ Held, D., McGrew, A., Goldblatt, D., & Perraton, J. (2016). *Global transformations: Politics, economics and culture*. John Wiley & Sons.

intergovernmental practices, international courts and a variety of policies and state or multinational cooperation behaviours which all influence global civil society¹⁰².

Economic interests have played a significant role when it comes to democratic behaviours and have thus had quite a lot of negative influence over social equity, including environmental concerns. Powerful international institutions remain invisible and secretive while international companies typically remain impervious to official oversight or regulation¹⁰³. Thus, while the impact of worldwide governance on peoples' lives is growing, the same cannot really be said for global governance democracy¹⁰⁴.

Deficient is an understatement to describe the transparency and accountability regarding the global powers and institutions. Understated populations and weaker states have a limited voice so their participation is almost non-existent. Due to all the above, there is much injustice when it comes to rights and coordination is very poor, especially surrounding the democratic process.

Together, countries and groups have difficulties protecting their commonwealth and guaranteeing social and environmental safety, not to mention troubles in encouraging ethical and beneficial management of common resources.

Global companies are expected to offer solutions whenever governments face transnational challenges, such as international and civil wars, humanitarian crises and outbreaks of infectious diseases but they still do not act without controversy¹⁰⁵. Although they are seen as useful in providing worthy solutions that states cannot match, others dislike their dominance and have a problem with the chasm between

¹⁰² Rosenau, J. N., & Czempiel, E. O. (Eds.). (1992). *Governance without government: Order and change in world politics*. Cambridge University Press.

¹⁰³ Archibugi, D., & Held, D. (Eds.). (2011). *Cosmopolitan democracy: An agenda for a new world order*. John Wiley & Sons

¹⁰⁴ Rosenau, J. N., & Czempiel, E. O. (Eds.). (1992). *Governance without government: Order and change in world politics*. Cambridge University Press

¹⁰⁵ Held, D. (2002). Globalisation, corporate practice and cosmopolitan social standards. *Contemporary Political Theory*, 1, 58-78

what they practice and what they preach, sometimes going so far as to identify the reasons and causes behind such differences.

It is not surprising that some experts paint all international organisations with the same brush but it's a little unfair to do so because the effectiveness of these groups differs widely. A key aim is to understand these differences and their implications for the solution of transnational problems that are caused by global trends of globalisation.

Simultaneously, globalisation has provided unimagined opportunities for building distant relationships which do a very good job at trying to solve or limit real global problems by blending public, private and other organisations together to define new democratic practices and pushing forward systemic changes in a way never seen before¹⁰⁶. Global governance is undeniably emerging as a ferocious force, thanks in large part to economic networks which had already been established since the cold war, enabling them to do well on the international markets and have greater influence towards change for the better¹⁰⁷.

Another positive about globalisation is that regional organisations now have a chance to get involved as dominant actors within the EU and elsewhere globally. On the topic of the EU, it cannot be denied that, thanks to its extensive history of involving actors from all over the world in various ways, it is by far a world leader in regionalism, itself a key component of globalisation processes which is often perceived as a political response to neo-liberal globalisation and related issues.

New regulations and institutions are created as a natural reaction to the inequality caused as a by-product of globalisation and there are many studies which hope to understand the hows and whys behind them. Ever since the Cold War era, challenges have existed which have paved the way for these regional organisations to

¹⁰⁶ Held, D. (2002). Globalisation, corporate practice and cosmopolitan social standards. Cont Keohane, R. O. (2001). Governance in a partially globalised world. *American Political Science Review*, 95, 1-13emporary Political Theory, 1, 58-78

¹⁰⁷

have their say and influence decision-making at much higher, often international levels¹⁰⁸, which actually casts doubt on whether or not they're able to function successfully within the system, or not and if so, how?

To speak about new changes that the globalisation process has brought to the world since 2006, first, we have to tackle the challenges. The main challenge is how ready the world is for the fast technological developments and what influence it might have in the long run on the economy of the states. One of the issues behind the disappearance of jobs has continued and it will continue even more but at the same time, the number of online jobs is increasing daily.

A lot of platforms have been created for freelancers on which it is easy to find a job without even going to an interview or training. More and more cloud-based companies are joining the business world and by offering lower prices on services, they become incompatible with office-based companies. Home-based jobs and home offices are the future of work but this comes with some disadvantages and challenges such as taxation or contracts between players¹⁰⁹. In the world of globalisation, where changes are necessary, countries have to focus on getting four basic things right:

- The right infrastructure
- The right educational system
- The right governance and
- The right environments.

Because the younger generation are skilled enough to use technologies, they can offer their services to different online platforms and therefore easily reach the global labour market. This is a huge boost to geographically isolated youth. Online training and studies is also an additional big opportunity for the young people living in rural areas.

¹⁰⁸ Jacoby, W., & Meunier, S. (2010). Europe and the management of globalization. *Journal of European Public Policy*, 17(3), 299-317. doi: 10.1080/13501761003662107

¹⁰⁹ McKinsey Global Institute. (2016). *The Rise of the Gig Economy and the Future of Work*. Retrieved from <https://www.mckinsey.com/featured-insights/employment-and-growth/the-rise-of-the-gig-economy-and-what-it-means-for-workers-and-companies#>

A direct connection or interdependence of globalisation processes and an enlargement of the single world market exists. This enlargement of the market was mainly geographical but contained some additional elements as well which still are directly linked to the processes of globalisation¹¹⁰. The incorporation of different industries became an essential part of global market enlargement and such enlargement brought into the picture new states such as India and China, along with new types of services such as telecommunications and energy, etc¹¹¹.

To speak about the youth labour market, the processes mentioned above had already influenced it a lot. For example, the new countries joining the common market have massively increased cheap labour supplies accessible for international companies which gives the possibility to utilise production processes. The outcome of this process is easily visible for young people by creating a more competitive environment and fewer possibilities for just graduates entering the labour market. Of course, the general process of globalisation have a lot of impacts on the youth and labour markets of young professionals.

The institutional conditions and growth, besides global market extensions, has created new processes for organisations and guidelines for production. Changes caused by the globalisation processes in the labour market are significant, leading to a dramatic reorganisation of the processes of production¹¹². Generally, the changes and the causes of the globalisation processes cannot be managed or facilitated because they arrived naturally and everyone was asked to act accordingly and show a high level of flexibility.

Changes in production processes and labour supply had a direct and most significant effect on the youth labour market. Production process reorganisation

¹¹⁰ Huntington, S. P. (1996). *The Clash of Civilizations and the Remaking of World Order*. Simon and Schuster.

¹¹¹ Martin, J. (2019). *The Globalization of the World Economy*. *The Palgrave Handbook of Economics and Language*, 41-54. doi: 10.1007/978-3-319-96586-6_3

¹¹² Huntington, S. P. (1996). *The Clash of Civilizations and the Remaking of World Order*. Simon and Schuster.

required highly trained and skilled labour to be involved in the production process and in this case, the demand for young workers on the market fell. Companies had to break down and adopt training in different directions according to new directives. The next stage to be challenged by the processes of globalisation was the development of the internet, which has had huge and very positive effects on companies, especially by reducing transaction costs¹¹³.

For international networking companies, it has never been so easy to deal with finances. For such companies around the globe, the relocation of capital and immediate implementation regarding finances has become an easy and fast process. The development of new software technologies has also enabled the systematisation of data and knowledge, which before was dependent on the personal opinions sent over the internet¹¹⁴. This in itself gives the possibility to the companies to control the suppliers in such a way as to be sure that the integration process of new directions for the production of goods and services is structured and facilitated in the right order.

The facilitation processes that are offered from the states to youth by the educational institutions try to avoid the negative effects of globalisation on developing the youth labour market. Segmentation of the changes under globalisation reveals the need for new skills and some specific education in the labour market. These needs have been coordinated and implemented in the education of young people. These effects prove more flexibility of the youth labour market and its acceptability of global changes. The institutions that monitor these changes include higher education representatives who have to determine and monitor young people in the transition period from school to work.

Generally, within the European Union, around 50% of young people move from school to higher education but there are some young people, around 25%, who

¹¹³ Greenaway, D. (2000). Globalization and the Labor Market: Production, Employment, and Income. *Journal of Economic Perspectives*, 14(4), 96-99.

¹¹⁴ Malik, A. R., Qureshi, Z. A., & Farooqi, S. A. (2019). The Impact of Globalization on Financial Markets and Institutions. *Journal of Applied Finance & Banking*, 9(3), 91-112.

tend to seek work after receiving a basic education¹¹⁵. This means that young people at an early age enter the labour market in low-level jobs, where no skills or qualification are required¹¹⁶. The importance of the institutional structure is the most significant element that shapes the youth labour market.

Germany is the best example institution-wise regarding the youth labour market. In Germany, a small percent of young people go to higher education after graduating school, most of them enter the labour market by finding normal level jobs and only a small proportion of youngsters get jobs in low-level jobs, which don't require any skills. Institutional arrangements are the main body in Germany that provides such structuring of the transition period¹¹⁷. It also has to be noted that for young people, the transition period of moving from education to work is not always shaped and does not always guarantee a secure job environment.

One of the other factors under the globalisation processes that affect youth unemployment is employment policies. Changes in employment policies have been introduced by governments to follow new regulations and raise competitiveness in the global market. These changes are also leading companies to attract investment from foreign countries. These policy changes are mainly related to the flexibility of the general labour market and underline the importance of the involvement of disadvantaged targets. However, the labour market and employment policy changes are dedicated to overcome already existing problems. That is the main reason why usually changes affect the low-level segment and rarely the high level. Low-level segments are usually the ones who need more support with employment contracts, job-seekers allowance, etc.

¹¹⁵ Eurostat regional yearbook (2015), Luxembourg: Publications Office of the European Union, ISBN978-92-79-49273-0, <https://ec.europa.eu/eurostat/documents/3217494/7018888/KS-HA-15-001-EN-N.pdf>

¹¹⁶ Leitch, S. (2006). Prosperity for all in the global economy – world class skills: Final report. HM Treasury. Retrieved from https://dera.ioe.ac.uk/5556/1/leitch_review.pdf

¹¹⁷ Caliendo, M. (2012). The German labor market after the Great Recession: Successful reforms and future challenges. IZA Journal of European Labor Studies, 1(1). <https://doi.org/10.1186/2193-9012-1-3>

In the decade of globalisation, the most significant effect on the employment market appears to be a noteworthy increase in the skill levels of employees. This development is based on changes caused by the development of institutional structures, the enlargement of higher and vocational education fields, processes of computerisation and digitalisation and general IT developments. Since the start of globalisation processes, new skills became essential for job-seekers as companies changed their requirements on the basis of structural changes¹¹⁸. For example, problem-solving and communication skills are essential nowadays for young people to enter the labour market and therefore these are skills that were addressed by the educational institutions of some states to be included in their educational curriculum.

In the last decade, due to increases in job demands, the biggest growth of job positions was recorded in high paid jobs, followed by the lowest-paid jobs. Middle-sector and high-level jobs were the ones that required upgrades on skills for employers and as young people were the ones who had the opportunity to develop new skills and competences before leaving education, demand in the labour market for them had positive consequences¹¹⁹. There are many graduates nowadays who take high-level jobs which are well-paid and offer them stable career opportunities. Such jobs mainly appear in the field of the private sector and business. Several governmental institutions also started to raise demand on the skilled youth segment and offer high-paid positions.

Growth and structuring of those jobs were part of the globalisation processes on the global labour market through local and international companies and activities associated with them. Nevertheless, these processes are also significantly influenced by the government of each state and by the new policies applied at local level on the local labour market¹²⁰. Furthermore, the influence of government is also visible in the growth of jobs, even in the private sector, as it is directly linked to the educational

¹¹⁸ Huntington, S. P. (1996). *The Clash of Civilizations and the Remaking of World Order*. Simon and Schuster.

¹¹⁹ World Economic Forum. (2020). *The Future of Jobs Report 2020*

¹²⁰ Borat, H. (2004). *Employment and labour market effects of globalization*. International Labour Organization

policies and its influence on demand for young people and graduates who are just entering the labour market.

In most member states, activities and assets around trade have been focused on encouraging investment. In such processes, the involvement of the industrial sector and multinational corporations is noteworthy. Multinational companies themselves in recent years have experienced a significant growth in job opportunities for young professionals, with the characteristics of multinational jobs also being influenced by globalisation processes. Generally, international corporations have extended their activities and industries to follow trends of the global market which, in the end, has created well-paid and high-quality job spaces for young job-seekers.

Processes of globalisation have also brought into the picture a new structuring of organisations, one of them being known as the ‘flat organisation’ structure¹²¹. Flat organisation indicates a flat hierarchical order within the company and this system has become well-known in recent years in the global market. The system is considered to be an alternative to the traditional hierarchical structure and is pictured as a future structure of the majority of international companies¹²². The introduction of this new hierarchical order and good practices caused a reduction in career growth perspectives. This flat organisation structure also caused feelings of job insecurity and for the adult labour market, is more associated with a growth in unemployment. Increased demand for young people is leading to labour market differentiation and makes new differentiations regarding jobs. These differentiations could be split into two groups of old, traditional jobs and new, modern professions.

These new jobs are the ones that are mainly occupied by graduates and due to low competitiveness, are the most well-paid jobs nowadays. It is common when young job-seekers entering the labour market for the first time have the challenge of competing with experienced job-seekers. In such a situation, usually graduates take

¹²¹ Hogan, L. (2017). The Pros and Cons of a Flat Organizational Structure. First Round Review. Retrieved from <https://firstround.com/review/the-pros-and-cons-of-a-flat-organizational-structure/>

¹²² Roos, D. (2011, December 29). The Flat Organization: Why Corporate Hierarchies Are Flattening. HowStuffWorks. <https://money.howstuffworks.com/business-communications/how-corporate-hierarchies-are-flattening.htm>

part-time or permanent jobs while they continue to search for career possibilities in full-time positions. Segmentation of the labour market also depends on gender, the status of the target employee and age range. For example, for female job-seekers and minorities, there are always fewer possibilities to take high-level jobs¹²³. This status and gender-based discrimination within the labour market is usually regulated by state policies and labour law and in the case of the European Union, by European human rights laws.

The role of globalisation processes in the segmentation of the labour market is usually not in favour of balancing these priorities¹²⁴. For example, the new jobs that were discussed above require skills that are usually performed by male workers, such as technical and technological skills.

To conclude, the globalisation processes in the youth labour market have a differentiated impact which varies according to processes, targets and structure. Sustainability and extension of high-level jobs are the main and most positive effects of globalisation that influence the global youth labour market. That said, it should be mentioned that the development of high-level jobs is more visible in developed states. For example, in developing countries of the European Union such as Romania and Bulgaria, this impact is less visible in comparison to Germany and Belgium.

Another visible segment that needs to be underlined is the differentiation of the labour market by gender, when one can observe that processes of globalisation led to the creation of more male-type jobs instead of keeping a balance in the labour market¹²⁵. This gender-based differentiation equally applies to the adult and youth labour market. It is also important to underline the availability of high-level jobs for

¹²³ International Labour Office. (2020). *Global Employment Trends for Youth 2020: Technology and the future of jobs*. Geneva: ILO.

¹²⁴ Ashton, M., Brown, D., Dye, B., Dixon, J., Eaton, J., Hudson, L., ... & Weston, M. (2005). *Youth and the Millennium Development Goals: Challenges and opportunities for implementation*. Ad hoc Working Group for Youth and the MDGs.

¹²⁵ Ameratunga Kring, S. (2017). *Gender in employment policies and programmes: What works for women?* Employment Policy Department, Employment and Labour Market Policies Branch. Working Paper No. 235.

the youth taking on their first employment opportunities, with career possibilities for fresh graduates.

For all segments, the process of transition from school to work while under the influence of globalisation has become prolonged as everybody has to be more prepared and possess the required abilities and knowledge to have success in the labour market. However, for the ones who did not manage to enter the labour market and are searching for high-level jobs, the transition period is more extended. Usually, searching for jobs for young professionals take longer as they have to compete with adult professionals who have more experience and a greater professional background.¹²⁶

The impact of globalisation on middle-segment job-seekers is differently shaped. The biggest issue regarding intermediate level jobs is their disappearance¹²⁷; in particular, manufacturing jobs and jobs that got replaced with technological developments. Adding new skilled jobs is also part of the picture of middle-level jobs but in comparison to disappearing jobs, the rate is low, which leads to a significant decrease in middle-level jobs. Still, the biggest effect of globalisation processes is seen with lower-level jobs when it comes to the youth labour market. The creation of many low-level positions has led to the process of creating many low-level positions.

As new graduates can usually be more competent for low-level jobs, this extension of manufacturing low-level jobs has given young professionals the possibility of employment. Jobs requiring little skill which don't pay too well are mainly in the service sector and usually this sector is very much influenced by state-wide demand of the domestic country¹²⁸. Nevertheless, such low-level jobs tend to be low-paid and short-term; also, the job security and training possibilities are at a low level, which itself gives young professionals a lack of career growth possibility. This

¹²⁶ Busemeyer, M. R. (2013). Globalization and the youth labor market. *Journal of Comparative Policy Analysis: Research and Practice*, 15(4), 330-349. <https://doi.org/10.1080/13876988.2013.846365>

¹²⁷ Greenaway, D. (2000). Globalization and the Labor Market: Production, Employment, and Income. *Journal of Economic Perspectives*, 14(4), 96-99.

¹²⁸ Rodrik, D. (1997). Globalization and the labor market. National Bureau of Economic Research, Working Paper No. 5905. <https://doi.org/10.3386/w5905>

stage of the transition process is the most challenging as job security issues make the transition process somewhat unclear. These challenges are mainly caused by the possibility that young job-seekers will get employed permanently and will start moving from one job to another or return to education - or even end up unemployed.

Globalisation processes are ongoing and it brings new challenges all the time. New jobs are created, movement to online platforms occurs and these are leading the labour market to a new yet undetermined stage¹²⁹. The processes are at some level predictable but also in some areas quite unclear. For the young people, these processes and globalisation changes in general, in the end, have positive effects as they have the time and ability to adapt and become a perfect fit for labour market demands. Future jobs such as cloud-based companies, rapid technological developments and extensions of the global market are mainly beneficial for the development of the youth labour market.

1.5. INFLUENCE OF STATE POLICIES AND ECONOMIC PERFORMANCE ON YOUTH UNEMPLOYMENT

To speak about minimum wage and assess the strategy of the state in this framework, it is important to mention that a reduction of taxes and wage subsidies might have a positive effect on youth unemployment¹³⁰. It would serve in favour of youth as companies' motivations will increase to hire younger employees and not to pay much attention to their lack of experience; in some cases, mismatching in terms of skills. There might be a different opinion such as if minimum wage has a negative influence or not when linked to youth unemployment but based on some opinions¹³¹, minimum wage does not perform negatively on youth unemployment, although it can be discussed.

¹²⁹ Greenaway, D. (2000). Globalization and the Labor Market: Production, Employment, and Income. *Journal of Economic Perspectives*, 14(4), 96-99.

¹³⁰ Krueger, A. B. (1995). Minimum wages and youth employment. NBER Working Paper, No. w5093. <https://www.nber.org/papers/w5093>

¹³¹ O'Higgins, N. (2007). Youth unemployment and employment policy: A global perspective. International Labour Organization

According to the facts that have already been presented, the influence of minimum wage is linked to the economic performance of the state and the development of institutions, which of course has a direct influence, in general terms, on unemployment, especially on the unemployment rate of the youth population¹³². To assess from an opposing perspective, the unemployment of youth has strong effects on minimum wage. This effect is way stronger in those states which do not have a labour market regulated at a high level. In such cases, there is a high need to coordinate policies linked to the labour market to evaluate the impact that the youth population suffers from the minimum wage. Strong and market-oriented policies are a guarantee of lower rates of unemployment, as is strongly suggested by international policy experts.

Training for entrepreneurs, career guidance, assistance with job searches and such programs are also highly recommended for states that suffer from high unemployment rates, especially when it regards youth unemployment. However, based on the research of O'Higgins (2007), such training and programs for employment do not have a big impact on unemployment perspectives for the youth as the effectiveness of it is purely a matter of the economic background of each state¹³³. However, effectiveness is higher when such programs are not mandatory and people can participate on a voluntary basis. In some states, they are compulsory (e.g. Germany).

A youth individual who is searching for a job for more than six months is obliged to participate in such programs. This fact serves the idea that programs that are more cost-orientated and less effective need to be compulsory to guarantee reaching their targets: those who tend to be more at risk of being excluded or even rejected from society¹³⁴. As youth unemployment is not spread among the young

¹³² Krueger, A. B. (1995). Minimum wages and youth employment. NBER Working Paper, No. w5093. <https://www.nber.org/papers/w5093>

¹³³ O'Higgins, N. (2007). Youth unemployment and employment policy: A global perspective. International Labour Organization

¹³⁴ Le Mouillour, I., & Friedrich, M. (2018). Federal Institute for Vocational Education and Training. VET Data Report Germany

population evenly, there is a need to target youth employment policies separately. This problem mainly applies to minorities. Besides, there should be a different approach in terms of unemployed teenager job-seekers than for young adult job-seekers. While the teenage population needs more encouragement and attention to stay in educational institutions, young adults need more skills development and assistance at the beginning of their career path.

There is one pattern which also needs special attention and that is when some states try to link traditional education and training to vocational education. This new direction of dual-system education serves to improve the rate of youth unemployment by developing and improving the most painful process of progressing from education to the world of work. The big advantage of such a system is a strong connection of work-based training and apprenticeships that the youth receives while at school. There are many states worldwide who have already applied this system successfully but in the European Union, Germany is the pioneer of implementing this structure to the education system¹³⁵. The dual system is usually very different from vocational education, which is classical school-based.

In the European Union's developing states, where they haven't implemented the dual system, they are being encouraged to design their education systems in such a way that skills obtained informally, outside the education system, must be recognised and certified. For these states to establish a dual system, a series of difficulties may present themselves, so it would need strong institutions such as labour organisations and employers' associations to see the light of day. The involvement of non-governmental organisations as a potential partner to the state is essential while going from classical to a dual educational system. In cases of a dual education system, to meet the labour market demand, which is characterised by its constantly changing nature, is the most important struggle for affected states¹³⁶.

¹³⁵ CEDEFOP. (2015). The role of vocational education and training in reducing early leaving from education and training (No. 103). Publications Office of the European Union. https://www.cedefop.europa.eu/files/3074_en.pdf

¹³⁶ European Training Foundation. (2015). EU experience in supporting the reform of vocational education and training in partner countries. Publications Office of the European Union.

While making sure that the demands of the labour market and the content of training are well coordinated, there will surely be negative outcomes which turn up. A strong trend of task specialisation is, however, bringing along a new tendency of multitasking, which is beginning to blur the lines of employee occupation borders.

Nowadays, while employers ask employees according to the contract to be connected to specific job-related tasks, they usually tend to ask more and broader tasks to be carried out. This new tendency comes into the picture when jobs nowadays require more flexibility from workers. Unbending vocational programmes offered by the dual education system risk not being sufficient enough in terms of teaching multi-purpose skills as they only characteristically focus on training potential employees with specific job-related skills¹³⁷. Generally integrating vocational training within the formal education system requires a detailed needs assessment of the local labour market to avoid mismatching skills in the first stage for youth entering the labour market for the first time.

Starting a career path with the right education and skills is in large part a guarantee for young employees to successfully follow their career path and at the same time, it guarantees the state a lower rate of youth unemployment, which of course will influence the general rate of unemployment in the state. This opinion is reinforced by evidence that the preliminary labour market benefits from a dual education system. The main reason for dual-system education and generally vocational education might be the need to practise skills in a formal framework to award young job-seekers with a certificate that can be recognised by companies¹³⁸.

Occupational certificates have to be recognised. This is one of the important points while speaking about labour policies and educational reforms. While issues with multitasking and occupational borders are challenging for employees, younger employees with a lack of experience require even broader and different skills than

¹³⁷ CEDEFOP. (2015). The role of vocational education and training in reducing early leaving from education and training (No. 103). Publications Office of the European Union. https://www.cedefop.europa.eu/files/3074_en.pdf

¹³⁸ OECD. (2010). Learning for jobs: OECD reviews of vocational education and training. OECD Publishing. <https://doi.org/10.1787/9789264087460-en>

they might have been required to possess before. Recognition and certification of vocational education might be the way to prevent young workers from obtaining such wider skills as the training offered by a dual-education system focuses on the needs of certification and does not offer flexibility.

The protection of employment rights is also in need of reforms across the EU as this area still has many negative outcomes for the younger population. In particular, the protection of employees is essential while entering a job relationship with permanent contracts. Permanent job contracts have to be softened and become more employees-rights-protection orientated and must be regulated by local labour market-related policies. Recently, in the majority of states, the protection of permanent contracts are activated only after some time, when workers already complete some amount of working hours.

According to the theory of Bentolila, Boeri, Cahuc (2010)¹³⁹, employment protection rights should be increased step by step, after employees already complete some parts of their contract and this theory is called graded-job-security. Such an approach will decrease the risk of differences between permanent and temporary jobs and will encourage companies to have more permanent contracts than temporary ones. This change in policy would bring up the positive effects on the states who experience strong segmentation in the labour market. Perfect examples of such countries could be Spain, Italy and Portugal.

Generally, any changes in policies that will influence the unemployment rate of the youth population, in the long run, will have the same positive effect on general unemployment issues of the state. The implementation of any policy changes regarding labour market regulations will require a careful balance, not to interrupt other state-oriented economic goals.

¹³⁹ Bentolila, S., Boeri, T., & Cahuc, P. (2010). Ending the dual labour market: Europe's way to higher employment. Centre for Economic Policy Research.
<https://cepr.org/sites/default/files/events/Proceedings/ETDP-conf-4/Bentolila.pdf>

To reduce the rate of unemployment is a big challenge for each country. To concentrate on how many people are out of work among the young population of society simultaneously is even more challenging. Changes that are suggested in this part of the chapter are different and specific; they can apply to different environmental backgrounds and in some cases, might not even work. Some suggestions have a more flexible nature, are widely accepted and can be easily applied to any state. As the rates of youth unemployment are different in every member state for a variety of reasons, so too much be the potential solutions.

CHAPTER II: YOUTH POLICY OF THE EUROPEAN UNION

2.1. GENERAL OVERVIEW OF YOUTH POLICY IN EUROPE

Various policies do exist which demonstrate an emphasis on youth employment as part of national development strategies but they are unfortunately not very easy to find. Comprehensive policy frameworks which establish a clear set of priorities and outcomes for youth employment suffer from a lack of funding because it is instead often allocated to programs with limited outreach¹⁴⁰. It has to be noted, however, that nowadays, there is a small increase in youth employment provisions under review by several EU member states.

Generally speaking, emphasis is often placed on measures to assist supply-side operations rather than to help improve labour demands for youth workers, with policy conflicts, especially in terms of priorities, rendering their impact very low.

It is known to youth that life-long learning is paramount to remaining relevant and having a competitive edge in the labour market for the duration of their working lives. Formal education and vocational training all go a long way to assisting them in this way. Lower unemployment rates and a more positive-trending economy are clear benefits for those states who actually invest in vocational training which, it should be added, is not something for those without much educational background, many specialised skills or from a poorer background but something seen as a genuinely relevant alternative to traditional education paths¹⁴¹. Moreover, vocational education

¹⁴⁰ International Labour Organization. (2012). Global employment trends for youth 2012: Preventing a deeper jobs crisis. International Labour Office. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_171571.pdf

¹⁴¹ European Commission. (2016). Upskilling pathways: New opportunities for adults. Publications Office of the European Union. <https://ec.europa.eu/social/BlobServlet?docId=15815&langId=en>

must be recognised as vital part of bringing young people into the labour market, as well as a form of education not too dissimilar to more academic pathways towards employment.

Countries like Germany and the Czech Republic have managed to keep their unemployment rating under 10% not just because of demonstrating strong economic performance but because of the success of dual-education systems supporting vocational education¹⁴². As a side note, although 'mini-jobs' and the expansion of temporary work has lowered levels of youth unemployment in some European countries, it does not imply that the rights or well-being of youth is at satisfactory levels.

Non-formal education should also be seen as very important by the youth wanting to enter the labour market. Employment services, employers and head-hunters would do well to reconsider the value of youth in organisations set up for their very benefit and acknowledge the skills acquired there during their recruitment processes. Young people should have easy access to career guidance, meaning they receive support on how to action their new skills in front of potential employers.

Social dialogue is so very important in the design of policy frameworks regarding better youth job opportunities, as evidenced by many member states. Overall, social partners should be much more present in youth employment policy creation because it is an undeniably effective way of enhancing youth work opportunities and bettering their career paths. The same can be said for employers and organisations who should both play a heightened role in on-the-job training. Furthermore, they should endorse youth entrepreneurship by offering them a variety of support services. Trade unions are also influential in getting young peoples' rights

¹⁴² Bundesministerium für Wirtschaft und Energie. (2020). Dual vocational training in Germany. Berlin: Federal Ministry for Economic Affairs and Energy

into policies, as well as better working conditions and the creation of jobs in the first place.¹⁴³

The financial crash of 2008 was a disaster for EU youth and their employment opportunities and life outside work¹⁴⁴. Many member states experienced higher levels of social unrest and income gaps widened. Although the EU has attempted to tackle these issues with a variety of initiatives, they fall short, meaning that a lot more needs to be done to protect youth labour rights and more money needs to be invested in their futures.

Currently, intergenerational dynamics are causing an outsourcing of one generation's problems to the next and this can especially be seen in the area of youth unemployment and poverty. The youth guarantee is just the first step, a minimal measure, in addressing youth unemployment but young people will bear the burden of the current failed economic system for a long, long time if the issue is not taken more seriously or invested in properly, meaning that this issue will stain the EU even more than it already has and will cost it dearly, just because it neglected an entire generation.

Western European countries only realised in the latter half of the 20th Century that youth policy needed to exist and that they needed to develop a semi-permanent strategy to respond to the needs of its young citizens; after all, they contribute to the development of society as a whole and are not just some isolated social group. Youth policy in Europe has now been recognised by international organisations such as the Council of Europe and the EU as crucial in the realm of public policy, despite not being very pro-active in this area¹⁴⁵.

¹⁴³ European Commission. (2013). Social partners and youth employment: Success factors for the design and implementation of measures to boost youth employment. Publications Office of the European Union. <https://ec.europa.eu/social/BlobServlet?docId=10194&langId=en>

¹⁴⁴ Daly, M., & Scutella, R. (2010). The Impact of the Financial Crisis on the Employment and Social Inclusion of Young People. What should be done?. Melbourne Institute Working Paper, (9/10)

¹⁴⁵ United Nations Economic Commission for Europe. (2017). Strategy for Youth 2018-2021. https://www.unece.org/fileadmin/DAM/pau/Youth/Strategy_for_Youth_2018-2021_EN.pdf

Ever since 1993, the youth of the EU has had a legal basis written into the agreements establishing its community. The Lisbon Treaty, article 165, provides for the legal basis of youth policy and states that actions should target the encouragement and development of international youth exchanges and the promotion of socio-educational instructors, as well as inspiring the youth to participate in EU democratic life. It is stated that “Europe's future depends on its youth”, implying that youth are very much involved and recognised and seen as part of the EU’s vision, which is positive considering the current economic climate¹⁴⁶. We can assume, therefore, that the EU is actively seeking to establish favourable conditions for its youth to develop their skills, fulfil their potential and achieve a sense of autonomy.

In recent years, the Council of Europe and the European Union have awoken to the fact that developments in national policies can indeed improve the situation of young people and so are encouraging them. They do this by attempting to employ a variety of mechanisms to sway member states into adopting steps to create cross-sectoral holistic policies and to recognise youth as a powerful resource, especially when it is involved in non-governmental youth organisation decision-making.

Youth policy is quite hard to define in real terms and it is also not so easy to pinpoint exactly what it should exactly represent due to the complexity of the issue. Consider: methodology, target groups, stakeholders, budgets and many more components. Howard Williamson, who has reviewed the Council of Europe’s international youth policies, proposes five main elements of youth policy¹⁴⁷:

- Coverage (geographical area, social groups, policy domains);
- Capacity (the relationship between government and youth NGOs);
- Competence (training, qualification, development of social competences);
- Cooperation, coordination and coherence;
- Cost (human resources, financial aid).

¹⁴⁶ European Union. (2007). Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community (2007/C 306/01). <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12007L/TXT&from=EN>

¹⁴⁷ Williamson, H. (2002). A framework for youth policy: Definitions, dimensions, and issues. *Journal of Youth Studies*, 5(2), 143-161. doi: 10.1080/13676260220129976

2.2. POLICY FRAMEWORKS OF YOUTH UNEMPLOYMENT IN EUROPE

“Youth policy is a strategy implemented by public authorities to provide young people with opportunities and experiences that support their successful integration into society and enable them to be active and responsible members of their societies, as well as agents of change.”
(Council of Europe CM/Rec(2015)3¹⁴⁸)

Since the start of the new decade in Europe, youth sector development has been taken to a much more significant stage of development. Regarding youth policy development, two major institutions have worked hard during recent years at the European level. The European Union as an institution is one of the main stakeholders working on youth policy since its establishment. Since the Treaty of Rome, when six member states signed an agreement to create a common economic union and common market, influence on youth started to become visible throughout member states. After a while, as the EU grew with new member states and treaties, the attention given to the issue of youth and its policy has become more important.

Membership to the European Union grew early and now includes 27 member states, following the UK's recent withdrawal. During the first establishment of the European Union, several treaties have amended and enlarged their competences and areas of influence. Another different institution that was established after the Second World War was the Council of Europe, a different institution from the European Union. The main idea of creating the CoE was to strengthen democratic values in European states back in 1949. The Council of Europe promoted democracy, human rights and the rule of law in European states. Under the Council of Europe, Europe's most valuable law on human rights, the European Convention on Human rights, was

¹⁴⁸ Council of Europe. (2015). Recommendation CM/Rec(2015)3 of the Committee of Ministers to member States on youth work. <https://www.coe.int/en/web/youth/recommendation-cm-rec-2015-3-of-the-committee-of-ministers-to-member-states-on-youth-work>

established, along with the European Court, which protects the rights of European citizens. The CoE is much wider than the European Union; it brings together 47 member states, which includes 27 from the EU. The CoE is considered the best institution for human rights.

Both institutions have significant importance and relevance for youth in general but more specifically on youth policy and youth work in member states. Policies adopted by these institutions regarding the youth of Europe has had a huge influence on society and the development of state-level policies on unemployment, youth and education. Partnership of the European Union and the Council of Europe on youth are well-documented and have had some successes in recent years. In following the youth policy developments of recent years, processes implemented by these two institutions, either collaboratively or separately, show a clear link to such positive progress.

Even though the European Union does not interfere with legal matters surrounding youth work and the creation of youth policy, it has nevertheless introduced a program entitled, 'Youth for Europe', one of the first exchange programs under its own financial support and supervision. In the Maastricht Treaty, which was signed in 1992, there was a special chapter about youth which reads as follows¹⁴⁹:

Chapter 3: Education, vocational training and Youth

Article 149

1. The Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and their cultural and linguistic diversity.

2. Community action shall be aimed at:

¹⁴⁹ European Union. (1992). Treaty on European Union (Maastricht Treaty). <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A11992M%2FTXT>

- *developing the European dimension in education, particularly through the teaching and dissemination of the languages of the Member States,*
- *encouraging mobility of students and teachers, by encouraging inter alia, the academic recognition of diplomas and periods of study,*
- *promoting cooperation between educational establishments,*
- *developing exchanges of information and experience on issues common to the education systems of the Member States,*
- *encouraging the development of youth exchanges and exchanges of socio-educational instructors,*
- *encouraging the development of distance education.*

3. The Community and the Member States shall foster cooperation with third countries and the competent international organisations in the field of education, in particular the Council of Europe.

4. To contribute to the achievement of the objectives referred to in this article, the Council:

- *acting following the procedure referred to in Article 251, after consulting the Economic and Social Committee and the Committee of the Regions, shall adopt incentive measures, excluding any harmonisation of the laws and regulations of the Member States,*
- *acting by a qualified majority on a proposal from the Commission, shall adopt recommendations.*¹⁵⁰

This article in the treaty was the first actual step made regarding the development of youth policy. It encouraged the European Union member states to pay attention to vocational education and so the first wave of exchange programs

¹⁵⁰ Treaty establishing the European Community (Nice consolidated version)

Part Three: Community policies

Title XI: Social policy, education, vocational training and youth

Chapter 3: Education, vocational training and youth

Article 149

Article 126 - EC Treaty (Maastricht consolidated version)

Article 126 - EEC Treaty

OJ C 325, 24.12.2002, p. 98–98 (ES, DA, DE, EL, EN, FR, IT, NL, PT, FI, SV)

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A12002E149>

followed. Exchanges developed under the Youth of Europe program was mainly social-educational and provided young people with knowledge and skills development. The formulation that was for the first time mentioned in the Maastricht Treaty was followed up by several policies, articles and pacts about youth.

A first separate program that was running independently under the financial support of the European Union was the YOUTH program which started in 2000 and included youth exchange programs promoting democratic values for young people such as active citizenship, human rights, anti-discrimination, etc¹⁵¹. and was followed by the renewed and more structured program, 'Youth in Action', which ran from 2006 to 2017 and included different exchange services. The most significant program that will be discussed later was the European Voluntary Service mobility program, which can be considered as one of the big steps to overcome the issue of youth unemployment. Later, the Youth in Action program, since 2017 to be precise, was replaced by the Erasmus+ program, which changed the priority so instead of supporting short-term exchange programs, it was more concentrated on educational long-term exchange programs.

For the European Commission, youth programs have been one of the priorities since the first ones were implemented. The European Commission is responsible for legal matters, decision-implementation and daily steps inspired by the treaty of the European Union in its role as the executive body. The Directorate-General manages all programs, from educational and cultural to sports and youth programs via Erasmus +, Creative Europe, etc. as well as supporting related policies.

Since 2000, such programs have become very popular and encouraging. Millions of young people participated and benefited from myriad learning opportunities. These programs became active and popular not only because of high demand from the commission itself but the active roles played by local, non-

¹⁵¹ Denstad, F. Y. (2001). Conference report from the youth policy forum: Promoting the development of national action plans on youth policy in South East Europe. In T. Kalovska (Ed.), *Between challenges and opportunities: Young people in South East Europe* (pp. 21-24). European Youth Forum.

governmental organisations¹⁵². Promotion of the programs at country level was mainly managed by these organisations who, in the end, played a significant role in the development of this sector at the European level.

Besides European programs directed to the development and education of young citizens, the European Union initiated the development of the first White Paper on Youth. Since 1999, when the first was announced, preparation for the white paper by the European Commission and several stakeholders in youth policy got involved and consulted on the creation of the final document. Involvement of state-level governmental institutions, youth non-governmental organisations, educational and academic institutions made the white paper the most comprehensive compared with any other white papers launched by the European Commission.¹⁵³ The European Commission white paper, ‘A New Impetus for European Youth’, was released in November, 2001 in Brussels, Belgium. The foreword of this paper on youth states:

The decision to publish this White Paper on youth policy and especially the decision to conduct wide-ranging consultations beforehand, is rooted primarily in the desire to promote new forms of European governance.

The White Paper is fully coherent with the Commission’s White Paper on Governance adopted in July of this year: the point is to open up the European Union (EU)’s decision-making process to the people who will be affected by those decisions and that includes young people¹⁵⁴.

It has to be mentioned that regulations and recommendations provided for in the white paper are not mandatory for any member state, they are simply formal recommendations. It primarily promotes the recognition of youth policy and youth work.

¹⁵² Council of Europe. (2003b). Final report: Experts on youth policy indicators. Third and concluding meeting. Council of Europe, Directorate of Youth and Sport.

¹⁵³ Denstad F. Y (2009) - Youth Policy Manual How to develop a national youth strategy Council of Europe, ISBN 978-92-871-6576-3

¹⁵⁴ European Commission. (2001). A new impetus for European youth: White paper on youth (Foreword). Brussels, Belgium: Author.

Some key messages found within the pages are:

- Promotion of active citizenship for young people, which includes the involvement of young citizens in community life;
- Expanding and recognising areas of experimentation – this underlines a need from the government to take action in terms of recognising no formal education but vocational training;
- Developing autonomy among young people – this message means that the youth sector has to be directed in any policy a state implements; not only ones directly linked to them but also those that influence their daily life (e.g. transportation policy);
- For a European Union which champions values – demand for equality and minimisation of discrimination and racism at any level in professional or social life¹⁵⁵.

Besides these, the white paper highlights the need and importance of youth employment. The first step suggested to overcome the youth unemployment issue is recognition of a vocational and not formal education¹⁵⁶. Nevertheless, under the employment chapter, many issues are brought into the picture, such as job security for young people, improvements in the labour market and the quality of vocational education, support for young entrepreneurs, etc.

The white paper adopted in 2001 was the first consolidation by the European Union in the context of youth policy. It is considered to be the first framework created in two main directions to increase collaboration inside the European Union, between the member states and to prioritise youth in any sectoral policies. Youth participation in social life has been widely promoted ever since the time the white paper was published, through many programs supported by the European Union such as voluntary services and exchange programs. The paper was

¹⁵⁵ European Commission. (2001). A new impetus for European youth: White paper on youth (Foreword). Brussels, Belgium

¹⁵⁶ Denstad F. Y (2009) - Youth Policy Manual How to develop a national youth strategy Council of Europe, ISBN 978-92-871-6576-3

the drastic approach which aided the foundation for creating future youth programs (Youth, Youth in Action, Erasmus +, etc.)

In assessing the white paper from another perspective, although it addressed some youth policy-related points, it missed the mark on such items as employment and education. All the messages and key points underlined in the paper are not mandatory for the state so in the end, they received mere suggestions rather than obligations. Nevertheless, besides some small details, the white paper can still be judged as the most important and significant step from the European Union as an institution towards addressing the issues of young Europeans.

The next stage of developing EU youth policy was based on the mid-term evaluation of the Lisbon Strategy in 2005 when the European Commission presented the European Pact for Youth¹⁵⁷. European Pact for Youth was more dedicated to the issue of youth unemployment by underlining the needs of skills and competences-based development for young people. The growth of competitiveness and social inclusion of young people were the main messages of the Pact:

*“More than ever, Europe needs young people's ongoing commitment that will help in building an inclusive Europe. Equally, the success of this initiative depends on involving all parties concerned and first and foremost, youth organisations, as well as regional and local authorities and social partners.”*¹⁵⁸

To compare the Youth Pact to the white paper provided above, the former underlined the main issues for the youth within Europe and was very much dedicated to the problem of youth unemployment and social interaction, even going so far as to offer states concrete steps on how to overcome the rising rate of unemployed youth.

¹⁵⁷ European Commission. (2015). The European Pact for Youth: Investing in young people's employability. Brussels, Belgium

¹⁵⁸ Commission of the European Communities. (2005). European policies concerning youth. Addressing the concerns of young people in Europe – Implementing the European Youth Pact and promoting active citizenship (SEC(2005) 693). Brussels, Belgium

Besides education, the training and mobility of young people was suggested as a key element and solution for many youth-related issues. By stating major problems of the young citizens, the Youth Pact became more recognised within the state and as a primary outcome, it encouraged many to implement youth policies at the national level.

Actions in employment and social inclusion	
➤	Member States take action for promoting the employment of young people, e.g. in order to: <ul style="list-style-type: none">- reduce youth unemployment- build employment pathways- develop personalised action plans, with job search assistance, guidance and training
➤	Commission & Member States make young people a priority in the mutual learning programme on employment in 2005
➤	Using the Social Inclusion Strategy, Commission & Member States improve the situation of the most vulnerable young people
➤	Commission to launch study on the social integration of highly disadvantaged young people in 2005

* *Commission of the European communities (2005)*¹⁵⁹

Based on the several reports and full assessments of the European Commission, the Youth Pact did not have the expected outcomes or impact on the performance of states by 2009. There were some steps taken by states to satisfy the recommendations but overall, outcomes were not as satisfactory as expected.

To respond to these issues, the creation of a strategy paper on youth policy was initiated by The European Union. This Youth Strategy paper was for the first time published at the end of 2009 and covered the years 2010-2018¹⁶⁰.

¹⁵⁹ Commission of the European Communities. (2005). European policies concerning youth. Addressing the concerns of young people in Europe – Implementing the European Youth Pact and promoting active citizenship (SEC(2005) 693). Brussels, Belgium

The strategy paper included actions in several fields and had a well-determined action plan. The paper prioritised and underlined the same needs and issues that were already mentioned in the previous papers (White Paper and Youth Pact) but in a more structured and efficient way. Several priorities were set under the youth strategy paper such as education (formal, vocational and non-formal), employment of youth and entrepreneurship, health, active participation in social life and inclusion, voluntary activities, cultural awareness, recognition of youth work, etc¹⁶¹.

After the crisis of 2008, for the European Union, unemployment generally but specifically youth unemployment became an urgent matter. By the end of 2011, a new survey was conducted covering all European Union member states, aiming to modify and update the EU 2020 strategy based on the challenges caused by the economic crisis. An obvious outcome of the survey was the unemployment of young people. Survey outcomes were followed by some specific steps from the European institutions to help overcome this crisis of unemployment¹⁶². The creation of new programs was one of the steps. For example, the program, ‘Youth Opportunities Initiative’ (YOI) was initiated by the European Commission in 2012 and had a direct impact on youth unemployment.

The program offered young people the opportunity to get their first work experience by including several actors at state level. It also included voluntary programs and traineeships to guarantee basic skill development for young people entering the labour market first time. It is significant to mention that most of the young people struggle from a lack of experience while searching for their first job. Therefore, the aim and idea of the Youth Opportunity Initiative was exactly to tackle and address this issue directly by offering young people their first work experience.

¹⁶⁰ The EU Youth Strategy paper (2009); Commission of the European Communities; Council of the European Union

¹⁶¹ European Commission. (2010). EU Youth Strategy 2010-2018: Investing and Empowering. https://ec.europa.eu/youth/policy/youth-strategy_en

¹⁶² Karakatsanis, L., Nikolaidou, E., & Zografakis, S. (2015). Youth unemployment and political instability in the EU: A comparative study of Greece, Spain, Portugal and Italy. *European Journal of Government and Economics*, 4(1), 54-73.

Nevertheless, the program had its priority and additional objectives such as minimising the gap between the two separate institutions of education and the labour market, underlining the EU youth unemployment emergency and increasing funding for activities linked to youth unemployment in states that have been most affected by the crisis. Last but not the least, it focused on improving access for young people to unemployment state benefits. The creation of new, high-quality jobs within the European Union of course remained the main priority of the program.

In addition to the Youth Opportunity Initiative program, an additional initiative called the ‘Youth Guarantee’ (YG) was introduced by the European Commission. YG was introduced to member states in 2013 and all states agreed on its implementation. It guarantees that young citizens will receive offers from special institutions about employment possibilities, possibilities for continuing education and the possibility for traineeships and apprenticeship.

These program offers are open to anybody under 25 and/or who is within four months of graduating losing their job¹⁶³. A brief assessment of the youth Guarantee initiative proves it has been one of the most successful initiatives by the European institution. Millions of young people benefited from the service and found this program successful. Since 2014, around 5 million youths are registered in the YG program yearly and around 3.5 million accepted offers, which are usually based on individual needs¹⁶⁴.

The ‘Youth Employment Initiative’ (YEI) is another initiative regarding youth policy proposed by the Council of Europe in 2013. The program provides additional financial support to the Youth Guarantee program and is mainly dedicated to supporting youth leaving the area where the unemployment rate is more than 25%. However, to compare the YG program to YEI, the newer program covers a wider

¹⁶³ Sienkiewicz, L. (2018). Traineeships under the Youth Guarantee: Experience from the ground. *Journal of Entrepreneurship, Management and Innovation*, 14(4), 7-24.

¹⁶⁴ Council of the European Union. (2013). Council recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01). *Official Journal of the European Union*, C 120, 1-8.

range of youth: those not in education, employment or long-term training, as well as those not registered as a job-seeker.

The main aim of creating this program was to dedicate financial support to the regions where it was needed most. The initiative was implemented at national level under the financial support of the European Social Fund. The total budget of the YEI in the years 2014-2020 was 8.8 billion Euros. For upcoming years, the commission has already proposed a continuation of the program for the years 2021-2027.¹⁶⁵

Based on documents analysed above, along with the youth strategy paper that will be described in this chapter, the clear emergence of creating youth policy for the European Union is obvious. The actions that were taken by the European Union and the Council of Europe towards this emergency have had positive effects and should be considered positive measures in the direction of developing better youth policies in Europe. The programs that have been implemented during the last 10 year period have also had a significant role not only addressing the main youth issues but also helping young people develop soft skills by participating in international activities.

Participation in international programs was an additional huge value initiated by European institutions as young people, by developing soft competences, were more competent in the labour market. On the official site, to include youth issues in the Lisbon Strategy for Europe 2020 was a big step forward in terms of recognising youth as an important segment of society.

Developments through youth policies since 2000 have been at different stages. In the beginning, the policies applied to youth issues were not as strong as later on. In the beginning, influence of the policies at state level was far too heterogeneous and had no actual steps so recommendations suggested a follow up. Policies were more or less unclear but in the end, it was a good beginning and somewhat inspirational for

¹⁶⁵ European Commission. (2020). Youth Employment Initiative (YEI).
<https://ec.europa.eu/esf/home.jsp?catId=1161&langId=en>

further development strategies from the side of the institution¹⁶⁶. After the crisis of 2008, European institutions changed previously used tactics and started to apply measures that would directly influence the problem.

The programs that were implemented before remained unchanged but additional steps modified the overall picture, especially the appearance of the Youth Guarantee and Youth Opportunity Initiatives programs which are dedicated to the most important issues of youth – unemployment. Furthermore, such programs had positive effects on the whole system of education, employment and entrepreneurship within all member states¹⁶⁷. The transition period from school to work for young people was managed much better than ever before.

However, it has to be mentioned that recent documents, pacts and policies only concentrate on the rate of unemployment; no specific dedication to the issues such as quality of work, the creation of new jobs or a secured environment at jobs for young professionals has ever been declared¹⁶⁸. Nowadays, the social changes applied through European institutions are not enough to generate the intervention level required to apply such policies.

Diversity is visible in terms of youth policy development across each member state. The level of government performance is crucial and influences the possibility of assessing the whole picture. As mentioned above, attention on youth problems has become more visible since 2000 and all member states followed several policies and recommendations but the level of implementation and the quality of outcomes are directly linked to the performance of the state and its government. Besides the

¹⁶⁶ Loncle, P. (2011). The EU youth strategy: a new policy response to the transition to adulthood? *Journal of Youth Studies*, 14(1), 111-126.

¹⁶⁷ Sienkiewicz, L. (2018). Traineeships under the Youth Guarantee: Experience from the ground. *Journal of Entrepreneurship, Management and Innovation*, 14(4), 7-24.

¹⁶⁸ Lahusen, C. (2013). Active inclusion and quality of work for young people: a European dilemma. *Policy Studies*, 34(2), 187-203.

government, state traditions and cultural background also have some influence on the implementation processes of the projects¹⁶⁹.

In the end, it is very obvious that, when comparing recent years with the years before 2000, actions and attention has very much increased on youth-related topics at institutional level within the EU and the Council of Europe because both institutions took significant steps towards the issues of youth by tackling and working on the most important problem behind the unemployment of young people. Alas, the influence of these policies highly depend on the performance of each member state.

Some states adopted policies and regulations more so than others. From the programs also, some states have benefited more than others. In the end, international institutions can do a lot: initiate, support and encourage the policy of youth but real influence and positive effects of such initiatives are aspirational

2.3. EUROPEAN UNION YOUTH STRATEGY PAPER

The development of clear and purposeful measures focusing on youth issues must be well-structured and clearly defined. In addition, they should be realistic, easily implementable and developed from real research. In response to such demands, for the period 2010-2018, the EC prepared a draft version of the EU Youth Strategy as adopted by the EU Council on 27 November, 2009.

Two primary goals of the document were:

- Providing more and equal opportunities for young people in education and the labour market;
- Encouraging young people to become active citizens in their community and to participate in social life¹⁷⁰.

¹⁶⁹ Bynner, J., & Parsons, S. (2002). Social exclusion and the transition from school to work: The case of young people not in education, employment, or training (NEET). *Journal of Vocational Behavior*, 60(2), 289-309.

The almost decade-long plan contained three cycles and by the end of each, an EU Youth Report was created to assess outcomes and proffer new targets for the next three-year cycle. In the end, the strategy highlighted eight areas having the effect on youth: education, employment, creativeness and entrepreneurship, social inclusion, health and sport, civic participation and volunteering. The last field of activity is termed ‘Youth and the World’ and refers to raising awareness and inspiring young Europeans to get involved with international policy-making at any level (local, national or international) in order to fight against climate change in partnership with and as per UN Millennium Development Goals. It is also a good place to start in terms of drawing up global youth cooperation plans and supporting international movement.

A necessary element of the strategy was its cross-sectoral nature: reaching the goals would not have been possible without the involvement of a variety of stakeholders: central, regional and local governments and other public institutions, as well as civil society organisations. In the end, the strategy managed to put more young people centre stage by giving them reliable tools to achieve their ambitions and by giving them the opportunity to attend non-formal education activities, not to mention consulting with policy-makers.

Youth strategies as compiled by representatives of member states set a framework for cooperation covering the years 2010-2018¹⁷¹. The main objectives of the strategy were:

- To provide more and equal opportunities for young people in education and the job market;
- To encourage young people to become an active part of society.

¹⁷⁰ European Commission. (2009). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: An EU Strategy for Youth – Investing and Empowering. COM(2009) 200 final.

¹⁷¹ Council of the European Union. (2009). Council Resolution of 27 November 2009 on a renewed framework for European cooperation in the youth field (2010-2018) (2009/C 311/01). Official Journal of the European Union, C 311, 1-10.

According to the report on Youth Strategy 2010-2018, the objectives had been achieved through a dual approach, which included:

- Youth initiatives, targeted at young people to promote non-formal learning methods, participation, voluntary activities, youth work, mobility and information;
- Highlighting and encouraging cross-sector initiatives that ensured youth issues were taken into consideration while framing, implementing and evaluating policies and actions in other fields which have significant links with young people such as education, employment, health, etc.

The EU Youth Strategy 2010-2018 covered initiatives in eight areas:

- Employment and entrepreneurship;
- Social inclusion;
- Participation;
- Education & training;
- Health & well-being;
- Voluntary activities;
- Youth & the world;
- Creativity & culture.¹⁷²

After reporting and realising the high importance of the youth strategy paper of 2010-2018, a new strategy paper was set in motion for the next 9 years with updated priorities and clearer goals which had been decided upon based on previous years' needs assessments. In the framework of European Union youth policy cooperation, a new strategy for the years of 2019-2027 was agreed upon in

¹⁷² Council of the European Union. (2009). Council Resolution of 27 November 2009 on a renewed framework for European cooperation in the youth field (2010-2018) (2009/C 311/01). Official Journal of the European Union, C 311, 1-10.

November, 2018. On resolution, the following objectives were established for the strategy document of 2019 -2027¹⁷³:

- Foster youth participation in democratic life;
- Support social and civic engagement and ensure that youth have essential resources to become active members of society.

Based both on reports of activities between 2017-2018 and the voices of EU youth, 11 European youth goals were established with a view to being key elements of the European youth strategy paper of 2019-2027:

- Connecting the EU with Youth;
- Equality of All Genders;
- Inclusive Societies;
- Information & Constructive Dialogue;
- Mental Health & Well-being;
- Moving Rural Youth Forward;
- Quality Employment for All;
- Quality Learning;
- Space and Participation for All;
- Sustainable Green Europe;
- Youth Organisations & European Programmes.¹⁷⁴

These objectives distinguish cross-sectoral areas that influence the lives of youth and bring up and underline challenges that they face. The EU Youth Strategy hopes to enhance and contribute to the vision of young people in the EU.

¹⁷³ Council of the European Union. (2018). Resolution of the Council of the European Union and the Representatives of the Governments of the Member States meeting within the Council on a framework for European cooperation in the youth field: The European Union Youth Strategy 2019-2027 (2018/C 456/01). Official Journal of the European Union, C 456, 1-10.

¹⁷⁴ Council of the European Union. (2018). Resolution of the Council of the European Union and the Representatives of the Governments of the Member States meeting within the Council on a framework for European cooperation in the youth field: The European Union Youth Strategy 2019-2027 (2018/C 456/01). Official Journal of the European Union, C 456, 1-10.

Mutual learning exercises, Future National Activities Planners, EU Youth Dialogue, an EU Youth Strategy Platform and other Evidence-based tools are all part of this plan. The document is coordinated by the European Commission and is an obvious reference point for curious youth. The relevant policy document promotes youth rights and the importance of youth in every country. Youth is considered a state's most important part as they can build new ideas and be behind the innovative signs of progress for the state, which is why youth has an important role to play in country development and in the process of building democracy.

2.4. ROLE OF NON-GOVERNMENTAL ORGANISATIONS IN YOUTH UNEMPLOYMENT

The role of non-governmental organisations in the youth employment issue is noteworthy. There are several organisations within the European Union that directly work on these issues and they appear to be one of the main stakeholders of the national youth policy-making process. There are several youth organisations that, through different activities, try to develop social skills and key competencies of young people.

First, an analysis of the youth unemployment issue in European countries is presented, followed by the concrete role of non-governmental organisations in this issue, as well as their participation and activities at government, local and international levels. Finally, the case of the European Youth Forum, as one of the biggest European youth network organisations, will be analysed in order to identify the major problems that exist and to suggest a theory for a practical solution.

The primary argument surrounds the link between the two entities (international organisations and member states) but this requires a sociological analysis, not just a description of mechanisms as to how they should function. The systemic approach offers an acceptable way forward in this regard and will enable inputs, outputs and feedback to be identified easily.

Thus far, this thesis has attempted to define the various motivations behind why a state may decide to become a member of an international organisation and the various roles states play when it comes to founding them, as well as an analysis on state input into them and how this might influence their operation. In addition, the ways in which such input can reveal themselves in actual policies was discussed, along with how states react to international organisation output. It was finally presented how to understand and measure interactions between the two actors.

When states decide to create a formal, on-going relationship with each other to implement joint ideas and policies, this process could be labelled as an international organisation; something which symbolically stands as a kind of reaction to an excessive decentralisation of traditional systems in the world of international relations. It can be seen as a way to mix and match traditional mechanisms in order to achieve more states-interdependent results. Some such organisations could well be regarded as manifestations of an international-level organisation process¹⁷⁵.

International organisations take their roots mainly from 19th Century Europe. Thanks for developments and advances in industrialism and transportation, a special kind of agency was needed¹⁷⁶. These were early on known as public international unions and were set up to assist in government collaboration with an emphasis on economic, social and technical issues. For the most part, these early days laid the groundwork for the phenomenal development of international organisations since World War I.

Specifics coming out during those periods between larger and smaller powers and states all came together over time to prove incredibly beneficial as international organisations grew in size, number, reach and influence; especially when they started to pass the boundaries of the EU itself. Another thing to activate in these earlier

¹⁷⁵ Aall, P., & Crocker, C. A. (2002). The Importance of International Organizations in the 21st Century. *Journal of International Affairs*, 56(1), 1-18.

¹⁷⁶ Kirton, J. J. (2008). The Impact of International Organizations on Global Governance. *Global Governance*, 14(3), 259-281.

periods was the strong, joint desire for peaceful discourse and state-coordinated responses, especially during such times of unrest in many sectors of society and in the political sphere.

Following World War II, the League was superseded by the United Nations, a general organisation which derived its major features from nineteenth-century heritage and the lessons of both positive and negative experiences as provided by the League. The United Nations came into existence as a central element of a quite decentralised system of international institutions which included both autonomous specialised agencies following the pattern as set by the public international unions. Over 100 intergovernmental agencies work outside the UN, dealing with countless issues and offering a helping hand between states¹⁷⁷.

Around 1,500 NGOs exist to further assist by consulting in specialised fields at the unofficial level. Such a concept is often seen as too idealistic because they focus only on the positive aspects of state harmony and neglect as if non-existent the real issues of conflict and abuse by critics.

International organisations can also be described as operating on a fine line of dualistic conceptions, one which doesn't neglect conflict yet promotes cooperation and successful state relationships. In these terms, an international organisation both denies the inevitability of war and instead expresses a commitment to the harmonisation of international relations.

Analysing an international organisation can be done at a little more depth which reveals a more complex approach to conflict and harmony. For example, organisations focus only on conflict whereas other promote collaboration. The UN, as an example, can be used to demonstrate the former by naming the Security Council and the latter by the Economic and Social Council¹⁷⁸. Furthermore, since states have

¹⁷⁷ Thakur, R. (2006). The United Nations: Its Origins, Achievements, Failures and Prospects. *Journal of Contemporary History*, 41(2), 307-321.

¹⁷⁸ Sapiro, M. (2003). *The Politics of International Organizations: A Comparative Approach*. Lynne Rienner Publishers.

their own political interests and priorities, some cooperation programs can be negatively influenced so organisations are needed to smooth the seas in this respect.

The North Atlantic Treaty Organisation (NATO) is a regional agency inspired by the East-West conflict after World War II but relies heavily on cooperation among its members to enable it to face the dangers posed by conflicts. Likewise, states are passively forced into non-aggression by philosophies such as nuclear deterrence and other cooperative actions in order to guarantee peace and promote positive actions at international and state level.

The League of Nations and the United Nations were both established after world wars and were conceived first and foremost as a means for preventing the recurrence of such dreadful events. The Charter of the United Nations begins with the expression of determination “to save succeeding generations from the scourge of war, which twice in our lifetime has brought inexpressible mourning to mankind.”¹⁷⁹

General international organisation in the twentieth century is a reaction to the grim reality of violent conflict among states and a response to the danger of future conflicts¹⁸⁰. In the United Nations system, preoccupation with the conflict aspect of international relations is so great that the official ideology requires the formal justification of virtually every cooperative project; however, it might promise to be in itself a contribution to the avoidance of war.

On the whole, international organisation has demonstrated a greater concern with the probability of conflict than the possibility of cooperation. In the final analysis, governmental leaders impose their viewpoints on international relations upon international organisations and determine how international agencies operate. While international institutions tend to some limited degree to develop corporate viewpoints and purposes, usually through professional staff members who identify

¹⁷⁹ United Nations. (n.d.). The Charter of the United Nations. <https://www.un.org/en/sections/un-charter/preamble/index.html>

¹⁸⁰ Sapiro, M. (2003). *The Politics of International Organizations: A Comparative Approach*. Lynne Rienner Publishers.

themselves with the organisations which they serve, these institutions remain tools of their member states.

International organisation reflects the variety of viewpoints and purposes which prevails among world governments. In the United Nations, a fundamental issue is whether global organisation should serve primarily as a battlefield or a peace conference; an arena for conflict or a place for disputes to be settled. Some statesmen are primarily interested in the waging of political battles and others concentrate more on the mitigation of conflict. Moreover, some leaders give priority to the stimulation of effective international cooperation and treat the organisations as a workshop for economic and social collaboration rather than agencies concerned with conflict¹⁸¹.

Whether the United Nations itself emphasises the conflict or cooperative aspects of international relations is determined less by the formal statement of the organisation's nature and purpose contained in its charter than by the day-to-day outcome of the political process of the organisation, in which members wrestle with each other for control over the use of its mechanism¹⁸². This international organisation does not provide any particular conception of international relations but gives expression to whatever viewpoints may be dominant in the international political arena at the time.

International organisation, it appears from this analysis, is basically the process of developing a new structural and procedural framework for national government interaction within the context of a multi-state system¹⁸³. It represents an attempt by statesmen to improve the operation of that system by enhancing the institutional equipment available for the conduct of relations among states and by promoting the general acceptance of standards of state behaviour compatible with the minimum requirements of an orderly system.

¹⁸¹ Rourke, J. T., & Boyer, M. A. (2016). *International politics on the world stage* (13th ed.). McGraw-Hill Education.

¹⁸² Thakur, R. (2006). The United Nations: Its Origins, Achievements, Failures and Prospects. *Journal of Contemporary History*, 41(2), 307-321.

¹⁸³ Aall, P., & Crocker, C. A. (2002). The Importance of International Organizations in the 21st Century. *Journal of International Affairs*, 56(1), 1-18.

In so far as an international organisation represents a reformist movement within a multi-state system, it also expresses an awareness of national leaders that international order is requisite to the promotion and protection of the most basic interests of their states¹⁸⁴. Looking for order through international organisation does not involve the rejection of national interests but at most involves the redefinition of national interests in line with with the demands of increasing interdependence. Governments often employ international organisations to implement or promote their national policies and as such, these organisations are created and maintained by governments. Therefore, their success depends on the involvement of statesmen to resort to them when they're needed for the promotion national interest values.

International organisation reflects the view that world order is not more important than national interest but that it can, on occasion, be important to national interests. In keeping with this emphasis upon the national values of member states, international organisations have generally functioned as loose associations, heavily dependent upon the voluntary acceptance by states of the obligations of membership, upon the development of consensus among governments as to programs and policies and upon techniques of persuasion and political influence rather than command and coercion. In limited areas, international agencies have been given legal authority and enforcement procedures but their capacity to function is based solely on processes of political accommodation¹⁸⁵.

A primary reason for the existence and need of international organisations is when a state is facing dire or transnational issues, such as during wartime, humanitarian disasters or, as is the topic of this thesis, youth unemployment. At local level, NGOs also tend to be the primary stakeholders of policies besides governmental bodies but it can't go without saying that the role they play in world politics is somewhat controversial.

¹⁸⁴ Aall, P., & Crocker, C. A. (2002). The Importance of International Organizations in the 21st Century. *Journal of International Affairs*, 56(1), 1-18.

¹⁸⁵ Rourke, J. T., & Boyer, M. A. (2016). *International politics on the world stage* (13th ed.). McGraw-Hill Education.

Some perceive them as an effective alternative to independent state policies; others regard them as cover for the implementation of power by dominant states. Others are regularly disappointed by the chasm between their ambitions and actual performance when actually faced with real world problems and want to know the causes for this¹⁸⁶. Some commentators prefer to paint them all with the same brush whereas in reality, international organisations differ widely by their modus operandi, influence and effectiveness, not to mention their target groups.

The international and transnational movement of goods is a natural result of globalisation which in itself has prompted move state interdependence and significant shifts in power but these are all natural, albeit essential, developments of our times. While global governance is still very disconnected, individual nations' authorities are often overlooked by high-level rules, policies and agreements. The result is that state communities are influenced positively and negatively¹⁸⁷.

Economic interest have become more important than democratic practices, social equity and environmental concerns as global governance has expanded. International institutions in the trade and financial industries continue to operate without oversight whereas international organisations are often limited in their reach. So, while the impact of global governance on peoples' lives is growing, democracy in global governance faces acute deficits. Representation in global processes remains limited¹⁸⁸; under-represented populations and weaker states have a restricted voice which dampens their participation and influence.

Injustice is rife and rights are unevenly recognised. Coordination is almost non-existent. Together, these deficits challenge the ability of nations and groups to protect their citizenry and to ensure all necessary social and environmental

¹⁸⁶ Karns, M. P., & Mingst, K. A. (2010). *International organizations: The politics and processes of global governance* (2nd ed.). Lynne Rienner Publishers.

¹⁸⁷ Held, D., & Koenig-Archibugi, M. (Eds.). (2004). *Global governance and public accountability*. John Wiley & Sons.

¹⁸⁸ Higgott, R., Underhill, G. R., & Bieler, A. (2016). *Non-state actors and authority in the global system*. Routledge.

protections. Globalisation has, however, provided new opportunities for building transnational agreements which and ways of finding innovative ways to address and resolve global problems¹⁸⁹. Never-before-seen blends of public, private, intergovernmental and non-governmental organisations are highlighting their concerns, drawing up new democratic practices and pushing for better systemic changes in global processes, rules and institutions.

The Youth NGO sector enjoys great diversity across the European Union. Despite many unresolved social and economic issues, society also enjoys a certain level of cohesive, ethnic diversity. There are also many Youth NGOs (Youth Non-Governmental Organisations) representing different ethnic groups. Youth NGOs are vibrant in the biggest cities of a state and active in all spheres: political, social, cultural and educational¹⁹⁰.

European Youth Programs allow for the development of contacts and better cooperation among young people within and outside the EU. In addition to this, European Programs are tools for organisations working with younger populations to enhance their ability to work abroad and communicate with new collaborators, as well as create a joint reference framework. This makes them feel much more involved in international decision-making processes. There are several programs, funds and possibilities throughout the EU region to promote youth rights and to help them work on their main issues and problems¹⁹¹. Below is a list of few main sources for European Youth NGOs:

- Erasmus+ - for education, training, youth and sport for the 2014-2020 European Community Program, which allows for the development of contacts and a cooperation among young people in the EU and Neighbouring Partner Countries¹⁹².

¹⁸⁹ Rourke, J. T., & Boyer, M. A. (2016). *International politics on the world stage* (13th ed.). McGraw-Hill Education.

¹⁹⁰ Williamson, H. (2008). *Supporting young people in Europe: Volume 2*. Council of Europe Publishing.

¹⁹¹ British Council. (2015). *Europe in Transition: Diversity, Identity and Youth Work*. British Council.

¹⁹² European Commission. (2021). *Erasmus+ Programme Guide*.

https://ec.europa.eu/programmes/erasmus-plus/resources/programme-guide_en

- Salto - a network of eight Resource Centres working in European priority areas within the youth field. It provides youth work and training resources and organises training and contact-making activities to support organisations and National Agencies within the frame of the European Commission's Youth in Action program and beyond¹⁹³.
- Council of Europe - works on a variety of cooperation programs to financially assist YNGOs to work on youth unemployment issues. Programs include training, seminars and conferences that aim to develop the social skills of young people.
- European Youth Foundation (EYF) - provides financial support for European youth activities.

The Youth in Action Window (YiA) under the Youth in Action Program was established to address the needs of young people in the EU (employability, skills development, lifelong learning, social inclusion and active citizenship) through the promotion of regional cooperation between policy institutions, youth organisations, youth workers and youth populations¹⁹⁴. The YiA program, later the Erasmus program, aims to achieve this goal by offering more non-formal learning opportunities to young people, with a special focus on young people with fewer opportunities, in order to enhance their skills, competencies and their increased active participation in society¹⁹⁵.

The Youth in Action program¹⁹⁶ is part of a wider plan of collaboration between the European Commission and Youth Non-Governmental Organisations. It hopes, at local level, to play a mediation role between local governmental institutions and Youth NGOs to better recognise organisations and improve youth involvement in

¹⁹³ European Commission. (2017). On-track. SALTO-YOUTH Participation Resource Centre.

<https://www.salto-youth.net/downloads/4-17-3266/OnTrack.pdf>

¹⁹⁴ European Commission. (2018). European Youth Strategy 2019-2027.

https://ec.europa.eu/youth/policy/european-youth-strategy-2019-2027_en

¹⁹⁵ Council of Europe. (2017). Non-formal learning: a way to develop key competences and contribute to lifelong learning. <https://rm.coe.int/non-formal-learning-a-way-to-develop-key-competences-and-contribute-to/1680727f28>

¹⁹⁶ European Commission. (2013). The Youth in Action Programme 2007-2013

https://ec.europa.eu/assets/eac/youth/library/programme/documents/youth-in-action-programme-guide_en.pdf

decision-making processes. The YiA program is an important component of the work program of the Eastern Partnership Platform ‘People to People’ and has been a hotly debated topic on several platform forums¹⁹⁷.

EU youth’s needs appear to be, following an assessment: employability, skills development, lifelong learning, social inclusion and active citizenship. These match priority areas for the EU in the sphere of youth, i.e.:

- Employability of young people, skills development, lifelong learning;
- Social inclusion of youth, access to services, opportunities;
- The health of young people – addressing key health concerns, promoting a healthy lifestyle;
- Promotion of participation and active citizenship of young people¹⁹⁸.

Member states now need to provide a cross-sectoral approach to respond to these challenges of the youth in order to involve young people in the creation of relevant policies, especially where disadvantaged youths are concerned. A comprehensive system must be established which focuses on lifelong learning and non-formal education.

The original aim for the EU in setting the budget for youth programs was to implement activities that would include about 5,000 projects attracting a further one million youths and youth workers in communal programs. Results, for once, are much better than ever anticipated: Youth in Action National Agencies funded more than one thousand programs within the EU in the last 7 years and has targeted more than one million participants.

¹⁹⁷ Council of Europe. (2017). Non-formal learning: a way to develop key competences and contribute to lifelong learning. <https://rm.coe.int/non-formal-learning-a-way-to-develop-key-competences-and-contribute-to/1680727f28>

¹⁹⁸ Council of the European Union. (2018). Resolution of the Council of the European Union and the Representatives of the Governments of the Member States meeting within the Council on a framework for European cooperation in the youth field: The European Union Youth Strategy 2019-2027 (2018/C 456/01). Official Journal of the European Union, C 456, 1-10.

The original goal of the program was to support youth issues that are important at local level individually in a member state and to establish a fruitful partnership between different country organisations, as well as giving opportunities to countries with high levels of diverse youth needs¹⁹⁹.

The specific objectives were:

- To support countries responding to the needs of disadvantaged young people;
- To promote youth work development.

Establishing interstate partnership-specific priorities of Youth programs between the 2013-2020 were²⁰⁰:

- To support the youth living in rural or deprived areas;
- Sharing of best practices in youth work;
- Regional collaboration;
- Recognition of youth vocational training .

Youth programs have performed very well in relation to personal and social development of youths. Youth work is incredibly useful and beneficial at all levels of implementation and addressed on-point the needs of its target audience.

As a basis for youth program implementation, governmental institutions make available grants for youth NGOs at the local level to assist in the growth of the youth sector in the country. Besides all of the aforementioned positive impacts and measures of recent years, the recognition of vocational education is still a work in progress in many countries and youth workers often struggle with this issue²⁰¹. European Youth

¹⁹⁹ Loncle, P. (2011). The EU youth strategy: a new policy response to the transition to adulthood? *Journal of Youth Studies*, 14(1), 111-126.

²⁰⁰ OECD. (2015). The local implementation of youth guarantees. OECD Local Economic and Employment Development (LEED) Working Papers, 2015/08, OECD Publishing.

²⁰¹ Council of Europe. (2017). Non-formal learning: a way to develop key competences and contribute to lifelong learning. <https://rm.coe.int/non-formal-learning-a-way-to-develop-key-competences-and-contribute-to/1680727f28>

projects have gone a long way to contributing to the personal and social development of the target group.

Since the 1990s, the role of NGOs has generally increased worldwide. In particular, member states are starting to recognise the role NGOs play in improving employment opportunities of young people through the delivery of social services and young generation activities at local and international level²⁰². As a result, thanks to some huge achievements, many youth NGOs became cooperation partners to governmental institutions, mainly to Ministries of Youth and sports affairs of their own countries²⁰³.

Also, many local labour organisations have initiated active cooperation with local Youth NGOs to increase the likelihood of their youth getting employed for the first time. The recognition of non-formal and vocational education within some states is still not enough to fix unemployment issues in the young generation but this can still be considered a step in the right direction²⁰⁴. There have to be more activities and projects should be funded in the framework of training that will actually support the development of social and technical skills of young people.

Key competencies that are developed and offered by many international non-governmental organisations should also be recognised by governmental institutions and the business sector²⁰⁵. The involvement of youth organisations in the youth policy-making process at national level is also highly important and it supports the idea of making young people feel important and develop self-confidence in the labour market.

²⁰² Ale Tosun (2017) Promoting youth employment through multi-organisational governance, *Public Money & Management*, 37:1, 39-46, DOI: 10.1080/09540962.2016.1249230

²⁰³ UNICEF. (2012). The role of civil society organizations in promoting youth employment in East Asia and the Pacific. UNICEF East Asia and Pacific Regional Office.

²⁰⁴ Alasuutari, P. (2019). Civil society and social movements. In *Handbook of Political Sociology* (pp. 443-460). Springer

²⁰⁵ Council of Europe. (2017). Non-formal learning: a way to develop key competences and contribute to lifelong learning. <https://rm.coe.int/non-formal-learning-a-way-to-develop-key-competences-and-contribute-to/1680727f28>

Nowadays, YNGOs in the European Union are very active in providing activities for the youth in ways that bolster their personal and professional progress. NGOs carry out activities including training, seminars, youth exchanges and international conferences which are all usually free for the young participants. It is undeniable then that NGOs have a valuable role in identifying their target audience's needs, providing services, linking governments and communities and putting their expertise into action. NGOs influence the education of young people by providing them with the necessary resources, tools, information and being behind projects involving governments²⁰⁶. Yet, youth NGOs in the European Union do not have such an easy ride when seen from a governmental perspective, especially when it comes to the recognition and involvement of NGOs as a direct target group in policy decision-making²⁰⁷.

Non-governmental organisations in the fight against youth unemployment are crucial to the cause and do indeed carry some weight but several obstacles and challenges still exist due to different actors at play in the majority of state societies who interrupt the much anticipated and hoped fruitfulness of their ultimate ambitions.²⁰⁸

2.5. CONCLUSION

This chapter has outlined the current state of affairs regarding EU youth policy and some of its strategy papers. In addition to discussing the role of policy in connection to youth unemployment, also presented were answers to what the current issues are, what the statistics show and what might possible reasons be behind them. The chapter has aimed to provide a situational analyses of European youth policy,

²⁰⁶ Council of Europe. (2017). Non-formal learning: a way to develop key competences and contribute to lifelong learning. <https://rm.coe.int/non-formal-learning-a-way-to-develop-key-competences-and-contribute-to/1680727f28>

²⁰⁷ British Council. (2015). Europe in Transition: Diversity, Identity and Youth Work. British Council.

²⁰⁸ Ale Tosun (2017) Promoting youth employment through multi-organisational governance, Public Money & Management, 37:1, 39-46, DOI: 10.1080/09540962.2016.1249230

what feasible steps have been taken and what is being planned to attempt to overcome the youth unemployment problem and to protect their employment rights.

According to a certain amount of reviews and research, there are several opinions while trying to define a common definition of youth unemployment. To summarise all that has been presented in this chapter, What follows are some carefully selected characteristics, in brief, that could quite accurately define the challenging term: youth unemployment.

The extensiveness of the job market and how it is so unpredictable has a negative impact on young people by making it more difficult for them to secure a stable career path. The mismatch of skills and education to the needs of the labour market could be one of the characteristics of youth unemployment; it underlines the gap in the education system where the main required skills from employers are missed or unknown.

Youth migration is the most effective characteristic that had a big influence on unemployment rates in Europe. This tends to be wide-ranging, more discriminatory and greatly expended than any other characteristic.

Youth policies of the European Union: It has the meaningfully enlarged role of promoting and investing in policy-building processes. Policies on unemployment and generally youth policies are one of the characteristics in defining youth unemployment in the European Union as through them we see the actuality and importance of the issue.

Based on these specific characteristics, the variety of possible solutions might be developed by the policy-makers and stakeholders to address the different targets of the youth generation of the European Union. They not only characterise the actuality of the problem but show the roots of the problems and where solutions should be aimed at. They also characterise the institutional settings where policies aim to

address the unemployment of young people in a different social context and how they interact with recent European Union initiatives.

CHAPTER III: CASE STUDY – HUNGARY AND THE CZECH REPUBLIC

3.1. GENERAL OVERVIEW

The demand for young employment has risen as a result of growing international integration and improved labour market competitiveness in several European Union countries, in line with current standards, leading to youth experiencing challenges and problems in finding work in their respective fields. Simultaneously, issues like youth unemployment develop because of a lack of understanding of the labour market, of being prepared for the requirements of the job role and a lack of professional and life experience.

In this chapter, work opportunities in Hungary and the Czech Republic will be examined and concerns about youth unemployment will be addressed based on the findings and then key recommendations will be proposed to help improve the labour market situation for young people and reduce their risk of unemployment. It's also significant to compare the dynamics of the self-employed youth and the structure of young employment in terms of types of work in the Republic of Hungary to what is happening in the Czech Republic.

It is believed that the Czech Republic and Hungary's labour market entry trends will be very similar. Under economic pressure, some countries implement deregulation and flexibility policies, often for two reasons, to make the process of entering the labour market easier. First of all, levels of employment protection are low, which allows firms to terminate workers in poor economic circumstances. Secondly, a large percentage of school drop-outs obtain occupational certifications which lower the cost of on-the-job training. Because of the free labour market, the chances of exiting unemployment and the rate of job mobility should be quite high.

Because such precarious forms of work are not common in these two countries, the likelihood of starting on fixed-term contracts is quite low. Further, in these countries, moderate support for those who have fallen out of the labour market is mixed with generally open work relationships, with employees scarcely protected from market risks and the importance of an individual's education. Low-skilled workers with no vocational qualifications are particularly vulnerable as a result of this.

In transition countries, youth unemployment is receiving more attention. It is being seen more and more that young people are having tremendous difficulty securing a job and there is a genuine worry that large swathes of youth may be excluded from employment from the outset of their careers. An overview of the market conditions for young people in the two countries, Hungary and the Czech Republic, shall be presented, with a focus on youth unemployment and the various initiatives in existence to address these phenomena²⁰⁹.

Hungary and the Czech Republic are both at the same developmental stage and have a comparable historical background, yet in terms of youth unemployment statistics, they are a long way off. The chapter's main discovery will be what causes this and what makes one state more successful than the other in this regard.

3.2. CASE OF THE CZECH REPUBLIC

Following the so-called Velvet Revolution which took place in 1989, Czechoslovakia gained its independence following communism and began the process of transforming its command economy into a free market economy. Price liberalisation, market opening to international commerce and investment, internal convertibility of its own currency, turning state-owned companies private and

²⁰⁹ Fazekas, K., & Buciová, Z. (2014). Youth Unemployment in Hungary and the Czech Republic. *Hungarian Journal of Labour Law and Social Policy*, 3(1), 59-75.

reforming tax laws were all part of the government's plan. While both the Czech Republic and Slovakia were beneficiaries of the federal state, the Czechs had a distinct edge over the Slovaks due to existing disparities in their respective financial markets. The Czech Republic's economy was comparatively varied and reliable which was clearly thanks to its more favourable topography and the historical prominence of Czechs in the federal government²¹⁰.

The Czech Republic achieved a relatively low unemployment rate and pretty good economic performance for the first few years of its independence owing to its natural advantages of an educated and talented workforce, its position within Europe and almost no foreign debt. In the transition stage, the new government promised to continue on such a path with a focus on massive privatisation. Czech residents purchased shares in state-owned firms using a voucher system which allowed for privatisation to go ahead.

This action might be one of the major successes of a less painful transition and economic growth. The country's old and inefficient industrial sector, on the other hand, has trailed behind. Czech Republic's ability to preserve low unemployment and inflation while sustaining constant growth has earned it its character and it is now known as one of post-communist eastern Europe's greatest economic accomplishments²¹¹. Furthermore, many tourists arriving quickly aided the expansion of that industry which naturally lead to job opportunities and reduced or completely eradicated some of the expected issues associated with economic restructuring.

However, it became clear after a few years that its previously assumed blooming economy was not actually as strong as previously thought²¹². The fact that the government hesitated to go ahead with crucial economic restructuring plans and implement more refined and defined financial market laws began to show the cracks.

²¹⁰ Schneider, O., & Scheffel, F. (1996). The Transformation of the Czech Republic's Economy. *National Institute Economic Review*, 155(1), 80-91.

²¹¹ Reference: Svejnar, J. (2002). Transition Economies: Performance and Challenges. *Journal of Economic Perspectives*, 16(1), 3-28.

²¹² Schneider, O., & Scheffel, F. (1996). The Transformation of the Czech Republic's Economy. *National Institute Economic Review*, 155(1), 80-91.

In 1996, eight banks collapsed because they were poorly managed or because of corruption, most of which had remained tightly controlled by the state. Furthermore, many citizens of the Czech Republic who had entrusted their privatisation vouchers to unregulated investment brokers in the hope of high profits ended up losing their money when the holders went bankrupt. In response to the economic crisis in 1997, the government put forward austerity measures and established a floating exchange rate which resulted in a huge drop in the value of the Koruna, the national currency²¹³.

Despite these financial reforms and the introduction of a new security commission, the Czech Republic entered a recession in the late 1990s, defined by decreases in its GDP and wage levels, a widening foreign-trade deficit and skyrocketing job losses. The economy recovered, weakened briefly and then rebounded again in the early twenty-first century. As the country's budget deficit climbed very rapidly, several encouraging financial indicators eclipsed the highs of the mid-1990s as the Czech economy's climb became one of the most impressive in the European Union, which it entered in 2004.

Citizens of the Czech Republic nowadays have a much higher quality of living than people in other former communist countries. However, employment and, as a result, living conditions, differ by location. For example, Prague, with its strong international tourist sector, has an unemployment rate of less than 1%, whereas rural areas have rates up to 20 times higher²¹⁴.

²¹³ Havlicek, K., & Svec, L. (2001). The Czech Republic's transition: the painful rebirth of capitalism. *Post-Communist Economies*, 13(4), 425-442.

²¹⁴ Fazekas, K., & Buciová, Z. (2014). Youth Unemployment in Hungary and the Czech Republic. *Hungarian Journal of Labour Law and Social Policy*, 3(1), 59-75.

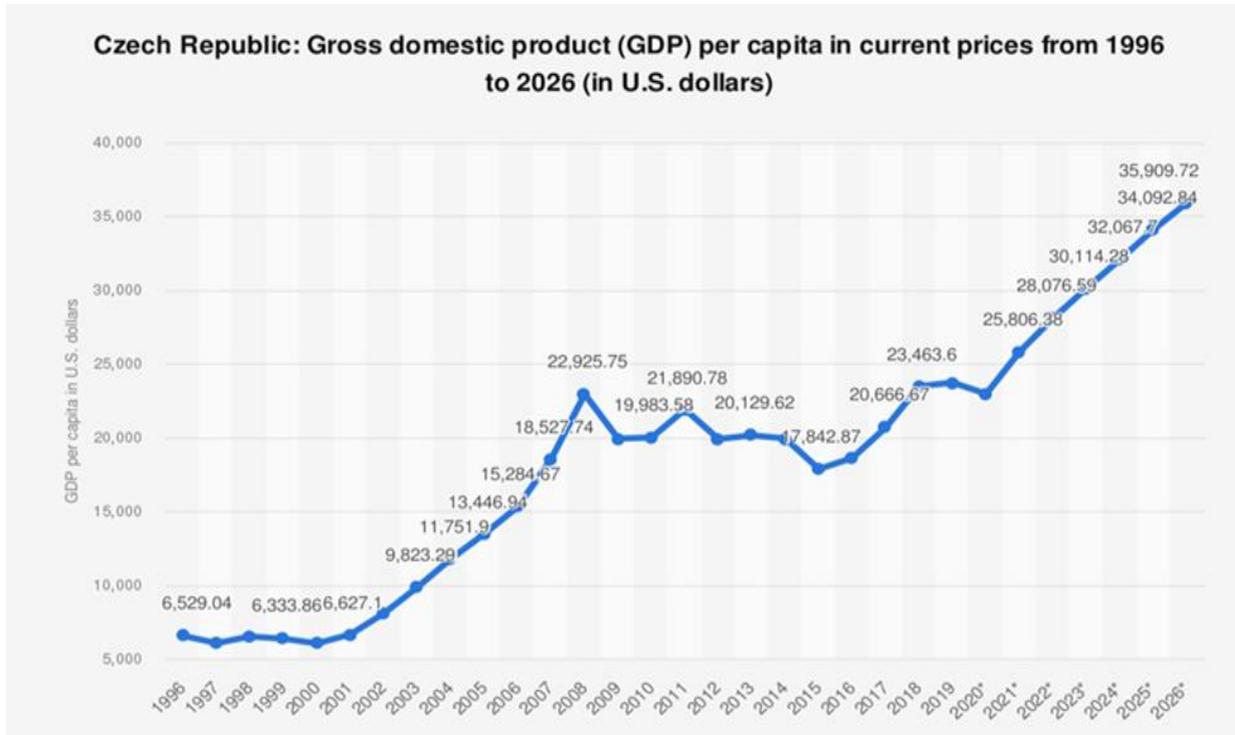


Figure IV: World Economic Outlook Database, October, 2021²¹⁵

The Czech Republic continued to expand slowly while the rest of the EU was having great difficulties in moving on from the crippling debt crisis that began in 2009. This was due in part to the country's EU status: it had wide access to European markets and EU subsidies but had not yet adopted the Euro, therefore buffering it from the recession's worst consequences.

3.2.1 LABOUR MARKET DEVELOPMENTS

As a result of economic restructuring, the Czech labour market has undergone substantial changes. After 1989, the labour market in Central and Eastern Europe's

²¹⁵ IMF. (2021). World Economic Outlook Database, October 2021. IMF. <https://www.imf.org/en/Publications/WEO/weo-database/2021/October>

transition countries resurfaced²¹⁶. In the Czech Republic, the firmly internalised employment security is gradually eroding. On the demand side, 'hard' budgetary limitations are displacing the communist system's key selling point: political demands for full employment. On the supply side, skills and work performance are gradually replacing – albeit tentatively – regime allegiance and disguised occupational role fulfilment²¹⁷.

Previously isolated national economies working on a 'weak' Eastern market were abruptly confronted with the difficulties of globalisation and the industrialised world. Due to this, the Czech Republic does not have any kind of framework in place to assist it with such a rapid transformation. In other words, economic institutions are still figuring out their shape, purpose and incentives in this regard. In terms of adaptation, mobility, institutional arrangements and regulations, the labour market is constantly changing²¹⁸. The government, which used to be the sole source of employment, has been supplanted by a variety of private companies.

The consistency of a single, full-time, extremely steady (often lifelong) job is being disrupted by new contracts and working arrangements. Tendencies towards irregular, time-limited and flexible employment are emerging, though more slowly than in Western European countries. In terms of job security, compensation and working conditions, jobs have become increasingly unstable since the communist era. Some workers with advanced degrees in management, finance or law now realise that their chances have greatly increased in the market economy. That said, in some areas, jobs and working conditions have deteriorated dramatically since 1989²¹⁹. The job situation is particularly gloomy for individuals who worked in mining and metallurgy; once-promising careers that are now a thing of the past. Low skill levels, mining regions and one-plant towns are all major sources of job insecurity these days.

²¹⁶ Schneider, O., & Scheffel, F. (1996). The Transformation of the Czech Republic's Economy. *National Institute Economic Review*, 155(1), 80-91.

²¹⁷ Reference: Svejnar, J. (2002). Transition Economies: Performance and Challenges. *Journal of Economic Perspectives*, 16(1), 3-28.

²¹⁸ ILO (International Labour Organization). (2000). *Labor Market Developments in Central and Eastern Europe*. ILO.

²¹⁹ Reference: Svejnar, J. (2002). Transition Economies: Performance and Challenges. *Journal of Economic Perspectives*, 16(1), 3-28.

To record the changes that have already occurred, report on those that are now occurring and to establish effective policies, knowledge of two components is required: a profile of the general population as workers and a profile as beneficiaries of social subsidies²²⁰. The goal of policy should be to maintain social cohesiveness while avoiding an over-reliance on the welfare state in favour of increased labour market participation, activation and workforce. This is especially important considering the Czech Republic's severe misalignment between labour market demands and welfare expectations²²¹.

Beginning in 1990, the opening of markets created new opportunities and incentives for labour adjustment and migration. Simultaneously, normal labour market structures that framed mobility and flexibility had to be established. In terms of governmental settings and regulations, people's ability and desire to adapt and movements between different labour market states or jobs, the labour market became a perpetual flux zone. The labour force was segmented during the process based on education, skills and a desire to relocate²²².

During 1994–1996, rising employment, low unemployment and real wages growing faster than labour productivity were unsustainable in the long run, not least because of an upcoming wage-push and the negative impacts on the country's international price competitiveness. At least in part, this explains the significant policy response to macroeconomic developments in mid-1997, involving changes in the exchange rate regime, budgetary cuts and a more restrictive monetary policy. As a result, for the first time since 1993, aggregate employment fell in 1997²²³.

²²⁰ Havlicek, K., & Svec, L. (2001). The Czech Republic's transition: the painful rebirth of capitalism. *Post-Communist Economies*, 13(4), 425-442.

²²¹ Reference: Svejnar, J. (2002). Transition Economies: Performance and Challenges. *Journal of Economic Perspectives*, 16(1), 3-28.

²²² Munich, D. (2009). The Czech labour market: From transition to stagnation? *Journal of Economic Surveys*, 23(2), 235-265. doi: 10.1111/j.1467-6419.2008.00553.x

²²³ Havlicek, K., & Svec, L. (2001). The Czech Republic's transition: the painful rebirth of capitalism. *Post-Communist Economies*, 13(4), 425-442

Since then, privatised enterprises have been under growing restructuring pressure, with high numbers of lay-offs contributing to gains in productivity, developments in bankruptcy enforcement and financial strictness²²⁴. As a result of all of this, the overall unemployment rate has been continuously rising, almost irrespective of economic cycle changes or government actions.

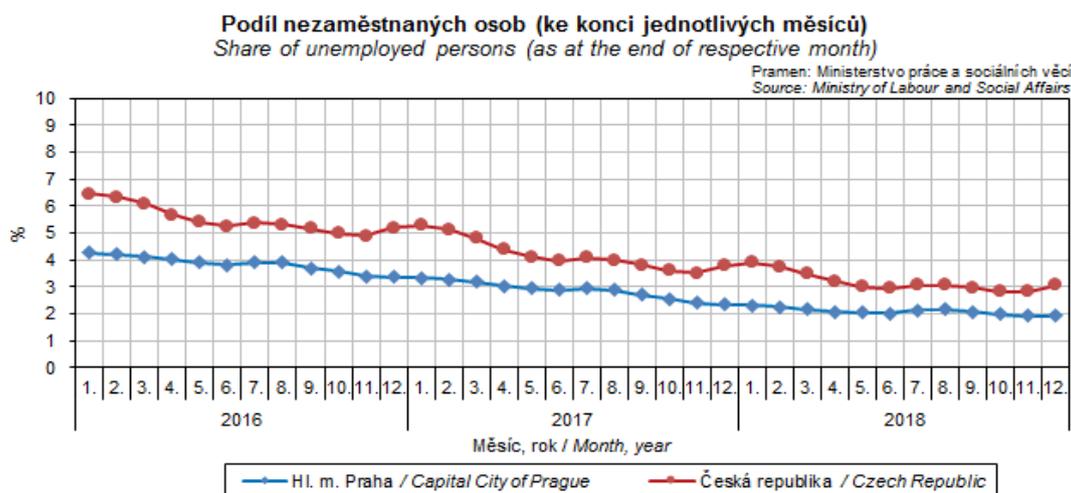


Figure V: Share of unemployed persons in Czech Republic²²⁵

Unemployment had reduced to 8.8% at the end of 2000, down from 9.4% at the end of 1999. Because large numbers of employees were seeking early retirement, it resulted in a short-term reversal in the upward trend of unemployment statistics. One-time events such as the implementation of a new Labour Code, which limited the opportunities for working overtime, contributed to the inter-annual growth of employment in 2001²²⁶. This includes highly unfavourable patterns including increased periods out of work and the disappearance of jobs taking place quicker than their creation, no to mention structural unemployment due to educational and geographic labour mismatches and high unemployment levels among school-leavers

²²⁴ Münich, D. (2009). The Czech labour market: From transition to stagnation? *Journal of Economic Surveys*, 23(2), 235-265. doi: 10.1111/j.1467-6419.2008.00553.x

²²⁵ Ministry of Labour & Social Affairs, Czech Republic. (2019). Share of unemployed persons: Statistical Yearbook of Prague, 2019. <https://www.czso.cz/csu/czso/graphs-g5mch4bsem>

²²⁶ OECD (Organisation for Economic Co-operation and Development). (2002). *Labour Market Development in the Czech Republic*. OECD Publishing. doi: 10.1787/9789264196571-en

and graduates. The labour market has become even more difficult as trade unions have increased their wage pressures too²²⁷.

Even when compared to other Central European countries or the EU average, the rise in long-term unemployment is very noteworthy. Furthermore, among the long-term jobless, there is a measurable level of social and material depravity resulting in labour market marginalisation and the exclusion of a significant portion of the Czech population from the labour market. This fact could be to blame for the country's wage increases, despite the country's high overall unemployment rate. The Czech labour market's overall outcome has been very benign, with relatively positive employment rate and recently rising labour market participation but there are significant regional disparities.

Prague has long been the economic hub of the region, with a regional GDP exceeding the EU median by 71% in 2011, resulting in extremely low unemployment figures. In other parts of the country, however, labour market outcomes are considerably different. Unemployment, particularly long-term unemployment, is continuously high in regions with limited private investment and, as a result, have not properly restructured their financial foundations or re-educated their labour force. As a result, these worse-performing regions have the fewest higher-educated individuals and a terribly low number of people with only a regular school education²²⁸.

Given the substantial correlation between educational attainment and unemployment, regional labour market results can often be attributed to population structure in terms of the greatest degree of education acquired. Furthermore, educational disparities have widened: Prague has seen the largest growth in tertiary educated people among all Czech regions whereas places with smaller shares have seen very minor increases. Furthermore, relative labour demand in lagging regions is

²²⁷ Münich, D. (2009). The Czech labour market: From transition to stagnation? *Journal of Economic Surveys*, 23(2), 235-265. doi: 10.1111/j.1467-6419.2008.00553.x

²²⁸ Mejstrik, M., & Sunega, P. (2014). Regional disparities in the Czech Republic: A cluster analysis. *Czech Sociological Review*, 50(1), 25-49. doi: 10.13060/00380288.2014.50.1.97

substantially lower, with unemployment-to-work ratios anywhere from 5.3 in Prague to 25.7 in Moravia-Silesia as recently as 2013²²⁹.

Low mobility also makes it difficult for low-skilled employees in less active locations to find work. In June 2014, the unemployment-to-job ratio for primary educated people in the Prague region was 2.5 while the neighbouring Kladno region had 30.5 times more school-educated unemployed individuals than eligible jobs going around²³⁰.

The Czech Statistical Office²³¹ discovered that worker mobility is linked to their educational attainment: persons with only a primary or lesser secondary education accounted for only 3% of workers commuting for work purposes outside their home region, while workers with education and permanent residence in the Czech Republic accounted for 4.2%²³². The same can be seen when comparing how many workers commute in elementary professions to their share of employment²³³.

Roma people are disproportionately susceptible in the labour market, owing to their poor educational achievements and the fact that they typically make up the majority of the population in particularly rural areas. According to a 2013 study, 70% of Roma living in such areas have only completed primary school, with the remaining 30% having completed their secondary education. No Roma who responded to the survey had completed any form of post-secondary education. This result contrasts sharply with the non-Roma population in these localities²³⁴.

²²⁹ Mejstrik, M., & Sunega, P. (2014). Regional disparities in the Czech Republic: A cluster analysis. *Czech Sociological Review*, 50(1), 25-49. doi: 10.13060/00380288.2014.50.1.97

²³⁰ Vecernik, J., & Zacek, D. (2016). Migration and regional labour market disparities in the Czech Republic. *European Urban and Regional Studies*, 23(2), 354-372. doi: 10.1177/0969776413505035

²³¹ Ministry of Labour & Social Affairs, Czech Republic. (2019). *Statistical Yearbook of Prague, 2019*. <https://www.czso.cz/csu/czso/graphs-g5mch4bsem>

²³² Mejstrik, M., & Sunega, P. (2014). Regional disparities in the Czech Republic: A cluster analysis. *Czech Sociological Review*, 50(1), 25-49. doi: 10.13060/00380288.2014.50.1.97

²³³ OECD (Organisation for Economic Co-operation and Development). (2002). *Labour Market Development in the Czech Republic*. OECD Publishing. doi: 10.1787/9789264196571-en

²³⁴ Ezzeddine-Lukšíková, P. (2015). Roma in the Czech Republic: From Segregation to Inclusion? *European Journal of Social Quality*, 5(2), 58-78. doi: 10.3167/ejsq.2015.050204

3.2.2 YOUTH UNEMPLOYMENT IN THE CZECH REPUBLIC

From 1993 to 2021, the youth unemployment rate in the Czech Republic averaged 13.22%, with a peak of 22.60% in October, 2004 and a record low of 4.50% in August, 2019. According to the most recent Eurostat data, the youth unemployment rate was 8.7% in October, 2021, an all-time high. During the year 2012, there were a total of 1,193.6 thousand people in the 15-24 age group, with 610.7 thousand men and 582.8 thousand women in the 15-24 age group. In 2012, the participation of young people aged 15-24 in education and training reached 69.1%, the highest level recorded since the program's inception²³⁵²³⁶.

Women were however substantially more likely than men to participate in educational activities. The proportion of young people under the age of 25 who are not in the labour market or undergoing training is consistently lower than the EU-27 average but has been increasing in recent years. On an international scale, the Czech Republic has a larger proportion of persons with secondary education and a smaller proportion of people with a university education than other European countries. When young people first enter the labour market, they face a number of challenges, including an inadequacy in the structure of their qualifications, a lack of professional experience and a lack of opportunities to develop the skills and abilities which would help them be more useful in the workplace²³⁷.

²³⁵ Eurostat. (2021). Youth unemployment rate by sex and age - monthly average.

https://ec.europa.eu/eurostat/databrowser/view/une_rt_youth_a/default/table?lang=en

²³⁶ Trading Economics. (n.d.). Czech Republic Youth Unemployment Rate

<https://tradingeconomics.com/czech-republic/youth-unemployment-rate>

²³⁷ Czech Statistical Office, Education and the Labour Market in the Czech Republic, 2020:

<https://www.czso.cz/csu/czso/education-and-the-labour-market-in-the-czech-republic-2020>

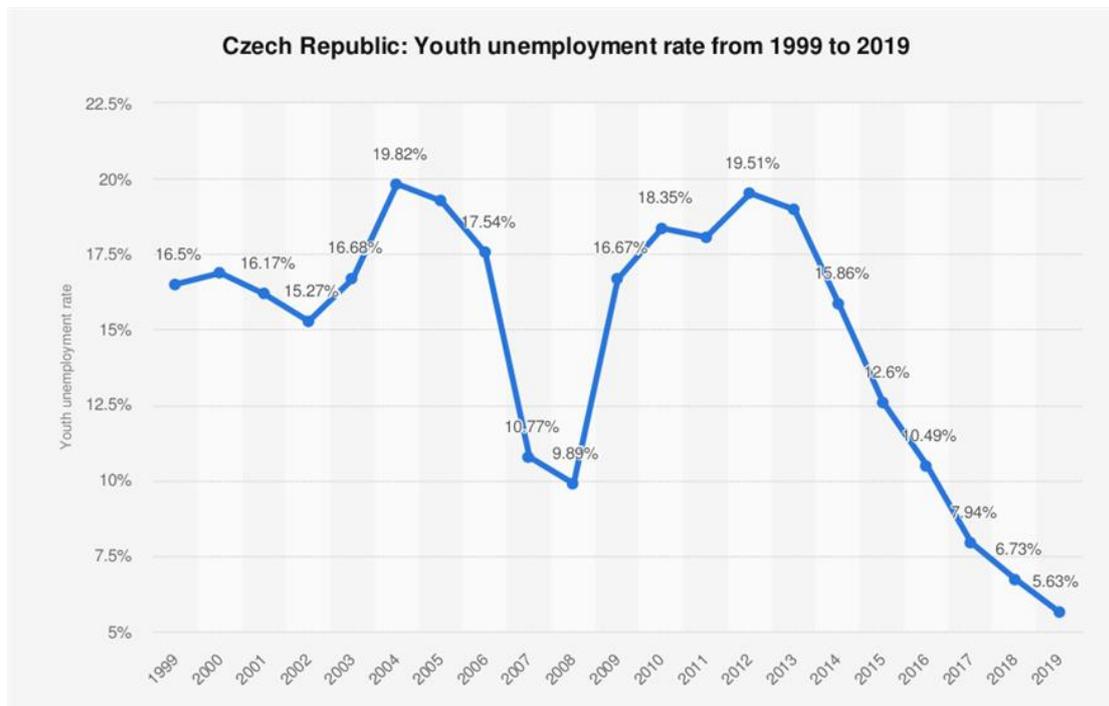


Figure VI: Czech Republic: Youth unemployment rate from 1999 to 201²³⁸

The activity rates of younger age groups compared with general unemployment rates in the Czech Republic moved in the opposite direction. Between 2000 and 2013, there was a significant inflow of people entering tertiary education, resulting in a 10% increase in inactivity among people aged 20 to 29²³⁹. Nonetheless, this measure, along with the ratio of university students to the population aged 20 to 29, peaked in 2011. Furthermore, rising fertility rates coincided with an increase in the share of women aged 25-39 caring for children or other family members over the decade. The sharp increase in activity in 2013 is consistent with the added worker effect, as stated in earlier sections and is likely to be influenced by cyclical factors²⁴⁰.

There are few incentives on young women to increase their inactivity rates in the future. First, according to the Czech Statistical Office's demographic

²³⁸ World Bank. (2021). Czech Republic: Youth unemployment rate from 1999 to 2019. Statista. <https://www.statista.com/statistics/614072/youth-unemployment-rate-in-the-czech-republic/>

²³⁹ Czech Statistical Office. (2014). Labour Market Developments 2014: An Annual Review. <https://www.czso.cz/csu/czso/labour-market-developments-2014-an-annual-review>

²⁴⁰ Kuczera, M. (2010), "A Learning for Jobs Review of the Czech Republic", OECD Reviews of Vocational Education and Training, OECD Publishing, Paris.

projections²⁴¹, fertility rates are only expected to increase slightly and the Czech government's recent efforts to increase the supply of pre-school institutions (the new 'Child Group Act'), as well as increased public investment should be able to hold up against increases in labour market numbers²⁴².

Overall, the unemployment rate was 3.42% of the entire labour force at the end of March, 2021; this was the recorded unemployment rate. Women who are taking additional child-care leave are no longer included in the number of unemployed people who are recorded in this way, as was the case previously. According to the International Labour Organisation's definition (which includes only those aged 15-64), the general unemployment rate hit 6.4%, representing the largest year-on-year increase in unemployment since 1999²⁴³.

Since the surveys used different methodologies, there has been an inconsistency between the overall unemployment rate and the official registered unemployment rate. However, despite the fact that the rates of unemployment fluctuate between techniques, the overall pattern in the rise of unemployment is relatively similar for both.

It is mostly due to the way beginning education is structured, as well as to a lack of emphasis placed on practical training while in school, a lack of school-employer contact and, as a result, an insufficient transfer of their needs into classroom instruction. Similarly, the present-day education system falls short of compensating for the disparities in qualifications to study, as well as the expectations of learners and students from a variety of socio-economic backgrounds²⁴⁴.

²⁴¹ Czech Statistical Office. (2014). Labour Market Developments 2014: An Annual Review. <https://www.czso.cz/csu/czso/labour-market-developments-2014-an-annual-review>

²⁴² Gottvald, J. (2005). Czech labour market flows 1993-2003. Finance a úvûr - Czech Journal of Economics and Finance, 55(1-2), 41-53.

²⁴³ Kuczera, M. (2010), "A Learning for Jobs Review of the Czech Republic", OECD Reviews of Vocational Education and Training, OECD Publishing, Paris.

²⁴⁴ Kuczera, M. (2010), "A Learning for Jobs Review of the Czech Republic", OECD Reviews of Vocational Education and Training, OECD Publishing, Paris.

As a result, the whole system leaves too many groups out and is not favourable to career opportunities for students. The labour market is thus impacted negatively because of how initial and further vocational training is set up, which prompts questions as to whether or not the system will be in a position to react to the ever-changing demands for qualifications and skills caused by globalisation and all related advancements which will naturally create work opportunities in key areas, as well as changes to social and health services²⁴⁵.

In addition to the 50+ age range, young people aged 15-24 was the most adversely affected by the crisis. These two groups experienced the greatest increase in unemployment during the 2009-10 period. During 2011 and the first half of 2012, the number of out of work youths decreased significantly but the number of unemployed young people increased again during the second half of 2012. The total amount of job applicants reached 596.8 thousand as of December 31, 2013, with 100.0 thousand of them being under the age of 25, representing a 1.3 thousand increase over the previous year²⁴⁶. The unemployment rate among young people aged 25 and under (as a proportion of the total labour force in the same age group) declined from 19.5% in 2012 to 18.9% in 2013, making it the sixth-lowest in the EU-27 countries due to a higher growth of job-seekers of different ages²⁴⁷.

The fundamental reason that so many people were out of work and the low activity levels among young people is the unfavourable state of the labour market, which is characterised by a considerable excess of labour supply relative to demand throughout the country. As of 30th April, 2021, the Czech Labour Office had a total of 297,876 job-seekers registered with them. According to EUROSTAT, with an

²⁴⁵ Škapa, S. (2014). Youth Unemployment in the Czech Republic. *Central European Journal of Public Policy*, 8(2), 29-46. doi: 10.2478/cejpp-2014-0002

²⁴⁶ Czech Statistical Office. (2014). *Labour Market Developments 2014: An Annual Review*. <https://www.czso.cz/csu/czso/labour-market-developments-2014-an-annual-review>

²⁴⁷ European Commission. (2014). *Youth unemployment in the European Union: Situation and challenges*. Country statistical annex: Czech Republic. <https://ec.europa.eu/social/main.jsp?catId=1145&langId=en&pubId=7713&type=2&furtherPubs=yes>

unemployment rate of 3.4%, the Czech Republic continues to enjoy its position as the second-lowest rate in the European Union (EU)²⁴⁸.

3.2.3. GOVERNMENTAL EMPLOYMENT POLICIES

Employment polity in the Czech Republic is primarily centred on the welfare system and there are no unique measures in place for unemployed individuals under the age of 35. Furthermore, unlike in other EU states, policies for example in the United States are not geared towards the creation of real job experience. The Czech Republic has implemented a new labour law that took effect at the beginning of January, 2009²⁴⁹.

Every unemployed individual who wishes to collect welfare benefits must have worked for at least 12 months in any relevant employment, including gainful activities, within the previous three years; in other words, they must have paid into the social security system. Therefore, practically all individuals who have completed basic, secondary or even higher education but have been unsuccessful in obtaining a job will not be eligible for unemployment or welfare payments under the current system²⁵⁰.

As a result, they frequently become fully reliant on their families or other non-governmental sources of assistance. The new policy was implemented to provide an incentive for young people to pursue employment more aggressively²⁵¹. Another change in the employment policy is that the average amount of money unemployed

²⁴⁸ Eurostat. (2021). Unemployment statistics. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics#Unemployment_rate

²⁴⁹ Kuczera, M. (2010), "A Learning for Jobs Review of the Czech Republic", OECD Reviews of Vocational Education and Training, OECD Publishing, Paris.

²⁵⁰ OECD. (2009). Labour market institutions. In OECD Economic Surveys: Czech Republic 2009 (pp. 67-75). OECD Publishing.

²⁵¹ Škapa, S. (2014). Youth Unemployment in the Czech Republic. Central European Journal of Public Policy, 8(2), 29-46. doi: 10.2478/cejpp-2014-0002

people receive if they meet the new eligibility requirements has been raised. Historically, the average unemployment benefit in the Czech Republic was among the EU's lowest²⁵².

The fact that the benefit amount has been increased, even though the maximum duration for which the benefit would be provided has been reduced, should be kept in mind. In general, the younger the population is, the shorter the duration during which they can get unemployment benefits. The maximum term for those in the younger age group is five months, however, it may be extended for those who are enrolled in retraining programs. After completing their formal schooling, young people are not eligible for retraining programs, with the exception of those who have not yet reached the age of 21. This essentially means that college and university graduates will not be able to participate in the programs because they are rarely less than 20 years of age when they complete their further education²⁵³.

This does not appear to be a cost-effective approach and it is not used by the majority of other European Union countries. The notion of extending the age limit to at least 25 has been discussed even within the borders of the Czech Republic, where many debates have taken place. The competency of Labour Offices has improved in tandem with the expansion of the duties of the jobless population²⁵⁴. As a result, unemployed individuals must cooperate actively and intensively in order to find work: for example, they cannot refuse a job offer and if they are made redundant, they are unable to use the services of Labour Offices. As a result, many non-profit groups contend that the true number of unemployed people is significantly higher than the number of people listed in official unemployment figures.

Individuals who have been excluded from the Labour Office are responsible for paying their medical insurance premiums but because they do not get

²⁵² Czech Statistical Office. (2014). Labour Market Developments 2014: An Annual Review. <https://www.czso.cz/csu/czso/labour-market-developments-2014-an-annual-review>

²⁵³ Kuczera, M. (2010), "A Learning for Jobs Review of the Czech Republic", OECD Reviews of Vocational Education and Training, OECD Publishing, Paris.

²⁵⁴ Gottvald, J. (2005). Czech labour market flows 1993-2003. Finance a úvûr - Czech Journal of Economics and Finance, 55(1-2), 41-53.

unemployment benefits, they are unable to make the payments on time. Late payments are subject to an interest penalty, which means that the jobless run the danger of accruing significant amounts of debt that they may not be able to repay over the course of their lives. Individuals with just basic or secondary education without an official certificate, those in younger age groups and those from economically and socially underprivileged homes are particularly susceptible to this²⁵⁵.

It is possible that this approach could lead to social marginalisation and that individuals will become increasingly reliant on the services of some non-profit organisations as a result. Because of the increase in the unemployment rate, Labour Offices have expanded the amount of work available to them. Despite this, it does not appear that there is a scarcity of funds available. The Czech government has made an attempt to spur economic growth by decreasing the amount of mandatory social security contributions²⁵⁶. This, in turn, should have resulted in an increase in the budgets of each firm, particularly in the case of the contribution to the state employment policy aspect of social security, which was lowered by 1% as a result.

Theoretically, this should have resulted in an increase in farm income of around 230 CZK per wage every month. Fortunately, in this particular circumstance, EU financing helps to balance the government's budget. Consequently, the budget for active employment policy for the current fiscal year amounts to 6.4 billion CZK (approximately 256 million Euros)²⁵⁷. The bureaucratic processes that obstruct the proper distribution of funds to effective activities and the individuals in need of assistance are the most serious issues to contend with.

Employers can benefit from active labour market policies in a variety of ways. For example, they can provide retraining, investment incentives, public-benefit work, socially beneficial jobs, bridge contributions, pay transportation contributions for

²⁵⁵ Joint Assessment of the Employment Policy of the Czech Republic. (2000, May 11). Signed by the representatives of the Czech Republic and the European Commission.

²⁵⁶ Vecernik, J., & Zacek, D. (2016). Migration and regional labour market disparities in the Czech Republic. *European Urban and Regional Studies*, 23(2), 354-372. doi: 10.1177/0969776413505035

²⁵⁷ Mejstrik, M., & Sunega, P. (2014). Regional disparities in the Czech Republic: A cluster analysis. *Czech Sociological Review*, 50(1), 25-49. doi: 10.13060/00380288.2014.50.1.97

employees, contribute towards recruitment costs and pay a contribution when switching to a new business program. However, the Czech Republic's approach is not holistic at all since various policies are kept distinct from one another, resulting in much unwanted bureaucracy and inefficiency²⁵⁸.

Founded in 1990, the Czech Republic's Ministry of Labour and Social Affairs is responsible for a wide range of issues ranging from labour law relations and occupational safety to employment and retraining, as well as areas such as collective bargaining and wages to pension welfare and sickness insurance, plus a vast array of other social issues too long to list here²⁵⁹.

It is the Ministry of Labour and Social Affairs of the Czech Republic that oversees the administration of the following subordinate state bodies: the Czech Social Security Administration, Labour offices, four special social care institutions, the Office for International Legal Protection of Children and the State Labour Inspection Office. In addition, the Ministry founded The Institute for Occupational Safety Education, the Institute of Technical Inspection and the Hrabyn Social Care Facility for the disabled. The National Research Institute for Labour and Social Affairs and the Institute for Occupational Safety were established by Act No. 341/2005 and passed by the Czech Parliament in May, 2005²⁶⁰.

A failure to fix important employment services, namely the Labour Office of the Czech Republic, in 2011 and 2012 has marred the execution of employment policy in the country. The reform redefined the Ministry of Labour and Social Affairs' responsibilities for legislative and strategic efforts, along with the responsibilities of the Czech Republic's Labour Office for the implementation of employment and social policies²⁶¹.

²⁵⁸ OECD (Organisation for Economic Co-operation and Development). (2002). Labour Market Development in the Czech Republic. OECD Publishing. doi: 10.1787/9789264196571-en

²⁵⁹ Gottvald, J. (2005). Czech labour market flows 1993-2003. *Finance a úvâr - Czech Journal of Economics and Finance*, 55(1-2), 41-53.

²⁶⁰ Lavinás, L., & Gawrecka, D. (2004). The Czech labour market and its institutions: An overview. *Comparative Labor Law & Policy Journal*, 25(3), 509-531.

²⁶¹ Vecerník, J., & Zacek, D. (2016). Migration and regional labour market disparities in the Czech Republic. *European Urban and Regional Studies*, 23(2), 354-372. doi: 10.1177/0969776413505035

Because of the formation of regional offices within the Czech Republic's Labour Office, circumstances were established for an improvement in collaboration between government employment services and all participants in regional labour markets. The Ministry of Labour and Social Affairs and the Czech Labour Office now have legal space to develop cooperation with a myriad of actors in the labour market, the former at national level and the latter at local level²⁶². Rather than being a substantial reaction to changes in the labour market, the reform was prepared and implemented in a hurry, spurred on by political considerations instead of the necessity for a fuller solution to the ups and downs of the labour market.

In addition to a reduction in capacity due to the introduction of an untested and ill-functioning information system, falls of around 2,000 workers were seen which forced the Labour Office to deal with new policies while being understaffed. The objective of the Ministry of Labour and Social Affairs was to restore the ability of the primary program implementer to carry out its responsibilities in the short-term. The Labour Office of the Czech Republic boosted its workforce by 319 employees in 2013 as a result of a decision by the Czech government, with the goal of improving communication, in particular, with businesses. An additional 381 employees were hired to supplement the existing workforce in 2014²⁶³.

Other legislative, executive and technological actions to address the issue were contained in the Czech Republic's National Reform Program for 2014, which included legislative, executive and technical measures. Remediating the unfavourable situation, on the other hand, would take several years²⁶⁴.

3.2.4. STATE PROGRAMS ADDRESSING YOUTH UNEMPLOYMENT

²⁶² Lavinás, L., & Gawrecka, D. (2004). The Czech labour market and its institutions: An overview. *Comparative Labor Law & Policy Journal*, 25(3), 509-531.

²⁶³ Scasny, M., & Holla, K. (2015). Public Employment Services in the Czech Republic: A Review of Recent Reforms and Challenges. *Central European Journal of Public Policy*, 9(2), 33-56.

²⁶⁴ Škapa, S. (2014). Youth Unemployment in the Czech Republic. *Central European Journal of Public Policy*, 8(2), 29-46. doi: 10.2478/cejpp-2014-0002

The Youth Guarantee program, developed in response to the recommendations of the European Council on April 22, 2013, ensures that each and every person under 25 receives an acceptable offer of employment, additional education or a traineeship within 16 weeks of losing their previous position, graduating school or choosing to leave formal education. The provision of excellent training programs that lead to recognised professional certification is also included in the offer. While drafting the program, the Ministry of Labour and Social Affairs relied on the actual financial and material capacity of the Ministry, as well as data from the Population Projection to 2100 state program, which was prepared by the Czech Statistical Office²⁶⁵.

According to EUROSTAT, there were 1.170 thousand young people aged 15-24 in the Czech Republic in 2013, with 9.1% (106.5 thousand individuals) not in school, work or training (EUROSTAT, 2013). Economically inactive people made up 4.0% of the population; jobless people accounted for 5.2%. Also according to Eurostat, of the 9.1% of those not in education, employment or training, 5.9% actually wanted to find work (regardless of whether or not they were actively seeking employment at the time) and 3.2% did not want to work or were not actively seeking employment (Eurostat, 2009). Between the ages of 15 and 24, the disparity between the percentage of individuals who desire to work and the share of people who are classed as jobless is 0.7% of the 15-24 year old population, or approximately 8.2 thousand people²⁶⁶.

The above-mentioned program was developed in accordance with the principles set out by Council Recommendation was adopted on April 22, 2013. The main principles of the program are²⁶⁷:

²⁶⁵ Koldinská, K., & Krupka, J. (2018). Implementation of the Youth Guarantee in the Czech Republic. *Sustainability*, 10(6), 1881. doi: 10.3390/su10061881

²⁶⁶ Soukup, P., & Radová, J. (2016). Youth Guarantee in the Czech Republic: Implementation and Results. *Journal of Competitiveness*, 8(4), 108-123.

²⁶⁷ European Commission. (2013). Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01). [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0422\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0422(01)&from=EN)

- Partnership-based approaches;
- Early intervention and activation;
- Supportive measures allowing labour market integration, such as skills enhancement and other active labour market measures;
- Use of union money;
- Evaluation and continual improvement of programs.

The initiative has the following strategic goals:

- Increasing the precision with which employment, education and social programs are targeted at youth who are not yet working or enrolled in school or training;
- Fixing mismatches in youth skills and what is required by the labour market;
- Raising the engagement of youth in the labour market and reducing youth unemployment²⁶⁸.

As the program's primary coordinator, the Ministry of Labour and Social Affairs and the Labour Office manage, coordinate and finance all redress actions undertaken under the program, which includes all necessary actions at each level for labour market integration and employment policy²⁶⁹. The Ministry of Labour and Social Affairs and the Labour Office will continue their policy of combining all aspects of job and living conditions, as well as not neglecting those unable to find work for whatever reason, despite the fact that the program has already been terminated by the government²⁷⁰.

²⁶⁸ European Commission. (2013). Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01). [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0422\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013H0422(01)&from=EN)

²⁶⁹ Scasny, M., & Holla, K. (2015). Public Employment Services in the Czech Republic: A Review of Recent Reforms and Challenges. *Central European Journal of Public Policy*, 9(2), 33-56.

²⁷⁰ Koldinská, K., & Krupka, J. (2018). Implementation of the Youth Guarantee in the Czech Republic. *Sustainability*, 10(6), 1881. doi: 10.3390/su10061881

The Ministry of Labour and Social Affairs is the primary partner in implementing the program concerned with preventing youth unemployment and social exclusion by establishing conditions in primary and secondary education that raise how much practical training content exists as part of general studies, improve how schools and employers communicate and thereby greatly improving how many applicable qualifications and skills are carried over into the world of work²⁷¹.

As part of the program, the Ministry of Education is responsible for managing and coordinating funds allocated to students and teachers in order to provide career guidance, as well as creating better environments for youth to return to or get their first recognised and applicable education as per labour market needs²⁷². It is also responsible for improving the alignment between graduate competence and employer requirement.

The Ministry, in its preventative role, will also concentrate on identifying why youth unemployment and inactivity are so prevalent, something it has the potential to directly and indirectly influence already. Specifically, this means addressing well-documented issues associated with primary education duration, such as making sure quality pre-school education is made available and lowering entry delays for youth entering their primary education. It could also involve shortening how long youth stay in university, as well as issues associated with what is taught in order to guarantee skills are durable and creating a more accessible e-learning experience²⁷³.

The Ministry of Education will also assess how effective various components of the educational system are which will enable proposed measures on improving the situation with social partners in the Council of Economics and Social Agreements to move forward with them. Included in this process are representatives of organisations that provide formal, informal or other education, as well as representatives from social

²⁷¹ Koldinská, K., & Krupka, J. (2018). Implementation of the Youth Guarantee in the Czech Republic. *Sustainability*, 10(6), 1881. doi: 10.3390/su10061881

²⁷² Tureček, J., & Bukač, O. (2016). Youth Guarantee in the Czech Republic: Implementation and Effectiveness. *International Journal of Economic Sciences and Applied Research*, 9(2), 19-32.

²⁷³ Scasny, M., & Holla, K. (2015). Public Employment Services in the Czech Republic: A Review of Recent Reforms and Challenges. *Central European Journal of Public Policy*, 9(2), 33-56.

service organisations. These actions should enable maximum potential job creation and consumption in growth sectors, as well as the prevention of undesirable consequences such as market polarisation or unemployment in untenable industries²⁷⁴.

The Ministries of Labour and Education work with and act as the middle-man between program implementers, and cooperating organisations such as social partners, regional authorities and schools. In order to implement the program, it is assumed that the great majority (especially poorer households or those from families with one or both parents jobless), will register with the Labour Office²⁷⁵. When they employ youth, it is responsible for paying their health insurance and sometimes their social insurance.

This means that the program does not include two types of young people: first, those who are not jobless, wish to work but have no need to look for a job; second, those who are not currently searching for work. Most of them are recent graduates who, for a variety of reasons, have chosen to delay their entry into the workforce. Perhaps they want to explore the world, learn another language or become an au pair²⁷⁶.

The latter group consists of those who are not involved at all in the job market: women on parental leave, women in financially comfortable homes, handicapped individuals, etc. fall into this rather small category. As a result, it is fair to say that the program is applicable to the majority of people between the ages of 15 and 24²⁷⁷.

²⁷⁴ Government of the Czech Republic. (2020). Operational Programme Human Resources and Employment 2014-2020. <https://www.esfcr.cz/wp-content/uploads/2020/07/Operational-Programme-Human-Resources-and-Employment-2014-2020.pdf>

²⁷⁵ Koldinská, K., & Krupka, J. (2018). Implementation of the Youth Guarantee in the Czech Republic. *Sustainability*, 10(6), 1881. doi: 10.3390/su10061881

²⁷⁶ Ministry of Labour and Social Affairs. (2021). Youth Guarantee in the Czech Republic: 7th Implementation Report. https://www.mpsv.cz/documents/20142/3957363/Zprava_YG_2021_EN_WEB.pdf

²⁷⁷ Government of the Czech Republic. (2020). Operational Programme Human Resources and Employment 2014-2020. <https://www.esfcr.cz/wp-content/uploads/2020/07/Operational-Programme-Human-Resources-and-Employment-2014-2020.pdf>

The Labour Office of the Czech Republic is the program's primary implementer and its personnel at regional offices and contact centres are responsible for working with the target demographic²⁷⁸. It also offers all social benefits of a non-insurance type, allowing it to have an influence on the target population even if they are not actively working in the country. As part of implementing the program, the labour workplace collaborates with all necessary regional and native market actors like social partners, regional authorities, municipalities and instructional establishments. The Labour Office of the Czech Republic is responsible for implementing the program in the Czech Republic²⁷⁹.

The Czech Republic's Labour Office is now conducting pilot testing of two new active employment policy instruments that will be used in the future. The first is intended to support the activation of long-term registered job-seekers by providing them with assistance in finding short-term work. The second is a project entitled 'Contribution to socially useful jobs for job-seekers affected by mass lay-offs'.

The program, when it was launched in 2014, made use of previous projects, programs and employment policy tools aimed at young people who had been funded from national resources such as the Operational Program 'Human Resources and Employment' or the Operational Program 'Education for Competitiveness'²⁸⁰.

Currently, based on the information of Ministry of Labor and social affairs of Czech republic the regional branches of the Labour Office are implementing more than 25 programs for those under 31. Young individuals with handicaps who do not possess higher education, live in rural locations, are from low-income families, have one or both parents who are jobless or come from families with a low level of

²⁷⁸ Ministry of Labour and Social Affairs. (2021). Youth Guarantee in the Czech Republic: 7th Implementation Report.

https://www.mpsv.cz/documents/20142/3957363/Zprava_YG_2021_EN_WEB.pdf

²⁷⁹ Tureček, J., & Bukač, O. (2016). Youth Guarantee in the Czech Republic: Implementation and Effectiveness. *International Journal of Economic Sciences and Applied Research*, 9(2), 19-32.

²⁸⁰ Ministry of Labour and Social Affairs. (2021). Youth Guarantee in the Czech Republic: 7th Implementation Report.

https://www.mpsv.cz/documents/20142/3957363/Zprava_YG_2021_EN_WEB.pdf

education are given special consideration. When putting the program into action, it is important to consider the disparities in the position and requirements of men and women²⁸¹.

Regular one-year updates to the program are made in response to periodic evaluations of the efficiency, effectiveness and usefulness of each measure implemented. The assessment of the program is a component of the management activity carried out by the Ministry's Department for Employment and senior officials of the Czech Labour Office. Each year, an evaluation is carried out using data and indicators from the Labour Office of the Czech Republic's Information System and regularly prepared analytical documents such as the Labour Office's regular annual Report on its work are published²⁸². The Working Group on Indicators of the Employment Committee has developed a set of indicators for the evaluation of Youth Guarantee initiatives throughout the European Union.

In the Czech Republic, retraining is the most extensively employed tool in the fight against joblessness. In contrast, these retraining courses are orientated differently since until very recently, there were no serious challenges dealing with unemployment among highly skilled workers; therefore, these retraining courses are orientated differently. In large part, this was owing to the fact that only a relatively tiny fraction of the population had received a university education in the last 20 years which meant that the labour market was constantly in desperate need of skilled people to fill the available positions. Despite the fact that this tendency is steadily reversing, Czech retraining courses continue to be geared towards persons with less education and those in older age groups²⁸³.

²⁸¹ Government of the Czech Republic. (2020). Operational Programme Human Resources and Employment 2014-2020. <https://www.esfcr.cz/wp-content/uploads/2020/07/Operational-Programme-Human-Resources-and-Employment-2014-2020.pdf>

²⁸² Ministry of Labour and Social Affairs. (2021). Youth Guarantee in the Czech Republic: 7th Implementation Report.

²⁸³ European Commission. (2018). European Semester: Country Report - Czech Republic. <https://ec.europa.eu/info/sites/default/files/2018-european-semester-country-report-czech-republic-en.pdf>

In the Czech Republic, it was nearly unheard of for the unemployment rate among persons with university degrees to spike at such a quick pace. A significant issue associated with retraining is that the vast majority of jobs available require prior credentials or experience; present courses do not provide this, hence obtaining employment may be extremely difficult even after completing a retraining course. The majority of candidates for hairdressers, beauty therapists, electricians and car-repair services have earned necessary knowledge through retraining courses but owing to a lack of prior work experience, they are unable to gain employment in these fields.

Even if they do not receive compensation, it is difficult for them to locate a firm where they may gain valuable job experience that will assist them when they begin their careers. Unfortunately, businesses frequently prefer personnel who have been ‘tried and tested’ before being hired²⁸⁴. Other professions such as nurses, on the other hand, have little trouble getting a job, even if they do not have past work experience under their belt. That is why the role of careers advisers is critical; they should identify the most appropriate retraining program for each individual applicant based on their individual abilities and preferences, as well as the requirements of the career in which they are most likely to succeed in²⁸⁵.

Additionally, it might be difficult for those who are enrolled in a retraining school to locate an employer who is willing to hire them before they have completed the course. Many firms are reluctant to promise employment to individuals because they are unsure whether or not the person will complete the course and, as a result, will have the essential skills for the job in question.

Courses focusing on computer skills in particular are more likely to receive financing from companies as these abilities are often perceived as being highly transferable among employers. However, in the absence of a cooperation approach

²⁸⁴ Government of the Czech Republic. (2020). Operational Programme Human Resources and Employment 2014-2020. <https://www.esfcr.cz/wp-content/uploads/2020/07/Operational-Programme-Human-Resources-and-Employment-2014-2020.pdf>

²⁸⁵ International Labour Organization. (2019). Skills mismatch in Europe: Statistics brief. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_699968.pdf

with businesses, as in the case of the host nation, even participating in retraining does not ensure that one would be able to find work thereafter. In the Czech Republic, re-qualification courses are only available for a maximum of three months. Some employers believe that this is not enough time and as a result, they believe that the courses are inadequate. There are also a lot of training courses given by the Labour Office itself, particularly in areas where unemployment is very high²⁸⁶.

3.2.5. YOUTH NON-GOVERNMENTAL ORGANISATIONS IN THE CZECH REPUBLIC

The ‘Velvet Revolution’ brought about a fundamental transformation in the sphere of vocational training, as well as in the operation of social organisations, especially those that deal with youth, after the regime changed in November, 1989²⁸⁷.

Organisations that had been outlawed during the normalisation phase were allowed to re-establish themselves as a result of the transition to democracy. This was particularly relevant to groups based on scouting or wood-craft principles, as well as organisations that originated in a Christian atmosphere. The Union of Socialist Youth was divided into a variety of distinct groups and the organisation's disintegration was accompanied by a series of confrontations as its property was privatised. Because of democratic development's logic, hundreds of new non-profit making organisations (NGOs) and private entities appeared in the years after 1989²⁸⁸.

These organisations and entities began to fill the void in youth leisure time by offering alternatives to the traditional activities of the state. There has been a progressive transition in the dwellings of pioneers and young people in tandem with the decentralisation of political authority. “Leisure time centres for children and

²⁸⁶ International Labour Organization. (2019). Skills mismatch in Europe: Statistics brief. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_699968.pdf

²⁸⁷ Motejlek, J. (2000). Czech Youth Policy: A Brief Overview of the Post-Communist Era. *European Journal of Education*, 35(2), 149-163. doi: 10.1111/1467-3435.00037

²⁸⁸ Wunsch, J. S. (2001). Youth Policy in the Czech Republic: The Road to Democracy. *Youth & Society*, 33(2), 221-241. doi: 10.1177/0044118X01033002005

young people”, according to a law published by the Ministry of Education, Youth and Sports in 1992, has become a standard term for these facilities which are seen by many as important to the official educational system in the Czech Republic²⁸⁹.

Youth work, as it appears in the Czech Republic today, along with what can be found in public policy agendas in general that may touch on young people and youth policy, are all important considerations. A unique scenario exists in the Czech Republic where a network of Leisure Time Centres, school clubs and after-school childcare facilities provide youth jobs based on what is known as leisure time-based education. Despite the fact that these institutions are not required, they are still recognised by the formal educational system.

State, regional and local governments, as well as private companies and foundations, are responsible for establishing these institutions. They are supported by the government and get funding according to the number of children who participate in regular free-time activities²⁹⁰. Individual participants in the learning activities also pay towards the overheads, which is a significant portion of the total expense.

Apart from leisure-time-based education, which is regarded as a form of youth work, non-governmental organisations provide youth work based on non-formal education. The Czech Council for Children and Youth, which has 98 member organisations, serves as an umbrella organisation for these NGOs and their members.

In addition to this, there are many youth non-governmental organisations (NGOs) in the Czech Republic that are actively devoted to providing free-time activities and learning opportunities for local youth and in which they can all participate on a volunteer basis. Sports, art activities, nature studies, technical activities, handicrafts and a variety of other activities are examples of what is available. Youth workers are both professional staff and for the most part volunteers

²⁸⁹ Kostelecký, T. (2002). Czech Youth Policy: A Shift from the Welfare State to a Non-profit Regime. *European Journal of Social Quality*, 2(1-2), 51-68. doi: 10.3167/146179102782384151

²⁹⁰ Wunsch, J. S. (2001). Youth Policy in the Czech Republic: The Road to Democracy. *Youth & Society*, 33(2), 221-241. doi: 10.1177/0044118X01033002005

who devote their spare time to these good causes. Aside from basic laws and regulations, their credentials are not particularly restricted; nonetheless, at a number of organisations, notably those that operate across the country, their training is subject to internal rules²⁹¹.

As a result, they are frequently required to engage in a range of leadership or teacher training courses. Their funding from the state budget comes primarily from grant programs administered by the Ministry of Education, Youth and Sports but it also comes from the Ministry of Health, the Ministry of Labour and Social Affairs, the Ministry of Culture and, depending on the goal of the activity, from other ministries as well²⁹². In addition, organisations may submit funding applications to regional and local governments.

To make a comparison between the parameters of the Czech system and those of the Western European system, it can be said that there is a significant difference in the system of funding, the number of resources invested and the system of recruitment and training of employees. In the Czech Republic, those who desire to work with children (the vast majority of whom having had similar experiences themselves as children) actively seek such opportunities, whether as professionals or as volunteers²⁹³.

Youth work is overseen by the Ministry of Education, Youth and Sports and social work is overseen by the Ministry of Labour and Social Issues. During the past year, the Ministry of Education, Youth and Sports has been dealing with a new situation in which youth workers are dealing with an increasing number of young people who require social services while engaging in youth work activities and social

²⁹¹ Ministry of Education, Youth and Sports of the Czech Republic. (2014). National Youth Strategy 2014-2020.

²⁹² Wunsch, J. S. (2001). Youth Policy in the Czech Republic: The Road to Democracy. *Youth & Society*, 33(2), 221-241. doi: 10.1177/0044118X01033002005

²⁹³ Kostelecký, T. (2002). Czech Youth Policy: A Shift from the Welfare State to a Non-profit Regime. *European Journal of Social Quality*, 2(1-2), 51-68. doi: 10.3167/146179102782384151

workers are dealing with the challenges of providing non-formal education to their clients. This is a new situation that has arisen since 2015²⁹⁴.

Furthermore, youth workers are in desperate need of social workers with expertise when it comes to connecting with marginalised youth. It was established in May, 2015, by the Czech Republic's Ministry of Education, Youth and Sports to examine the feasibility of close cooperation and recognition of results between youth work and social work, as well as to facilitate the recognition of results achieved by both professions. The Expert Group reflecting the interconnection between youth work and social work was established to examine the feasibility of close cooperation and recognition of results achieved by both professions²⁹⁵.

The Youth Chamber, a cross-sectoral advisory body to the Minister responsible for youth, oversees the work of the Expert Group, which reports to him. Young people are the focus of the Czech Republic's Youth Strategy, which establishes strategic objectives for national initiatives in this area²⁹⁶. In particular, it addresses their education and mobility needs, as well as employment, entrepreneurship, culture and creativity and participation options. Youths with fewer chances and volunteering are also on the agenda. It does not attempt to define 'youth work' but establishes strategic and operational goals in 13 thematic areas that are further developed into real measures that serve as recommendations at all levels²⁹⁷.

The strategy's beneficiaries are individuals under the age of thirty. Children are defined as anyone under the age of 18 in the Czech Republic, in accordance with the Convention on the Rights of Children²⁹⁸. Young people are considered as such between 18 and 26, with the knowledge that under the law, a person becomes an adult

²⁹⁴ Ministry of Education, Youth and Sports of the Czech Republic. (2014). National Youth Strategy 2014-2020.

²⁹⁵ Novakova, Z. (2020). Youth Work in the Czech Republic: A Brief Overview. *Youth & Society*, 52(4), 609-617. doi: 10.1177/0044118X18798784

²⁹⁶ Ministry of Education, Youth and Sports. (2019). Youth Strategy of the Czech Republic 2019–2023. <https://www.msmt.cz/file/48215/>

²⁹⁷ Novakova, Z. (2020). Youth Work in the Czech Republic: A Brief Overview. *Youth & Society*, 52(4), 609-617. doi: 10.1177/0044118X18798784

²⁹⁸ Ministry of Education, Youth and Sports of the Czech Republic. (2014). National Youth Strategy 2014-2020.

when they reach the age of 18. However, those between the ages of 16 and 18 are often not seen as children since they do not behave or think of themselves as being children. Indeed, several legal conventions confer rights and obligations on this age group, even though they have not yet been subjected to full criminal culpability as a result of their actions²⁹⁹.

As a result, in compliance with relevant EU directives, the major target group for the strategy is youth between the ages of 13 and 30. In this definition, ‘social group’ is defined as being between 13 and 30 years old, which corresponds to the sociological era of ‘youth’. The effective execution of many of the strategic and operational goals of the strategy necessitates the development of a systematic method to working with children who are younger than the primary target group's lower age barrier. Members of children and youth non-governmental organisations in the Czech Republic can be as ‘young’ as 26. Non-profit organisations dealing with children and youth in the Czech Republic outline the duties and obligations of non-profit non-governmental organisations in general.

The Czech Council for Children and Youth (CCCY) was established in 1998 and as of 2017, has 98 member organisations that deal with children and young people, the majority of which are national associations of children and young people with around 200,000 members. CCCY membership includes organisations ranging in size from very small to large, as well as 10 regional youth councils. The objective of the Centre for Children and Youth is to provide favourable conditions for the development of children and young people and the achievement of their full potential. Some important topics or initiatives are prioritised in addition to everyday activities (advocacy for youth concerns, lobbying inside institutions, administration, etc.)³⁰⁰.

These include collaborating with the European Youth Forum (EYF) and the CCCY. Since 2012, the CCCY has been a member of this umbrella organisation that

²⁹⁹ Ministry of Education, Youth and Sports of the Czech Republic. (2014). National Youth Strategy 2014-2020.

³⁰⁰ Ministry of Education, Youth and Sports of the Czech Republic. (2017). Czech Republic National Report on the Development of Education and Training. https://eacea.ec.europa.eu/national-policies/eurydice/sites/default/files/country_reports/2017_education_and_training_in_cz.pdf

operates throughout Europe. Participants in European Youth Forum activities include participation in seminars, project presentations, meetings and networking, particularly with newly established national youth councils in Central and Eastern Europe and the Balkans. Furthermore, since 2012, bilateral youth exchanges between Czech and Israeli youth have taken place every year, during which, eight young Czechs and eight young Israelis travel to the other country for a week and learn about the culture, people and history of the other country, as well as about youth work in various organisations and youth movements in the host country³⁰¹. It is also important to note that organised engagement with young people, something in which the CCCY plays a leadership role, is something that should be more stringently promoted.

3.3. CASE OF HUNGARY

In 1989-1990, Hungary experienced peaceful governmental and societal shift as part of the enormous changes brought about by the dissolution of communism following the fall of the Soviet Union. Because of an accord with the democratic opposition, founded by intellectual groups and a variety of political movements, as well as with the now much weaker communists, the 1949 Constitution of the Republic of Hungary was modified and the Hungarian Republic was declared on October 23, 1989³⁰². Hungary has remained a parliamentary democracy since the proclamation of the Constitutional Amendment on October 23, 1989. Hungary is a constitutional republic that is both autonomous and democratic in its government.

Parliamentary alternation is a distinguishing feature of democratic environments. A coalition government was created as a consequence of the first free elections in 1990, which were won by political parties from the centre-right and conservative movements. Government officials said that they would begin a complete privatisation process of industrial, agricultural and service sectors, as well as begin the

³⁰¹ Czech Council for Children and Youth. (2017). National Strategy of the Czech Republic for Children and Youth 2017-2022. https://www.mkcr.cz/files/CZ_NS_CY_ENG_FINAL.pdf

³⁰² Fábíán, K., & Kalotay, K. (1994). Democratic Transition in Hungary: Sequencing and Strategies. *East European Politics and Societies*, 8(2), 257–277.

process of political and economic restoration. The administration submitted its application for accession to the European Union and joined the family along with Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia in 2004³⁰³.

Following a political transformation, Hungary established itself as a trustworthy partner for international investors and diplomatic partners, owing to the comprehensive reforms it implemented in regards to ownership, banking public administration and education, along with legal and financial reforms mentioned previously. While the considerable inflow of foreign operating capital played a critical role in the country's economic growth and integration into the world economy, local entrepreneurs accounted for a growing proportion of the country's workforce³⁰⁴.

From 2000 to 2018, national social, political and economic processes, which have coincided with GDP growth that has always exceeded the EU average, can be characterised in one of two ways: before 2009, because of a slow decline in macro-economic balance, the country's international market position sliding and an income outflow greater than the country's own economic performance, or because of the painful dilution of the Forint over recent years³⁰⁵.

The state's overspending during the years before 2010 not only hampered the country's economic integration with Europe but also resulted in a severely imbalanced budget, the restitution of which necessitated the imposition of immediate and drastic austerity measures. The Hungarian Convergence Programs were designed to reduce state expenditure while boosting income, as well as to restructure the entirety of state administration and the vast social redistribution schemes in the country (health care, education, social services)³⁰⁶. It is also represented in the social and economic

³⁰³ Grabbe, H. (2006). The Eastern Enlargement of the EU: A Tale of the Unexpected. *Journal of Common Market Studies*, 44(4), 801-820.

³⁰⁴ Kozarzewski, P. (2016). The Hungarian Economic Model: A Successful Path of Transformation? *Communist and Post-Communist Studies*, 49(2-3), 87-98. doi: 10.1016/j.postcomstud.2016.04.004

³⁰⁵ Benczes, I. (2019). The Hungarian experience of the crisis and the EU: Lessons to learn. *Perspectives on European Politics and Society*, 20(2), 171-182.

³⁰⁶ Kozarzewski, P. (2016). The Hungarian Economic Model: A Successful Path of Transformation? *Communist and Post-Communist Studies*, 49(2-3), 87-98. doi: 10.1016/j.postcomstud.2016.04.004

programs for the years 2007-2013 and 2014-2020, which reflect hopes about meeting the Maastricht criteria, preparing to possibly start using the Euro and guaranteeing sustainable growth³⁰⁷.

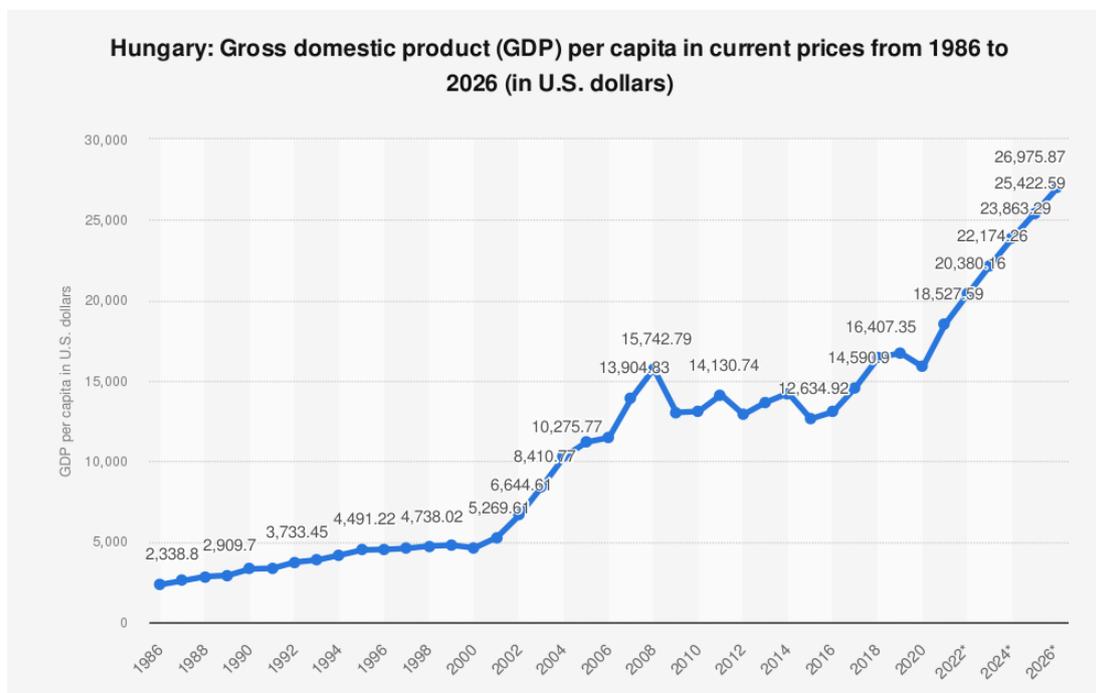


Figure VII: World Economic Outlook Database³⁰⁸

In 2017, the volume of gross domestic product climbed by 4% and in 2018, the volume of gross domestic product increased by 4.9% as compared to the previous year, placing it at the top of the EU rankings. This expansion was maintained in 2019. Growth in GDP was fuelled by a 17% rise in investment performance over the previous year, according to the World Bank. Due to the expansion of investments, businesses have been able to expand their capabilities while also gaining momentum in the real implementation of the projects that were launched during the EU budget

³⁰⁷ Sággy, B., & Váradi, B. (2019). Youth Employment and the Youth Guarantee in Hungary. *European Journal of Social Work*, 22(3), 424-434. doi: 10.1080/13691457.2018.1478815

³⁰⁸ IMF. (2021). World Economic Outlook Database, October 2021: Hungary - Gross domestic product, 1986-2026. https://www.imf.org/en/Publications/WEO/weo-database/2021/October/weo-report?c=960,&s=NGDP_RPCH,NGDPD,PPPGDP,NGDPDPC,PPPPC,PCPIPCH,GGXWDG_NGDP,&sy=1980&ey=2026&ssm=0&scsm=1&sc=0&ssd=1&ssc=0&ssd=1&ssc=0&sic=0&sort=country&ds=.&br=1

cycle of 2014-2020. In addition, real estate investment activity has grown as a result of the expansion of investments³⁰⁹.

The performance of the majority of the branches has significantly improved. The market services sector, manufacturing and the construction industry were the primary drivers of the expansion, while the performance of the agricultural sector has reduced the rate of increase in the country's gross domestic product³¹⁰. In addition to the improving external environment, the improved financial condition of households has played a role in the improvement in overall performance. Real salaries have increased, while the credit portfolio has remained virtually the same³¹¹.

Between 2012 and 2017, the deficit in the gross domestic product was less than the 3% Maastricht deficit limit, according to the World Bank. According to Trading Economics, global macro models and analyst forecasts, the GDP per capita in Hungary is predicted to reach 17,100.00 USD by the end of 2021. The GDP per capita, according to the latest econometric models, is expected to reach 18,400.00 USD in 2022³¹².

3.3.1 LABOUR MARKET DEVELOPMENTS

In the 1990s, particularly its first few years, employment and economic activity experienced a very unwelcome drop while at the same time, unemployment shot up, most likely due to the reorganisation of labour within the major sectors as a result of changes in ownership and regional rearrangements. However, the establishment and strengthening of employment regulations, as well as the

³⁰⁹ International Monetary Fund. (2020, February). Hungary: Recent Economic Developments and Prospects. <https://www.imf.org/en/Publications/CR/Issues/2020/02/10/Hungary-Recent-Economic-Developments-and-Prospects-49095>

³¹⁰ Kozarzewski, P. (2016). The Hungarian Economic Model: A Successful Path of Transformation? *Communist and Post-Communist Studies*, 49(2-3), 87-98. doi: 10.1016/j.postcomstud.2016.04.004

³¹¹ Benczes, I. (2019). The Hungarian experience of the crisis and the EU: Lessons to learn. *Perspectives on European Politics and Society*, 20(2), 171-182.

³¹² International Monetary Fund. (2020, February). Hungary: Recent Economic Developments and Prospects. <https://www.imf.org/en/Publications/CR/Issues/2020/02/10/Hungary-Recent-Economic-Developments-and-Prospects-49095>

introduction of social insurance systems, significantly reduced social tensions. The expansion of employment coincided with the stabilisation and expansion of the economy.

Since 2013, there has been a major improvement in the state of the Hungarian labour market. As a result of the economic recovery and government policy initiatives, employment reached historic highs in 2017. When compared to 2016, the unemployment rate was 3.5% in 2018, down from 5.1% in 2016. Beginning in 2017, there was a steady drop in the number of people who were out of work. In 2017, the number of employees climbed to 4,421,400, with around 55% of the workforce being males and the remaining 40% being women. In 2017, employment rates continued to rise at a steady pace³¹³.

The gender difference is greatest among those between the ages of 25 and 39, indicating that maternity leave has a significant influence on the labour market in this age range. One of the contributing factors behind this issue is that working hours are not sufficiently flexible, father leave is not widely available and there is a limited selection and availability of childcare services. The gender pay gap in the workplace was 15.2% in 2016 and it has been relatively stable over the last six years³¹⁴. Unused labour reserves are responsible for the high degree of gender imbalance in the workplace so order to make use of these reserves, measures have been implemented to improve the capacity of childcare facilities in the community.

³¹³ European Commission, Directorate-General for Employment, Social Affairs and Inclusion. (2018). Employment and Social Developments in Europe 2018: Country Profiles. Hungary. <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8104&furtherPubs=yes>

³¹⁴ International Labour Organization. (2017). Women and Men in Hungary 2017. https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_551208.pdf

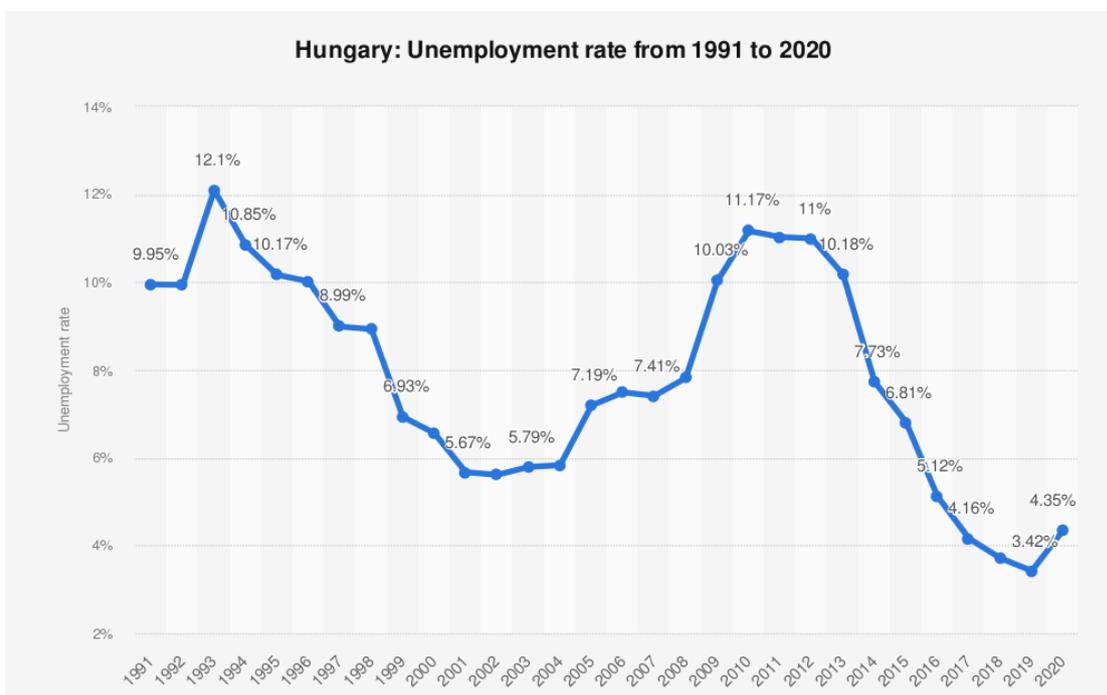


Figure VIII: Unemployment rate in Hungary 1991-2020³¹⁵.

Employment policy is straining to keep up with the high demand for work by mobilising labour services as quickly as possible. In the first half of 2017, the number of people who participated in the public work program declined by 15%, although the program still accounted for around 4% of the economically active population. In comparison to the year before, the number of employees increased even more. With the help of structural steps (such as improving educational levels and a previous reform that eliminated early retirement chances) and the revival of economic prosperity, the jobless rate has fallen to close to 4%³¹⁶.

Further, according to ILO estimates, 5% of all working hours in 2020 will be lost as a result of Covid-19 limitations (EU estimates are 8%), which is the equivalent of 224,000 full-time employees in the country. However, a drop in working hours

³¹⁵ World Bank. (2021). Unemployment rate in Hungary 1991-2020. World Development Indicators. Retrieved from <https://databank.worldbank.org/source/world-development-indicators>

³¹⁶ Organisation for Economic Co-operation and Development (OECD). (2018). Economic Survey of Hungary 2018. https://www.oecd-ilibrary.org/economics/oecd-economic-surveys-hungary-2018_eco_surveys-hun-2018-en

does not always equate to a fall in employment, as working-hour losses might include things like working fewer hours, being employed but not working, being unemployed and being inactive, among other things³¹⁷. In comparison to the previous year, job losses in 2020 were negligible and it appears that most firms attempted to keep their employees in place.

3.3.2 YOUTH UNEMPLOYMENT

Youth unemployment has been increasing in Hungary during the past few years, as has been the case in other transition countries. It has been demonstrated that youth unemployment has a strong correlation with adult unemployment, demonstrating that the issue of young unemployment is one of widespread importance. The overall degree of well-being among young people is inversely proportional to youth unemployment among the broader population. This finding suggests that the degree of well-being among Hungarian youth is alarmingly lower than that of practically all other nations, even when considering the high rate of youth unemployment in the country already.

Despite overwhelming evidence that children in former communist nations are having a tough time moving from education to employment, little is clear regarding the elements that contribute to their positive or negative experience during this transition. The fundamental explanation for this is that there is very little longitudinal data available that follows young people through this critical period of their lives³¹⁸. Observations of recent trends across Europe, particularly in Hungary, indicate that a plan for coordination of education and employment policy is becoming increasingly

³¹⁷ European Commission. (2021). Winter 2021 Economic Forecast: A challenging winter, but light at the end of the tunnel. Hungary.

³¹⁸ Grierson, J. (2002). Young People's Transitions in Hungary: The Case for a New Framework. *Journal of Youth Studies*, 5(3), 293-306. doi:10.1080/1367626022000013608

important. Until 2015, the national report said that unemployment was becoming an increasingly serious issue for young people in Hungary³¹⁹.

Between 2000 and 2006, the unemployment rate for individuals between the ages of 15 and 29 increased, with the rate for those between the ages of 15 and 19 seeing the greatest rise. During the same period, levels of employment declined in the 15-29 age group, with the decline being most pronounced in the 20-24 age group³²⁰. Although the unemployment rate among young people has been steadily increasing, Hungary continues to rank in the centre of the EU-27 in terms of total data.

Although the situation in regards to young unemployment is not as dire as it is in Spain, Greece or Italy, there is still room for much improvement. Moreover, this latter development demonstrates the rising relevance of higher education in the lives of young people as they choose to remain in school for a longer period of time rather than entering the labour market. When assessing the situation of young unemployment in Hungary, it is important to include concerns of gender and minority representation³²¹.

According to national youth policy reports, there is a misalignment between the existing educational system and what the job market requires. Educational structures and better coherence of its content must be reconsidered in Hungary's youth policy in order to meet the demands of both the economy and youth itself. The importance of vocational training establishments, the freedom to choose a school and the impacts these have on improving socio-economic division, educational drop-out rates and post-secondary education are among the most important issues in youth policy³²².

³¹⁹ Eurofound. (2015). NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe. Luxembourg: Publications Office of the European Union.

³²⁰ Eurostat. (2018). Youth unemployment rate by sex, age and country of birth (%). <https://ec.europa.eu/eurostat/databrowser/view/tesem120/default/table?lang=en>

³²¹ Bodnár, K., & Molnár, G. (2009). Youth Unemployment in Hungary: Results of a Longitudinal Study. In P. Herrmann & F. Klos (Eds.), *Youth Unemployment and Employment Policy: A Global Perspective* (pp. 89-105). Frankfurt am Main: Peter Lang.

³²² European Youth Portal. (2019). Education, Employment and Social Affairs: Situation of young people in Hungary. https://europa.eu/youth/hu/article/25/14640_en

The relevance of cross-sectoral strategies and the leadership role of the ministries overseeing the lives of Hungary’s youth cannot be overstated in this context. This evaluation provides a more in-depth look at current changes in education and employment for young people.

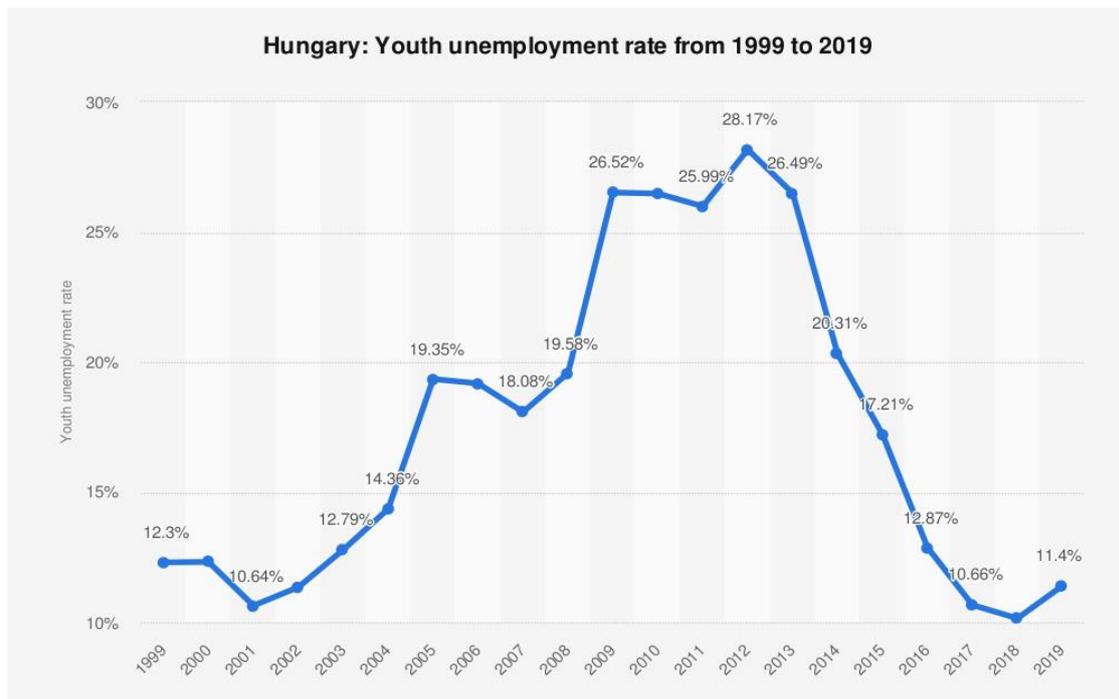


Figure IX: Hungary: youth unemployment rate from 1999 to 2019³²³.

The population's economic activity declined significantly during the severe economic crisis that followed the transformation in Hungary which lasted for about three years after 1990 and was particularly low in international comparison during the severe economic. Youth unemployment persisted even after this time, with one reason for this being the expansion of educational opportunities for 15-19 year olds but the major reason for this being the constraints of labour demand for 20-24 year olds who

³²³ World Bank. (2021). Hungary: Youth unemployment rate (% ages 15-24) (1999-2019). World Development Indicators. <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=HU>

were disproportionately female in number. Throughout the whole period, the employment of those aged 55 and above declined³²⁴.

Men between the ages of 25 and 54 have seen a minor gain in employment, while women have seen a fall, notably among those between the ages of 25 and 29. When comparing all European Union and OECD nations, only Spain has a lower employment rate than Hungary for the population between 25 and 64 years old³²⁵. The general tendency is that the degree of education gained by various age groups has a significant impact on their employment; the higher the level of education, the greater the level of employment, with the converse being true as well³²⁶.

3.3.3 GOVERNMENTAL UNEMPLOYMENT POLICIES

As a result of increased living conditions and a more realistic economic strategy undertaken even before the fall of communism, Hungary began the transition to a market economy with certain advantages over other Central European economies. Following the political transition, the nation embarked on a process of economic restructuring. The EU's admission in 2004, which further increased economic convergence, was a watershed moment in world history. The catching-up process, on the other hand, is progressing more slowly than in other Visegrad Group (V4) nations.

While Hungary's per capita income was 43% of the EU average in 1991, it was 74% of the EU average in 2020, making it lower than the incomes of the other V4 nations. Before the year 2020, its GDP growth rates were among the highest in the

³²⁴ Organisation for Economic Co-operation and Development (OECD). (2014). Youth Employment in Hungary: Challenges and Opportunities. <https://www.oecd.org/employment/Youth-Employment-in-Hungary.pdf>

³²⁵ European Youth Portal. (2019). Education, Employment and Social Affairs: Situation of young people in Hungary. https://europa.eu/youth/hu/article/25/14640_en

³²⁶ Eurofound. (2015). NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe. Luxembourg: Publications Office of the European Union

EU, owing mostly to private consumption, investment and EU funding, all of which fuelling the economy³²⁷.

Because the economy and the labour market appear to be recovering from the crisis at a very rapid pace, a scarcity of qualified workers continues to be the most pressing labour market concern today. Policies aimed at alleviating the labour shortage emphasise the extension of working lives and the reduction of working hours. Over the past few years, Hungary has also begun to award more and more short-term working visas to foreign employees while simultaneously relaxing limitations on the hiring of foreign nationals³²⁸.

Thanks to Hungary's membership of the International Labour Organisation (ILO) ever since 1955, it aided Hungary in its economic and labour market transition as well as its entrance to the European Union in 2004. Principal areas of work included establishing and strengthening social dialogue and examining the consequences of privatisation and transformation. Other tasks included assisting in the development of new active labour market programs that targeted vulnerable groups, modernising labour legislation, adopting international labour standards and assisting in the implementation of pension reforms, along with the establishment of a sustainable social security system³²⁹. There is no collaboration with ILO constituents in Hungary at this point in time. Hungary, on the other hand, has been housing the International Labour Organisation's Central and Eastern Europe Office for more than 25 years. The office in Budapest first opened its doors in 1993.

The types of demands coming from the labour market in terms of vocational training and qualifications changed significantly as a result of considerable economic structural shifts. The proportion of unskilled and semi-skilled labour decreased rapidly; significant transformations occurred in the composition of labour demand for

³²⁷ European Commission. (2021). European Semester 2021: Country Report Hungary.

https://ec.europa.eu/info/publications/2021-european-semester-country-report-hungary_en

³²⁸ Németh, R., & Lőrincz, Z. (2019). The Hungarian Labour Market 2018.

<https://www.econ.core.hu/file/download/MTDP1910.pdf>

³²⁹ Ministry of Foreign Affairs and Trade of Hungary. (2020). Hungary and the International Labour Organization. <https://kormany.hu/en/ministry-of-foreign-affairs-and-trade/news/hungary-and-the-international-labour-organization>

higher qualifications which was influenced in part by specialisation and in part by the type of qualification³³⁰. The need for agronomists and, to a lesser extent, engineers, has fallen, as has the demand for teachers, which is mostly attributable to demographic factors. The economy was suddenly in desperate need of large numbers of highly skilled employees who could communicate in several languages and had a current economic understanding³³¹.

There is still a hypothetical unmet need for employees with post-secondary education and a lower salary that has not been met. Education was extremely sluggish to adjust to the profound shifts in the structure of labour demand that occurred throughout time. Vocational and professional education suffers from a large deal of inertia due to the fact that the vast majority of its infrastructure, particularly its teaching personnel, is not convertible. Previously, the dual apprenticeship system was built on huge state-owned enterprises with their structure of specialised skills matching the needs of these enterprises; as a result, reforms took a long time to implement³³².

The transition from over-specialised vocational schools to a system that provides more convertible vocational education is a massive undertaking that is now underway. The number and proportion of students who drop out of primary and secondary school continue to remain significant and the extremely sluggish pace of change in higher education creates significant difficulties³³³. Higher education, which is mostly funded by the government, has not been impacted much by market needs simply because as there was no clear growth strategy, institutional interests took precedence, which made it more difficult for universities and colleges to respond to changing labour demands.

³³⁰ European Youth Portal. (2019). Education, Employment and Social Affairs: Situation of young people in Hungary. https://europa.eu/youth/hu/article/25/14640_en

³³¹ European Centre for the Development of Vocational Training. (2016). Skills supply and demand in Europe: Medium-term forecast up to 2025 – Hungary. Luxembourg: Publications Office of the European Union. doi:10.2801/242989.

³³² European Training Foundation. (2016). Skills anticipation and matching in Hungary. Turin: European Training Foundation. https://www.etf.europa.eu/sites/default/files/m/2017/05/Hungary_0.pdf

³³³ European Youth Portal. (2019). Education, Employment and Social Affairs: Situation of young people in Hungary. https://europa.eu/youth/hu/article/25/14640_en

3.3.4 STATE PROGRAMS ADDRESSING YOUTH UNEMPLOYMENT

In Hungary, the youth policy framework is detailed in the Parliamentary Resolution on the National Youth Strategy which specifies strategic objectives for the period 2009-2024. Over the following paragraphs, the following key components of the strategy are expanded: Creating a suitable environment for the youth to enjoy a successful integration into society; raising opportunities for youth work; assisting youth in feeling a sense of achievement and being self-sufficient; being involved in a work deemed empowering and last but not least, the existence and active involvement of youth NGOs³³⁴.

Carrying out the objectives of the strategy requires biannual Action Plans to be developed which identify short-term initiatives as well as the bodies held accountable for their implementation. The strategy is closely aligned with the ‘Government’s Program for the Future of the New Generation’, which was enacted in 2012 and is available online. The program’s priorities are closely linked to the particular objectives of the strategy, which are intended to mutually identify the areas of action in youth policy that should be prioritised³³⁵. Employment objectives are determined in accordance with the program’s priorities. Youth career paths and their self-sufficiency are the initial pillars and they are also the most important in general. Creating the conditions necessary for youths to feel they can integrate into society remains an eternal top priority.

On the 6th December, 2013, Hungary unveiled a Youth Guarantee (YG) Implementation Plan which was later amended in April, 2014. The Youth Guarantee plan was formally launched on 1st January, 2015 and rolled out gradually in three

³³⁴ Szabó, L. Á., & Nagy, J. (2019). The Role of Youth Work in Enhancing the Effectiveness of the Youth Guarantee in Hungary. *European Journal of Social Science Education and Research*, 6(1), 38-51.

³³⁵ Kutsar, D., & Kovalenko, Y. (2020). Youth Guarantee Programs in Central and Eastern Europe: A Comparative Analysis. *Journal of Youth Studies*, 23(6), 747-763.

phases linked to targeted groups: until the end of June 2016, the Hungarian Youth guarantee program focused on long-term unemployed youth, until the end of 2017 on those who had been out of work for at least four months and since the beginning of 2018, the guarantee has been extended to all young people in need of employment assistance³³⁶.

Since February 2017, registration may also be completed online which provides new options for young people who otherwise would not have had such opportunities. Managing the Hungarian Youth Guarantee program, which is carried out in close collaboration with the Ministry of Human Resources, is the Ministry for National Economy which has ultimate responsibility over it. The National Employment Services is in charge of the scheme's execution and coordination and they have full responsibility over it³³⁷. Another set of stakeholders includes other ministries, youth organisations such as the National Youth Council, employment organisations such as the Hungarian Chamber of Commerce and Industry and organisations for under-represented groups, among others.

One suitable option aimed at improving the labour market for youths between 16-24 is proposed by the Public Employment Service within four months of being registered. This offer includes many options such as an actual job offer, support for entrepreneurial endeavours and even apprenticeships and traineeships, among other excellent propositions. Additional labour-market assistance offered by the Public Employment Service, the National Office for Rehabilitation and Social Affairs (NORSA), or commercial service providers is available to all participants (civil organisations, NGOs)³³⁸. To assist those who are not yet ready to start their education or training, or those who for whatever reason cannot enter the market during the four-

³³⁶ Hegedüs, G., & Scharle, Á. (2016). Youth Employment in Hungary: The Shortcomings of the Youth Guarantee Program. *Journal of European Social Policy*, 26(5), 423-437.

³³⁷ Bodnár, K., & Reizer, B. (2019). The effectiveness of youth employment programs: Evidence from Hungary. *Journal of Economic Policy Reform*, 22(3), 241-259. doi: 10.1080/17487870.2017.1399284

³³⁸ Szabó, L. Á., & Nagy, J. (2019). The Role of Youth Work in Enhancing the Effectiveness of the Youth Guarantee in Hungary. *European Journal of Social Science Education and Research*, 6(1), 38-51.

month period, reintegration options are provided during the four-month period prior to the aforementioned measures which can be adopted to assist with re-engagement³³⁹.

In recognition of the variability of the target population, the content of assistance is tailored to meet the specific requirements of each individual participant. It is based on an personalised plan of action developed by someone involved in the Youth Guarantee mentor-network in collaboration with the client, which also includes their duties. Only those in the 16-24 age group who are over the obligatory school age can be subjects of the program, whereas young people under the compulsory school age are handled within the standard schooling system³⁴⁰.

Getting involved as early as possible with preventative strategies go a long way to minimising early drop-outs and guarantee a smooth transition to future education. Youth not yet involved in some form of education, employment a vocational option and who are therefore out of reach from the Public Employment Service but are still eligible for the Youth Guarantee, absolutely must be referred to the Public Employment Service. A local level, the Public Employment Service has a wide-reaching pool of resources that includes educational institutions, youth organisations and non-governmental organisations which can, in various ways, lend a helping hand to eligible youth by guiding them to the PES or by getting involved themselves at a personalised level³⁴¹.

It is the responsibility of such networks to register and assess the needs of young people who come into service branches, as well as to maintain contact with local players who have a hand in youth education. Additionally, they are supposed to identify and recruit more isolated youth and to keep a close eye on their progress.

³³⁹ Kutsar, D., & Kovalenko, Y. (2020). Youth Guarantee Programs in Central and Eastern Europe: A Comparative Analysis. *Journal of Youth Studies*, 23(6), 747-763.

³⁴⁰ European Commission (2017). "Youth Guarantee Implementation Report 2017: Hungary." <https://ec.europa.eu/social/BlobServlet?docId=18549&langId=en>.

³⁴¹ Borbely-Pecze, T. (2017). "The Hungarian Youth Guarantee: the first step in employment policy reforms." *Studies in Agricultural Economics*, 119(1), 39-47. doi: 10.7896/j.1707.

3.3.5 YOUTH NON-GOVERNMENTAL ORGANISATIONS IN HUNGARY

There was not a top-level youth policy in Hungary from the time of the country's democratic transition in 1989 until 2010 which had an impact on the country's alternating government cycles. With the passage of the National Youth Strategy, which was approved by the Hungarian Parliament in 2009, this tendency towards discontinuity was reversed. The completion of the plan had considerable backing from the government and it was founded on a broad consensus among non-governmental organisations, professionals and political parties. Aside from the separation of youth policy from sports, no significant changes were made to basic governmental structures following the 2014 elections³⁴².

However, the newly formed State Secretariat for Family, Youth & International Affairs was given responsibility for youth policy, with a deputy secretary of state assigned to the role. It was also included in this restructuring that the State Secretariat was given responsibility for the execution of the New Generation framework program³⁴³. The Youth Expert Forum, which was established in 2013 with the mission of advising and coordinating, amongst the many youth policy players, is another consultative group³⁴⁴.

Hungarian youth organisations are represented by the National Youth Council, which was established in 2012 to serve as a youth support institution which would also represent youth organisations³⁴⁵. The Hungarian Youth Conference Alliance, established in 1999, is one of the country's most important umbrella youth organisations. The National Youth Council is a member of the European Youth

³⁴² Székely, I., & Simon, V. (2015). Policy analysis of Hungarian youth work. *Journal of Youth Studies*, 18(9), 1187-1202.

³⁴³ Békés, V. (2013). The Hungarian youth policy and its contradictions. *Journal of Youth Studies*, 16(6), 791-805

³⁴⁴ Magyar-Vincze, E., & Simon, V. (2021). The professionalization of youth work in Hungary: Development, challenges and opportunities. *European Journal of Social Work*, 24(4), 523-535.

³⁴⁵ National Youth Council of Hungary. (n.d.). About us. <https://njszsz.hu/about-us/>

Forum and at local level, acts as an umbrella organisation consisting of several youth non-governmental organisations³⁴⁶.

Youth work in Hungary is consistent with the country's discontinuous history of youth policy. The National Youth Service (NYS) was responsible for the development of its current concept and infrastructure a long time ago. Since 2013, the Elisabeth Youth Foundation Non-profit Ltd. (hence referred to as Elisabeth Youth Fund or EYF), which has been the legal successor of the New Generation Centre since 2020, has housed the majority of methodological support and information bases for youth work. Since 2003, several types of formal youth worker education have been available but the prestige and reputation of the youth worker profession remain incomparably higher than that of other disciplines of study in many countries. In Hungary, there is no formal definition of what constitutes 'youth labour'³⁴⁷.

A crucial component of the National Youth Strategy is youth work, which is described as one of the youth services that plays a critical role in developing youth. The concept of youth work is frequently used in contemporary government papers to refer to the process of community cooperation. Youth work in Hungary currently appears to be based on three pillars; three organisational approaches. At local, small-scale level, certain 'grass-roots' youth communities can be identified and worked with³⁴⁸.

There are various non-governmental organisations and civic organisations (CSOs) involved in the sector, including the scouting movement and other religious youth groups. These are generally project-funded by the central government with the majority of funding coming from the EU. Finally, there is public infrastructure which

³⁴⁶ National Youth Council of Hungary. (n.d.). About us. <https://njszsz.hu/about-us/>

³⁴⁷ Székely, I., & Simon, V. (2015). Policy analysis of Hungarian youth work. *Journal of Youth Studies*, 18(9), 1187-1202.

³⁴⁸ Simon, V., & Székely, I. (2016). The changing context of Hungarian youth work. In R. C. Raby & A. Brennan (Eds.), *Handbook of youth and young adulthood: New perspectives and agendas* (pp. 163-174). New York, NY: Routledge.

is primarily tied to the EYF, which acts as the methodological foundation for youth work, as well as to the mandated youth activities of local administrations³⁴⁹.

Hungarian youth work focuses primarily on leisure-time, societal participation, information and mobility. These are also the primary topics of European youth work. Various youth non-governmental organisations provide specialised services in their respective disciplines. Among young Hungarians, only a tiny minority are active members of such groups³⁵⁰. Only 13% of youth between 15-29 can claim to be a member of any organisation. This is exactly 50% of what is seen across the EU on average³⁵¹.

Members of youth groups make up the biggest proportion of this category, followed by members of sports clubs and other organisations. Youth groups have a total membership of around 3% of the population of young people. Youth specialists, including researchers, policy-makers and representatives from non-governmental organisations have recently been seeing a lack of engagement among young people. For example, a lack has been perceived where organisations attempt to guide their youth to acquiring the feeling (and proof) that they actually belong to a community.

Traditionally organised communities have been replaced by post-modern forms of community participation. For example, youth clubs provide services to the young without requiring them to become members in order to encourage them to keep their independence and mobile youth services reach other, non-organised youth groups. However, youth engagement in voluntary activities surpasses the EU average, which represents good growth in this area. This demonstrates that in Hungary, new types of community activity other than membership are emerging.

³⁴⁹ Máté, V. (2016). The changing world of Hungarian youth policy: An overview. In A. Zsolnai & V. Máté (Eds.), *Youth policy in Hungary: A European perspective* (pp. 7-20). Council of Europe Publishing

³⁵⁰ Magyar-Vincze, E., & Simon, V. (2021). The professionalization of youth work in Hungary: Development, challenges and opportunities. *European Journal of Social Work*, 24(4), 523-535.

³⁵¹ Székely, I., & Simon, V. (2015). Policy analysis of Hungarian youth work. *Journal of Youth Studies*, 18(9), 1187-1202.

At all levels, youth organisations and projects can submit proposals for funding. The breadth of NGOs dealing with youth concerns spans from political groups to environmental organisations and from religious NGOs to students' societies. However, in addition to the periodic changes in the form and placement of youth policy within government, a number of umbrella groups, other than the National Youth Council, have sprung up to serve the same purpose. The Regional Youth Services also provide organisational help and know-how to youth organisations in their respective regions, for example. Many youth organisations are also members of international umbrella organisations and can acquire assistance independently of Hungarian organisations³⁵².

In Hungary, one of the most prominent themes of youth work is the promotion of young people's mobility, which is linked with cross-cultural contact. The European Union Erasmus+ program (formerly termed Youth in Action program) enabled youth NGOs, youth projects and young people to go abroad and establish contact with young people from various cultures to enrich their life experiences.

In addition to education, leisure activities and culture are also key issues in Hungarian youth work. Many non-governmental organisations are concerned with the preservation of traditional culture. Youth community centres, however, often provide a wide variety of youth culture opportunities such as concerts and rehearsal rooms, spaces to draw graffiti and outside skate parks. As a result, working with youth encompasses a diverse variety of activities and allows for active engagement, although it is less focused on non-formal educational training and soft skills development than other types of youth work³⁵³.

The fundamental function of youth community centres, particularly in small towns, is to provide a place for young people to meet their peers, as well as to have chances to go outside but not to wander about on the streets. The primary strategy in

³⁵² Szabó, J. (2016). Youth policy and youth work in Hungary. *European Journal of Social Education*, 27-28, 59-71

³⁵³ Orosz, E. (2015). Youth Work in Hungary: Policies, Programs and Challenges. In D. Bryceson & J. Juhász (Eds.), *Youth Work: Global Futures* (pp. 97-113). Policy Press.

local youth work appears to be to provide different youth groups with the space they require, while refraining from employing more complicated approaches to deal with them. Youth labour in this context is more akin to the providing of hardware than it is to the provision of software.

3.4 CONCLUSION

The comparative investigation of the position of Hungarian and Czech youths reveals common challenges that both nations must address, as well as the necessity of taking into consideration the situation of each country independently. Like in many other EU member states, youth unemployment appears to be the most pressing issue facing both nations today and it should be addressed as soon as possible. That said, managing to engage young people in other domains of social life, such as education, civil society decision-making and even the political arena, must be ensured, as must youth policy developments in many other areas.

It has been consistently shown that the proportion of young people engaging in labour market movements between work, unemployment and inactivity is larger than the proportion of working-age adults in both Hungary and the Czech Republic. In recent years, data on youth unemployment has revealed a disproportionate increase when compared to that of working-age adults. In Hungary, this incidence is mostly caused by the large number of young people leaving or losing their jobs. In proportional terms, this suggests that the employed Hungarian youth are considerably more at risk of losing their job than older generations of workers.

This trend has had and will continue to have disastrous consequences on Hungary's average rate of unemployment, which remains too high. In contrast, the disproportionate growth in youth unemployment in the Czech Republic is mostly caused by the large number of young people who go from inactivity to unemployment on a regular basis.

As a result, in contrast to Hungary, challenges in finding work experience at the time of their entry into the labour market appear to be the key policy concern underlying the high percentage of youth unemployment in the Czech Republic. The provision of quality jobs continues to be the most pressing area in which actions from the nations involved are still required. Although many projects are being carried out by both nations under the auspices of the EU and national programs, there is still a need of further help in getting young people into jobs. When it comes to finding a career, internships (or jobs) continue to be the most important experience for recent graduates.

Nonetheless, the quality and professional relevance of the materials must be ensured. Additionally, while sponsored traineeships appear to be an effective tool for integrating young people into the labour market, they may be abused by firms seeking to minimise the expense of hiring new employees. As a result, an incentive program for traineeship providers may be developed in the hope that this would result in more employment opportunities. Individualised counselling is required to assist young people in their job searches since it allows them to better reflect on their previous learning experiences, as well as potential chances.

In a similar vein to university career centres, governmental employment agencies should invest in tailored services. It is necessary to make programs which encourage and support start-up activities much more accessible in Hungary and the Czech Republic since good attitudes towards entrepreneurial activities are not widespread enough. More efforts aimed at igniting entrepreneurial spirit should be considered, including those aimed at formal education. It is possible that appropriate methods for fostering the start-up of new activities within educational institutions could be explored in this context.

Moreover, to increase the involvement of young women in the labour market, it is necessary to ensure that childcare is available in both nations. The percentage of children enrolled in preschool is extremely low (less than 50%).

Even though there are several hurdles to getting youth involved in the world of work, the younger generation does possess a great deal of potential to become more involved in a variety of social participation activities. Ministries have started to implement a variety of programs with a view to promote different kinds of youth job participation: short-term/long-term, local/international, spontaneous/organised, as well as cross-border. Voluntary services for and by students have proved to be a useful practice and do indeed add to the much needed involvement of youth from more isolated towns while also increasing the talents and workable skills of those who participate.

Local and regional administration paternalistic tendencies to take care of the younger generation is still prevalent and widely accepted. This may explain why young people are increasingly turning to protests as a means of influencing political decisions, as opposed to the methods of influence they once used. The internet appears to be a place of activity for young people as well, with a significant proportion of them participating in discussions on political and social issues in the virtual realm. The issue is still whether or not these new kinds of engagements, which are frequently innovative and guided by young people, will have the ability to affect regulations and important government choices³⁵⁴.

Projects whose goal is to strengthen youth skills and knowledge for a more active role in government policy at all levels, including the establishment of structures such as youth councils, go a long way in ensuring that youth voices are heard and taken into consideration.

The acknowledgement of vocational training is a problem that is being discussed within the context of national youth policy in several countries. Although many young people in Hungary and the Czech Republic participate in structured activities, only a few of them are actual members of these groups or organisations. While the subject of the value and significance of membership continues to be debated, efforts should be made to increase the level of participation of individuals

³⁵⁴ Kirshner, B. (2015). Youth activism in an era of education inequality: Possibilities and pitfalls of a new political generation. *Journal of Social Issues*, 71(2), 241-254. doi: 10.1111/josi.12115

who participate in the activities of the organisations in question. The leadership schemes and training may enable some of the activities' participants to become more actively involved in growth, which would be beneficial for more than just themselves³⁵⁵. In addition, more young people should be encouraged to engage in or organise events that entail intercultural and international interactions, particularly in developing countries.

It is genuinely good to see that students place a high value on a variety of career and life-advancing activities as part of their future and job searches, which aligns with findings of a recent study by the European Youth Forum which found that non-formal learning is extremely important for employability. Among the most successful examples of linking the job market with non-formal education are programs in the Czech Republic that are focused on identifying the potential for skills development in leisure-time activities and youth work. In both nations, a large number of young people participate in a wide range of informal learning activities and programs aimed at recognising and increasing the role of youth work are beginning to take on more significance in society and the job market. Youth learning processes and initiatives may be enhanced and supported by implementing the best practices identified, which also demonstrate how youth workers' competencies can be strengthened too.

Finally, to summarise the list of proposed measures, it is necessary to emphasise the relevance and added value of tight collaboration within the European Union and local government programs that are focused on youth sectors. Developing durable and workable contact and relationships between those ministers responsible for young people could well result in a one-of-a-kind collaboration that would be consistent with what is currently being seen in Western European countries in terms of shared learning experiences, as well as with the open coordination method as adopted by many other states.

³⁵⁵ United Nations Economic Commission for Europe. (2017). Strategy for Youth 2018-2021. https://www.unece.org/fileadmin/DAM/pau/Youth/Strategy_for_Youth_2018-2021_EN.pdf

CHAPTER IV: IMPROVING YOUTH UNEMPLOYMENT ISSUES AND FURTHER DEVELOPMENT OF YOUTH POLICIES

4.1. GENERAL OVERVIEW

Young people are the most important part of the country's labour resources and a strategic resource for socio-economic development. Employment of young people requires special assistance and support. They are distinguished from other socio-demographic groups of the population by their health, level of education, vocational training, mobility, high demands on work, etc. It is necessary to establish mechanisms and set goals through ministries, local governments, youth organizations, the private sector, civil society and international organizations to improve the various problems or challenges facing young people³⁵⁶. Solving the employment problems of young people requires a special approach because it is the youth who are the most active part of society, which reacts strongly to social injustice. This chapter will summarize all the issues mentioned in the previous chapter and offer possible solutions for improving the youth unemployment problem.

Young people are the most important part of the country's labour resources and a strategic resource for socio-economic development. The share of young people in the population significantly changes not only its gender-age structure but also the professional-qualified composition of labour potential. The successful future of any nation depends on the proper arrangement of the education system and the high

³⁵⁶ Momani, B., & Mahon, R. (2011). Youth employment policies in the EU: Facing the challenge of integration. *International Labour Review*, 150(3-4), 287-306.

quality of its functioning. In countries where the education system is effective, all the leading institutions of the state are accordingly healthy³⁵⁷.

In studying the migration of young people, it is necessary to consider the interrelationship of economic, social and demographic characteristics, to take into account the state regulation policy of education and vocational training. Youth employment is a serious problem for many countries across the European Union. The mechanism of relations between the vocational education system and organizations has been disrupted in the last decade, and specialists are trained without any requirements³⁵⁸. It is true that in a market economy it is impossible to achieve full compliance of the professional qualifications of specialists with higher education to the ever-changing demands of the economy, but the education received must guarantee employment and the average level of life condition.

It is important to regulate the imbalance between the demands of the labour market and the professional-qualified composition of young people, it is necessary to involve young people as much as possible in international exchange programs. It can play an important role in solving the problem of soft skills and recognition of vocational education. Carrying out scientifically substantiated effective reforms in the field of education is crucial in order to achieve improvement. While talking about international exchange programs it is also important to mention that it comes with risks of losing highly qualified young people, as there is a high chance of migration after finishing the programme³⁵⁹. Graduate migration has both pros and cons. The country from which the young people flow loses a significant part of their intellectual potential (invested by the family or the state). However, after some time, the country still fills both science and the national economy with significant personnel.

³⁵⁷ Klasen, S., & Woolard, I. (2017). Quality of education and youth unemployment in developing countries. *World Development*, 94, 236-252.

³⁵⁸ O'Reilly, J., Eichhorst, W., Gábor, A., Hadjivassiliou, K., Lain, D., Leschke, J., McGuinness, S., Mýtna Kureková, L., Nazio, T., Ortlieb, R., Russell, H., & Villa, P. (2015). Five characteristics of youth unemployment in Europe: Flexibility, education, migration, family legacies, and EU policy. *Sage Open*, 5(1), 1-19

³⁵⁹ Kılıç, B., & Ulaşan, B. (2017). Youth Migration: Economic, Social, and Demographic Determinants. *International Journal of Economics and Financial Issues*, 7(3), 381-388.

International migration of young people is accompanied by demographic, social, cultural, and economic consequences.

The problem of unemployment is chronic, not only among young people but also among the adult population, a large part of the healthy adult population is unemployed for various reasons. One of the reasons for this is the disorganized labour market, as it does not specify how many staff are actually needed for the country-wide labour market that it will actually capture. In addition, it has not been researched in which sector of the economy what qualification labour force is needed in the labour market and which sectors may become more relevant and demanded in the future. It is also a problem to connect existing qualified staff and potential employers, but recently it has become easier to connect them through various online news sources (LinkedIn, Upwork, etc). The elimination of the above problems is for the most part very small in scale. Even these small actions are not coordinated as needed, nor are they systematic, and unfortunately in most cases are limited to private initiatives. The chaotic situation and imbalance of the labour market is especially difficult for young people to grasp and overcome, as they face many difficulties, such as a disorganized legal framework, the search for an employer, labour contracts that are often drawn up in favour of the employer, etc. They do not think for a moment or do not want to think, because they need a job and the income that they earn as a result of work³⁶⁰. Unfortunately, the rights of young people are often violated by employers. Lack of practical skills, which makes them more competitive. All this is more difficult for young people to perceive and cope with, who still can not comprehend and perceive the existing reality, because they do not know their own capabilities and potential, have not yet developed the skills that will help in the job search process.

It is the only short amount of young people who are in a better position, who better value their abilities and have self-confidence, have the ability to cope and overcome all challenges and barriers, as well as experience in job search and work, have set and established in what direction, in what field and in what position they want to work in the future. Such young people value themselves and their abilities

³⁶⁰ Pastore, F. (2019). Labor Market Mismatch and Labor Market Outcomes: Evidence from PIAAC Data. *Journal of Policy Modeling*, 41(4), 703-727.

more healthily and objectively. Important and noteworthy is the fact that all these qualities and abilities are formed in young people on the basis of special training and practical experience. The reason for labour migration is the refusal of the employer to employ young people because they do not have the relevant experience or lack qualifications. Lots of young people leave the country because they can not find a job in their own country, while in all age groups, the desire for employment is 15-29 years old is the highest. Lack of jobs also adds to the problem that the employer often requires experienced and qualified staff³⁶¹. That is why it is important for the country to promote the establishment, active implementation and continuous development of internship and internship programs. Economic sustainability and development create jobs directly in the country.

The short- and long-term / future tasks and strategies of the state should be aimed at creating jobs in the country and regulating the imbalance of the market system. It is also important to establish and improve the relevant legal framework. The fact is that the "liberal" Labour Code and the attraction of investment did not produce the desired result, which would have led to unemployment being overcome. It is also important to note that there is a mismatch between supply and demand in the existing labour market³⁶². There are vacancies in the labour market, but the qualifications of the staff/workforce in the country do not meet the existing requirements. There are also frequent cases when a graduate fails to meet the requirements of the employer despite the dilemma proving his profession. The conclusion is that the problem is complex and requires a well-planned approach to solve it in different areas so that young people have the opportunity for high quality, labour market-oriented, education and the opportunity to realize the knowledge and skills acquired.

The high level of youth unemployment is another problem that is typical for the whole European region. Another important and very disturbing trend among

³⁶¹ Kılıç, B., & Ulaşan, B. (2017). Youth Migration: Economic, Social, and Demographic Determinants. *International Journal of Economics and Financial Issues*, 7(3), 381-388.

³⁶² Pastore, F. (2019). Labor Market Mismatch and Labor Market Outcomes: Evidence from PIAAC Data. *Journal of Policy Modeling*, 41(4), 703-727.

young people is the increase in the number of inappropriate jobs. They continue to work in conditions that are unfair to them and still remain in the category of the poor. 156 million young people worldwide - 37.7%, young people - today live in extreme poverty (or less than \$ 1.90 per day). Among adults, this figure is 26%. In addition to low wages, young people often work in the informal sector, part-time or part-time. For example, in 2014, the share of temporary position of part-time youth in the EU was 29% and 37%, respectively. Similar trends are in post-Soviet countries. For example, one of the main employment problems in Romania is the large number of young people working in the informal sector. Generally, the pattern became very popular – “Hiring a young person is easy, however, the quality of jobs is still low”³⁶³

Low levels of employment continue to disproportionately affect the situation of young people, although there are significant differences in this figure in different regions. In developed countries, there is a distribution of poor citizens by age group, where young people take the place of older people in the group at risk of poverty (in developed countries this group includes people whose average income is 60 per cent). Thus, in 2014, the share of young workers at high risk of poverty in 27 EU countries was 12.9 per cent, which is mainly 9.6 per cent in working circles (aged 25 to 54). This problem is particularly acute in countries where the proportion of young workers at risk of poverty exceeds 20 per cent.³⁶⁴

Studies conducted by the World Bank have shown that young people find it difficult to integrate into the labour market, which worsens their economic and moral situation. In addition, people who experience long-term youth unemployment are at increased risk for other types of social pathologies: deteriorating health, malnutrition, and prone to criminal behaviour. High unemployment among young people is an

³⁶³ International Labour Organization (ILO). (2020). Global Employment Trends for Youth 2020: Technology and the future of jobs. Geneva, Switzerland: ILO.

https://www.ilo.org/global/publications/books/WCMS_737648/lang--en/index.htm

³⁶⁴ K. Konečná and J. Kucharčíková (2018) "Youth Employment in the Context of Economic Crisis," Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis, vol. 66, no. 1, pp. 243-254.

unused resource in developing countries, both in terms of economic growth and solving fiscal problems³⁶⁵.

Globalisation is one of the important topics that we have discussed in the previous chapter and would like to refer to it again. Events are changing very fast in the modern world. Changes are happening in people, especially young people. Adaptation to a new environment is much easier for young people than for the elder generation. Therefore, globalisation processed in the world, digitalization and internet development should be in the interest of the state institutions – to promote within youth. Therefore, solving these difficulties will affect the well-being of the whole community. Unemployment of young people is a social problem - problems of this nature come from the economic instability of the state. The problem of youth employment also includes the financial claims of young professionals that are not shared by employers. Thus, young people are looking for a job but cannot find it, which is why they do not have a means of subsistence. This will lead to the pursuit of illicit income, which often leads to crime, drug addiction, contributing to poverty. The decline in the living standards of young people has also affected their cultural life. Western ideas of consumer attitudes towards life are popular, which is reflected in the search for money and fashion culture, material prosperity. In addition, there are recreational problems in young people. There are no sports sections in many towns but rural areas especially suffer from a lack of youth activities. Young people usually have more ability to master the latest advances in science and technology, great aspirations for previously lesser-known but now prestigious, high-paying professions. Young people are widely involved in financial intermediation, public administration and defence, health care and social services. They place special demands on the workplace - in terms of payment, working conditions, qualifications and career advancement opportunities. Young people attach no less importance to employment by speciality. Young people are characterized by rapid and painless adaptation to the workplace due to their psychophysiological qualities (dynamism, flexibility, energy,

³⁶⁵ World Bank. (2016). World development report 2016: Digital dividends. Washington, DC: World Bank Group.

striving for innovation, perfection, self-realization, etc.) and their characteristics³⁶⁶. That is why they are active in the labour market, often placing study and work.

Youth is a period when important decisions are made. For example, choosing a profession, creating a family, making friends, defining ways of life, and creating own world. Ways to solve the problems of young people lie in politics, not just in papers and speeches. The government should know that young people are the future of the country. It is, therefore, necessary to maximize the skills of young people and promote employment and career advancement in order to avoid the many problems that accompany youth unemployment.

4.2. HOW TO IMPROVE YOUTH EMPLOYMENT PROBLEMS

Youth, as part of labour resources, is characterized by a number of special features, which lead to the use of this category of labour force. First, young people do not have work and life experience, which greatly complicates their choice of profession. In addition, their lack of professional training is noteworthy, which significantly reduces the competitiveness in the labour market. On the other hand, young people are usually distinguished from other socio-demographic groups of the population by their health and resilience, as well as by a long period of disability³⁶⁷. Young people can receive a high level of general education and vocational training, if the middle-aged, pre-retirement and retirement age workforce tries to adapt their vocational training to the relevant market demands, young people have a high level of general education, culture and awareness and more opportunities to use it successfully in practice. They are characterized by higher mobility, energy, and initiative.

³⁶⁶ Altigani, A. M., & Siddiqui, A. H. (2014). Youth unemployment: Causes and solutions. *Journal of Economics and Sustainable Development*, 5(3), 27-34.

³⁶⁷ Myck, M., & Morawski, L. (2014). Earnings inequality and youth employment in Europe: Evidence from the EU-SILC data. *IZA Journal of European Labor Studies*, 3(1), 1-23.

Prolonged unemployment or unemployment by profession does not allow young people to deepen their educational and professional knowledge, which leads to personal degradation, social problems (increase in the number of divorces, increase in crime), etc. It should be noted that the youth is the main source of labour supply and therefore the main supplier of labour in the labour market³⁶⁸. Therefore, despite the difficult socio-economic situation in the country, the investments made today for the professional training and targeted employment of young people, the future will have a much greater positive impact on the future socio-economic development of the country.

The state's approach to youth employment requires special care and moderation, as long-term youth unemployment and underemployment can even lead to a social explosion. That is why the role and importance of state regulators in the labour market are constantly growing. Strengthening the direction of employment regulation in the state youth employment policy can dramatically change the situation in both the regional and national labour markets. Youth employment depends on various factors, which are essentially divided into 2 groups - objective and subjective. These factors should be taken into account in determining the priority directions of the state youth employment policy.³⁶⁹ Objective factors are mostly manifested in an institutional form - jobs, vocational training, employment service, etc. As the connection of the general economic situation with employment. Subjective factors are directly related to young people (their readiness for professional work, value orientation, other psychological characteristics, etc.). The allocation of factors influencing youth employment primarily allows for an objective assessment of the state regulation of youth employment at different levels (local, regional, country) and in the short and long term³⁷⁰.

³⁶⁸ Altigani, A. M., & Siddiqui, A. H. (2014). Youth unemployment: Causes and solutions. *Journal of Economics and Sustainable Development*, 5(3), 27-34.

³⁶⁹ O'Higgins, N. (2010). *Youth Employment: A Human Development Agenda for the Next Decade*. International Labour Office, Youth Employment Programme. Geneva: ILO. (Employment working paper).

³⁷⁰ Altigani, A. M., & Siddiqui, A. H. (2014). Youth unemployment: Causes and solutions. *Journal of Economics and Sustainable Development*, 5(3), 27-34.

Based on outcomes of previous chapters among the objective factors affecting employment are:

- Total number of jobs,
- Opportunity to create additional jobs for medium and small business development.
- Economically justified increase of jobs (which is reflected in the improvement of working conditions, high pay, etc.).
- Expansion of the primary, secondary and higher education network.
- Training of youth according to new specialities that meet the modern requirements of the labour market.
- Allocation of quota jobs for young specialists, with appropriate legislative support.
- Improving labour market information services, which implies the availability of comprehensive information on vacancies at the regional and city level of the country.
- Establishment of a special service for social protection of young people in the state employment system, which provides incentives for youth entrepreneurship (soft loans, information and consulting support).

Subjective factors have a significant impact on youth employment, along with the objective ones:

- Health condition (physical and psychological).
- Insufficient educational training.
- Insufficient production experience (work experience).
- Insufficient work habits and experience.
- Psychological unpreparedness for professional work.
- High demand and expectations for future work.
- Psychological unpreparedness to compete for a job.

- Difficulties in adapting to the work environment (excessive emotions, insufficient sociable habits);
- Lack of economic incentive, which is a prerequisite for a successful professional career.

When discussing the factors affecting youth employment, none of them listed above should be left unattended. Also, the importance of each of factor should be assessed based on the real situation with the state's economic and financial capabilities. In the case of "subjective" factors, grouping should be done according to its importance. Due to the growing role and importance of youth in the labour market, specialists separate the "youth labour market" into separate segments and give an explanation. The youth labour market is a "normal market" operating under the law of supply and demand. In addition, the youth labour market should be considered an independent segment of the national labour market. We consider the age of youth to be the main criterion for separating this segment. Youth can be identified as a special category of labour resources, the population aged 16 to 29 years. It should be noted that the lower age limit is determined by a person's willingness to consciously engage in labour activities, while the upper limit, in this case, usually shows active participation in vocational training and public life³⁷¹.

When considering the youth as a socio-demographic group of the society, it is necessary to mention its heterogeneous attitude towards material opportunities, which in turn determines their attitude towards labour and employment, the young man's subsequent life. As part of labour resources, youth are characterized by a number of important features that determine the use of this category of the labour force. Youth is an independent group of society, also from a socio-economic point of view. First of all, a certain age period of a person's life cycle, with its specific requirements and interests, such as the need for appropriate education, starting a family, achieving material independence from the family (parents). The specific needs and interests of the youth are determined by their participation in socially beneficial

³⁷¹ Kharlamova, G. (2018). Youth Employment: Theoretical Approaches and Regional Specifics. *European Research Studies Journal*, 21(3), 458-472.

economic activities. It is socially justified economic, political and spiritual needs that characterize a social group³⁷². Acquisition of necessary knowledge, profession, specialization, starting an independent labour activity, material independence from parents, marriage - all these events, which are gradually formed, give a feeling of complete independence. The specifics of youth employment are defined primarily by the age restriction of youth to occupy specific jobs that require certain work and life experiences³⁷³. That is why "youth employment" depends on a flexible youth work schedule, youth self-employment, entrepreneurial activity and independent development. Young people are looking for a job that has a flexible work schedule. Countries in transition are characterized by periodic participation of the population in the field of informal employment as a way of overcoming temporary difficulties³⁷⁴.

Young people are constantly exposed to current processes and events in society and in nature. Its development is a complex, multifaceted and dynamic process and includes various problems and aspects, such as social, economic, political, demographic, national-ethnic, cultural, ecological, etc. Youth is in the stage of labour and social self-determination and possesses a number of specific features that distinguish it from other generations. Although the problem of youth has historically arisen very early, the definition of "youth" is still not a scientifically substantiated term. Youth is a separate group of individuals, each of which in turn is a biological and social community and defines two main approaches: social, socio-psychological, and statistical, demographic; Proponents of the first approach focus on the social nature and character of humans, while proponents of the second approach try to unite all, analytically distinguish between independent elements of the biological and cognitive spheres³⁷⁵.

³⁷² United Nations Department of Economic and Social Affairs. (2018). Youth Employment: Impact, Challenges and Opportunities for Social Development.

https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2018/05/youth_employment_impact_challenges_and_opportunities.pdf

³⁷³ Momani, B., & Mahon, R. (2011). Youth employment policies in the EU: Facing the challenge of integration. *International Labour Review*, 150(3-4), 287-306.

³⁷⁴ International Labour Organization. (2019). Global Employment Trends for Youth 2019: Technology and the future of jobs. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_686645.pdf

³⁷⁵ Larson, R. W., & Petersen, A. C. (2014). Youth Development: Issues, Challenges, and Directions. *The Journal of Adolescent Research*, 29(5), 417-422. doi: 10.1177/0743558414535705

From all the above it can be said that youth is a certain age, socio-demographic group of the population, which is distinguished by biological, socio-economic, national-cultural, legal and spiritual development, which is due to the socialization process and has a specific historical tinge. It is recognized throughout the civilized world that neglecting the problems of youth can have serious negative consequences, both for individuals and for the entire nation. That is why it is necessary to know the specifics of the youth labour market in order to determine its effective development.

One of the main factors that determine the employment of youth as a socio-demographic group of the society is their number, as well as their share in the able-bodied population and the sex-age structure. No less important factor is the economic activity of young people, the reduction of labour efficiency, the decline in employment - unemployment: due to high levels of youth unemployment, a significant part of the young population is forced to start work not where they want, but where they can find work. Mass unemployment of young people - leads to the degradation of society. It creates poverty, especially psychological stress in young people, disbelief in their own abilities, degradation of personality, contributes to the growth of crime, family breakdown and other negative events.

The problems of youth employment are an integral part of the socio-economic policy of any civilized country. Of the above problem, the solution allows the optimal use of the labour potential of the country and is directed to the quality of such a labour market towards a formation that best suits the demands of the market and the interests of all subjects of the market economy. Among the measures to regulate and promote youth employment, it should be considered a developed market experience of economics and countries with economies are in transition³⁷⁶.

³⁷⁶ Kolesnikova, M. M. (2016). The Problems of Youth Employment in the Context of the Current Socio-Economic Situation. *International Journal of Environmental and Science Education*, 11(18), 11134-11147.

Particularly noteworthy is the situation of young people in the labour market who have received higher education. One of the special social groups is the graduates of higher education institutions. This category of the population has received higher education, is prepared for intellectual activity, and has great demands on the nature of work, working conditions and salary expectations.

The difficulties of youth employment as we have discussed in the above chapters are actual nowadays within most of the EU states. On the one hand, the low level of demand for young specialists in the labour market is visible. Employers believe that part of some young people has insufficient professional training, do not have established work habits, do not have work experience, have a low sense of responsibility and have high complaints about the level of wage. For their part, young people often pay less attention to the professional side of the workforce when choosing a job and prefer high salaries, are self-confident in their abilities and believe that the acquired speciality and knowledge do not meet the offered working conditions. Based on this, regulating youth employment requires a specific approach.

Labour market researchers, representatives of employment services, and trade unions unequivocally note that the right professional orientation and training of young people is crucial in this case, in which the role of vocational schools of all levels is important. Understanding the employment problems of young people, systematic research of the labour market and assessment of the specifics of youth employment - will contribute to the implementation of relevant measures to some extent. A general overview of the employment situation of the youth showed that this group of the population is characterized by high levels of unemployment and difficulties in arranging workplaces suitable for them.

Professional orientation is important, which involves working with students to organize additional training courses and provide the necessary information. Below are some recommendations on how those factors could be improved:

- Recommendation work, which includes adjusting curricula, bringing employers in line with current requirements, and taking into account labour market prospects. (professional development training can be implemented for students)
- Constant cooperation with employers - presentation of new professions, holding seminars and conferences.
- Cooperation with other higher education institutions, employment centres, and municipal bodies.

When we start a discussion about solving the problem of youth unemployment, we have to mention in the first place the activities of the Youth Employment Support Centres that are present in most of the EU states. They generally are evaluated by the quality of their functions, which is reflected primarily in the employment of students and graduates (internships and internships, temporary employment during graduation, employment after graduation), as well as the correct definition and solution of strategic tasks. The most important task of the centre and the main aim should be to identify the relevance and peculiarities of the curricula, its compatibility with the curricula of similar profile schools, justify its specifics, and advantages and outline its segment in both the educational services the labour market. The existence of databases on vacancies, professional orientation work with students, coordination of scientific work to facilitate labour arrangements, awareness of the labour market situation, development of recommendations for adjusting curricula and changing the profile of specialists is important for the effective operation of employment centres.

Pursuing an active employment policy and promoting youth employment is an important part of the socio-economic policies and especially important for youth policy documents in European countries. The higher education institutions themselves should be interested in arranging the work of their graduates. They should be in constant contact with employers and educational institutions to exchange the necessary information about vacancies. Graduate students should actively assist in arranging workplace labour exchanges that should be arranged by governmental institutions. As a result of the coordinated cooperation between higher education

institutions and labour exchanges improvement of the youth unemployment rate will be visible in a short period. This example shows the importance of the involvement of the different governmental institutions³⁷⁷. The role of the Ministry of Education is crucial on the way of improving the youth unemployment issue with other governmental institutions. Complex approaches and reforms in the field will be a big step forward for many countries in the European Union to improve statistics on Youth Unemployment.

Unlike countries with economies in transition, countries with developed market economies already have a full-fledged labour market infrastructure and, consequently, the market is functioning properly. State regulation of employment of the population, including young people, is minimized. As we have mentioned, in developed market economy countries, in recent years, the state has become less and less involved in the regulation of the labour market, which has led to some employment instability. The almost non-interference of the state in the functioning of the labour market has affected the youth much more painfully.

In modern conditions, the economic, socio-psychological environment and values of young people have changed significantly. Consequently, they are forced to adapt to the new socio-economic environment. Naturally, this kind of adaptation is associated with quite a lot of difficulties for most young people. Therefore, it is necessary to develop a long-term systemic, scientifically substantiated, practically solidified action plan, which should be prioritized in the socio-economic policy of the state and its implementation should serve the reconstruction of the country. To achieve this goal countries will need to:

- Strengthening political stability.
- Improving the investment and business climate.
- Reforming local self-government and increasing its efficiency.
- Modernization of the legal system.

³⁷⁷ Dimitrova-Grajzl, V., Grajzl, P., & Maurova, O. (2017). Youth Unemployment in Europe: The Importance of Institutional Quality. *Journal of International Affairs*, 70(2), 55-72.

- Thorough reform of the social sphere.
- Pursue an active policy that promotes international security and stability.
- Integration into the world economic space.

All of the above will help to integrate the population of the country into the international division of labour, to master the achievements of world science and technology, culture and information. The function of youth is special in this respect, which no other social group in the society can carry. Young people have a distinctive social reconstruction function for future generations. It is irreplaceable in mastering new professions, forming law enforcement agencies, and ensuring the security of the country. On the other hand, their lack of life experience, inexperience and frequent mistakes in making responsible decisions should be taken into account. The best way for young people to achieve self-realization and self-realization is to be employed in accordance with their education and specialization. Youth employment should be based on the relevant state policy, which primarily involves the development of a system of special measures that will enable young people to put into practice the knowledge gained, strengthen their work skills, improve their qualifications and establish social status in society.

The implementation of an active youth employment policy requires a suitable economic and legal environment. International labour organizations estimate that more than 100 million new jobs will be created in the next 20 years to provide suitable jobs for young people in developing countries³⁷⁸. Education and vocational training play a key role in youth employment. According to a report by the European Commission on "Specific Objectives for the Education System in the Future", the Lisbon Summit provided for universal employment in the long term. The new, main direction is based on the original structure, which combines four basic principles: entrepreneurship, employment opportunities, social adaptation and equal employment

³⁷⁸ International Labour Organization. (2019). Global Employment Trends for Youth 2019: Technology and the future of jobs. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_686645.pdf

conditions. Youth employment should also be based on two important areas: social partnership and the concept of lifelong learning³⁷⁹.

Continuing education is considered to be one of the main principles of employment in the EU. Employment for a young person means having the status of a full-fledged person, respect in society, financial independence, and opportunities to expand social contacts. Those who do not have a job lose the chance to integrate into society, which young people find particularly painful. The employment of new graduates will be greatly facilitated by the training of specialists in accordance with the requirements of the labour market. Based on systematic research and monitoring of the labour market, the real demand for labour should be determined both in the country as a whole, as well as in the region and in the individual city. The public and especially the youth should be informed about trained specialists and predictable jobs, modern, promising specialties and their use³⁸⁰. One of the directions of regulating youth employment should be to promote the search for suitable jobs for high school graduates (young professionals entering the labour market for the first time) because in the case of long-term, chronic unemployment, youth energy can easily take a destructive, aggressive form.

Important in regulating youth employment are:

- Study, research and realistic forecast of labour market.
- Predicting the formation, distribution and redistribution of the workforce.
- Predicting trends in changes in labour demand.
- Analysis and forecast of changes in the structure of the labour market.
- Study of employment dynamics.
- Analysis of the structure of workplaces and their qualitative characteristics.

³⁷⁹ Kahanec, M., & Yuksel, M. (2015). Intergenerational transfers and European labor market policies. *IZA Journal of European Labor Studies*, 4(1), 1-20

³⁸⁰ Vésaité, B. (2013). Youth Employment Policy in the European Union. *Economics and Management / Ekonomika ir vadyba*, 18(1), 44-52.

- Analysis of work carried out for the purpose of professional orientation.
- Promoting the development of business relations between the social partners in the field of employment.

It should be noted that the state should play a crucial role in the realization of the above. The action of the Employment Service should be aimed at rationalizing the personnel policy of the country, full-fledged professional training and retraining of young staff. The recommendations to achieve the above-mentioned milestones of the relevant services governmental institutions of individual states should work in the below direction:

- Work in the direction to match the professional-qualified structure of the labour force to the requirements of the labour market.
- Continuous observation and consideration of the requirements of employers in the process of training and retraining of unemployed youth.
- Identifying and substantiating priority areas of labour activity.
- Cooperate with local self-government bodies to improve the vocational education of youth, especially for groups in need of social protection.
- Organizing vocational training courses specifically for unemployed youth.
- Finding alternative sources to expand training programs in addition to budget funding. (through NGOs, international funds, etc)
- Awareness of young people about the need for primary vocational education, the acquisition of additional professions, and further training arrangements.

- Active participation of young people in all processes (Conducting individual and group permanent counselling work with young people in order to establish the right professional orientation.)

Promoting the employment of young people with fewer opportunities. Those young people with disabilities need the most help in arranging work. In this regard, the main goal of the state employment policy for young people should be to create suitable conditions for the category of people with disabilities, which is reflected in the establishment of special quotas. This will be a prerequisite for the guaranteed employment of a certain part of them. In case of non-compliance with the mandatory quotas, strict penalties should be imposed on the employer. In addition to creating guaranteed jobs, the state should ensure the development and approval of the list of priority professions and vocational training and for the young people interested in priority professions state funds should be available and accessible.

The problem nowadays is that the teaching process in most universities is theoretical, which is not enough for professional advancement. In my opinion, in addition to theoretical knowledge, practical knowledge is necessary for university students, as well as in the public and private sectors. All this is necessary for when a future graduate starts looking for a job, he/she will have an advantage because he/she will have an internship in his profession. A strong professional and educational system is essential to the success of young people. It is important for the graduate to have a dual education, and practical and theoretical complex experience of studies in order to easily find a place in the labour market. This system operates successfully in some European countries (Germany, Finland. Etc)³⁸¹. Employers, state, and educational institutions are responsible for the vocational training of young people. Funding for vocational education institutions should be increased so that young people who are proficient in a particular craft can make effective use of their knowledge in practice³⁸².

³⁸¹ European Commission. (2016). Education and Training Monitor 2016: European Commission Staff Working Document. <https://ec.europa.eu/education/sites/education/files/monitor2016-com-en.pdf>

³⁸² Wieser, C., & Zwettler, D. (2019). Dual education systems in Europe: An overview. *International Journal for Research in Vocational Education and Training*, 6(3), 191-209. doi: 10.13152/IJRVET.6.3.3

The discrepancy between the training of specialists and the requirements of the labour market creates serious problems in the employment of specialists. There is a fair suspicion of social justice among young people, which intensifies the feeling of aggression and protest against the state. The employment of young people is a serious socio-economic problem. The following moments should be considered when pursuing the state employment policy: The sharp imbalance between labour demand and supply and insufficient adaptation of the vocational education system to the requirements of a market economy³⁸³.

In this subchapter, there has been mentioned many approaches and suggestions on how to improve youth unemployment and youth policy in general. Of course, each state and country needs a specific approach and research on how to act and how to set the right strategy. Below are a few steps that in my opinion are universal and/or will help states to determine their own, country-specific approach and will help to plan further steps to overcome youth unemployment issues:

1. Complex approaches to the solving problem of youth unemployment, including the ministry of economy, Ministry of Youth affairs, ministry of education, Etc.
2. Recognition of non-formal education and vocational training
3. Research to define the needs of young people and identify their problems also involves NGOs. Based on the research update national policy documents and prepare recommendations for updating the EU strategy of Youth through the National Youth Council of the EU member states
4. Youth participation

³⁸³ Kolesnikova, M. M. (2016). The Problems of Youth Employment in the Context of the Current Socio-Economic Situation. *International Journal of Environmental and Science Education*, 11(18), 11134-11147.

4.2.1 COMPLEX APPROACH AND RECOGNITION OF NON-FORMAL/VOCATIONAL EDUCATION

The youth sector and its governance are somewhat different from other areas because the needs and wants of young people as part of society require full use of all public services and programs. This issue has significantly complicated the definition of a structure responsible for the youth sector. There are many causes and factors for unemployment in general, as well as youth unemployment, including social, financial, educational, economic, or political factors. The economic environment can affect access to employment. A complex approach to solving the problem of youth unemployment is important as the youth unemployment issue of the state. The aim of the state youth policy should be to create an environment where young people, as full members of society, are provided with participation, decent employment, health care and well-being, with equal access to information, resources, and development opportunities³⁸⁴.

The direct cause of youth unemployment may not be the economic status of the individual's family; however, it is influenced by the young person's level of education when he/she seeks a job. It is more possible to employ highly qualified people in the relevant profession, while those who do not have a good education and relevant skills find it difficult to find employment. It can be said that the education system in any country is of great importance in terms of youth unemployment. How the education system is reflected in the labour market and what is the appropriate level of skills varies by country or industry.

Youth unemployment can be influenced by political factors, labour laws and policies, which are quite specific to countries and there may be many variants that are very difficult to analyse together when discussing a broad concept such as youth unemployment. However, legislation and political factors have a significant impact on youth unemployment. Specific policies or laws may expand or limit the opportunities

³⁸⁴ Görlich, Dennis; Stepanok, Ignat; Al-Hussami, Fares (2013) : Youth unemployment in Europe and the world: Causes, consequences and solutions, Kiel Policy Brief, No. 59, Kiel Institute for the World Economy (IfW), Kiel

for young people in the labour market. There are some difficulties in terms of solving the real problems of youth employment. This difference between EU countries is largely explained by the specialization of the economy of a country and the level of training of the workforce³⁸⁵. In view of the above, there is a high employment rate of young people in countries where there are highly qualified young people, and the rate of early school leaving is low. This means that countries with high levels of vocational training for young people are better able to cope with the economic crisis.

State education reform should be implemented in the future at all levels of the education system: early and pre-school education, general education, vocational education, higher education and science. Support for sports and culture ensures the social and economic development of the country, connects different sectors, and plays an important role in their development, promotes tourism, entrepreneurship, healthy lifestyle, crime prevention, cultural diplomacy, popularization of the country and its international position.³⁸⁶ Early and Preschool Education is a fundamental reform of the education system that begins at the level of preschool education. Highschool and preschools should introduce state standards for the quality of education that will begin to provide a solid foundation for preparing children for higher education. Inclusion, the safety of children and protection of best interests will be ensured in pre-school institutions. Model and mechanisms for evaluating, developing and managing the quality of preschool education. The development of new infrastructure and the improvement of existing ones will continue to increase access to preschool education facilities. In accordance with the new professional standard for educators, a system of staff training and retraining should be launched, the development of educator professions will begin, and young qualified staff will be attracted to the profession.³⁸⁷ General education High quality and universal access to general education should be a

³⁸⁵ O'Reilly, J., Eichhorst, W., Gábos, A., Hadjivassiliou, K., Lain, D., Leschke, J., McGuinness, S., Mýtna Kureková, L., Nazio, T., Ortlieb, R., Russell, H., & Villa, P. (2015). Five characteristics of youth unemployment in Europe: Flexibility, education, migration, family legacies, and EU policy. *Sage Open*, 5(1), 1-19

³⁸⁶ Sparks, S. D. (2021, March). Why State Education Reform is Necessary at All Levels of Education. *Education Week*.

³⁸⁷ OECD (2017), *In-Depth Analysis of the Labour Market Relevance and Outcomes of Higher Education Systems: Analytical Framework and Country Practices Report, Enhancing Higher Education System Performance*, OECD, Paris.

priority for the state in the future. To this end, equitable and inclusive knowledge-based skills, national and universal values, and the development of a student-centred education system will be provided to ensure that each graduate is competitive in the labour market and responds to the country's long-term economic and social advancement interests. The focus of the general education system will be to prepare students for future life and to build a democratic society.

To this end, methodologies and strategies will be introduced in the learning process, which will ensure the development of thinking, creative, technological, and labour skills, and the promotion of a healthy lifestyle in both formal and non-formal education. The state should support a variety of student activities and projects that will help them develop analytical, creative, and innovative thinking, teamwork, leadership, entrepreneurial, artistic, civic, and social competencies. The state must ensure the creation of equal conditions for the development and full realization of each individual's talents and abilities, regardless of his or her ethnic origin, religious beliefs or place of residence. To improve the quality of education, the creation and implementation of new, high standard-oriented national curricula, programs, relevant textbooks, and other educational resources states should continue constantly working and following international directions in the field.

When we discuss a systemic and complex approach toward improving youth unemployment, German state policy can be one of the best examples to assess. It is important and could be a good example for other European Union states to follow the practice of Germany which has achieved big success in the last few years. Step-by-step change towards active and fast integration at work. It started with the Harz reforms, which were implemented in 2002-2005³⁸⁸. The importance of job search assistants and oversight of this process has increased, while ineffective job creation schemes have been abolished or reduced. Activation-oriented reforms have successfully reduced structural unemployment and increased employment, boosting

³⁸⁸ Spohr F., (2019). Germany's Labour Market Policies: How the Sick Man of Europe Performed a Second Economic Miracle. Oxford University Press, Great Policy Successes, pp.283–303

the resilience of the German economy during the 2008 economic crisis³⁸⁹. However, a key role in measuring and relative neutralization of the negative impact of the recession on the German labour market, together with the stimulus packages adopted in 2008 and 2009, was the reduction of working hours, state subsidies and adjustment of firm-level demand to regulate working hours. This reform was mainly aimed at real employment of the population and increasing the productivity of the low-skilled labour force, instead of maintaining allowances for people, employing them in public service or engaging in different types of training. Harz's reforms in the German labour market have had excellent results in terms of reducing unemployment. It was impressive that this decline continued despite the global recession of 2008-2009³⁹⁰.

At the height of the crisis, certain unions and employers' associations formed a coalition to promote secure employment while strengthening German industry. The Great Recession has largely affected the German export-oriented industrial sector, where the availability of a skilled workforce in the most managed and successful companies has become an increasingly rare occurrence. Against the background of a growing population and the expected shortage of skilled workers in the future, companies sought to maintain a skilled workforce despite the demand for exports and, consequently, its volume was instantly declining. In January 2009, the German government launched a second stimulus package with a budget of € 50 billion. It provided investments in education, training, and infrastructure. The period of state funding for short/part-time work has been increased to 24 months³⁹¹. However, the key labour market policy, the implementation of which mitigated the effects of the recession, was a short-term employment policy. It was used immediately after German unification to control rising unemployment. It should be noted that private companies also contributed to the unusual functioning of the German labour market during the economic crisis. Instead of cutting staff, they chose to retain the workforce.

³⁸⁹ Schneider, H., Rinne, U. (2019). The labor market in Germany, 2000–2018. *IZA World of Labor* 2019: 379 doi: 10.15185/izawol.379.v2

³⁹⁰ Spohr F., (2019). Germany's Labour Market Policies: How the Sick Man of Europe Performed a Second Economic Miracle. *Oxford University Press, Great Policy Successes*, pp.283–303

³⁹¹ Giesbert, L., Kreyenfeld, M., & Sauer, P. (2016). Employment uncertainty and fertility: Evidence from the German labor market. *European Journal of Population / Revue Européenne De Démographie*, 32(3), 365-402.

Approximation of flexible labour market instruments has allowed firms to use internal flexibility to safeguard their investments in skilled labour³⁹².

Such a development in Germany would, of course, have a substantial impact on the employment rate of young people. It should be emphasized from the outset that the youth unemployment rate since the 2000s has been consistently low compared to the adult unemployment rate, which is a completely uncharacteristic phenomenon for the EU and European countries in general. Across the EU, Germany is at the forefront of youth employment levels. It must be said that the low level of unemployment is due to many factors, including the reforms or measures we have discussed above - obviously, as such, the youth labour market, as well as the youth themselves, can not exist as a separate group from society. Consequently, it is not surprising that the current processes in the German labour market also affect the employment of young people.

Particularly we have to note the German educational module of “The dual apprenticeship system”. This is the core of vocational education and training in Germany. It is based on the 1969 Vocational Training Act (Amendments introduced in 2005) and remains the main way for the younger generation to enter the labour market³⁹³. All young people who have completed the compulsory education phase are eligible to participate in this training. About half of the school graduates take part in it. The teaching process itself is divided into two parts, namely: a certain part of the week is spent in a state-funded vocational school, where the rest of the week in small and medium companies they master. Until then, companies enter contracts with applicants under private law and conduct training in accordance with the requirements of national vocational training standards. This process is overseen by the competent authorities. Program participants are paid by employer firms³⁹⁴. However, the amount

³⁹² Hassel, A., & Schulze Buschoff, M. (2011). The German labour market response in the world economic crisis. *Cambridge Journal of Economics*, 35(4), 617-632.

³⁹³ European Centre for the Development of Vocational Training (Cedefop) (2020). Vocational education and training in Germany. <https://www.cedefop.europa.eu/en/publications-and-resources/country-reports/vocational-education-and-training-germany-2020>

³⁹⁴ Solga H., Protsch P., Ebner C., Brzinsky-Fay C., (2014). The German vocational education and training system: Its institutional configuration, strengths, and challenges. WZB Discussion Paper No. SP I 2014-502

of remuneration depends on the sector of activity, as well as the size of the company. It should be noted that relatively large companies in the short term will incur more costs than benefits and participate in the program.

The dual learning process lasts from two to three and a half years. During this time students are given the opportunity to master one of approximately 330 types of professions. Upon completion of the study, they confirm the acquired theoretical or practical knowledge and skills on the final exam (both theoretical and practical). After which the relevant certificate is issued to them. About half a million such certificates are issued in Germany each year³⁹⁵. This is certainly not a guarantee of employment, however, it is an important step towards employment, as it provides employers with reliable information about the qualifications and productivity of the certificate holder.

Of course, the German dual education system plays its part in achieving a low level of youth unemployment in Germany; However, an overestimation of its role would be wrong, because no matter how flawless the vocational (and even higher) education system is and no matter how highly qualified and skilled it is, it would all be in vain if not for the companies that provided the jobs. That is why bringing this example proves that a complex approach, including state institutions, businesses and the private sector is important for solving the youth unemployment issue. In Germany (and not only in Germany) one of the most important factors contributing to the low level of youth unemployment, as mentioned above, is the education, labour market, social and other correct, timely policies of the state and general economic stability of the country³⁹⁶.

Vocational education is divided into formal and non-formal vocational education. Formal education - part of the lifelong learning system, which involves the acquisition of knowledge and understanding with developing soft skills and it ends up with a state-recognized certificate, state or vocational education document - diploma

³⁹⁵ Wieser, C., & Zwettler, D. (2019). Dual education systems in Europe: An overview. *International Journal for Research in Vocational Education and Training*, 6(3), 191-209. doi: 10.13152/IJRVET.6.3.3

³⁹⁶ Solga H., Protsch P., Ebner C., Brzinsky-Fay C., (2014). The German vocational education and training system: Its institutional configuration, strengths, and challenges. WZB Discussion Paper No. SP I 2014-502

or general education Confirmation by state document. Non-formal education – is part of the lifelong learning system, which involves the acquisition of knowledge and understanding, developing new skills beyond formal education³⁹⁷. Learning outcomes achieved through non-formal education and formal education are not always recognised by the state. In some countries recognition of non-formal education still is an issue and has a direct impact on the youth unemployment rate. Private educational institutions are actively involved in the state program for the training of job seekers, as well as are involved in the professional development program for schoolchildren. That's why non-formal education methods should become more popular and should be integrated into formal educational institutions. To increase the popularity and attractiveness of vocational education, the strategy to overcome youth unemployment should emphasise several key areas: disseminating information about the successful employment of vocational students, launching awareness-raising campaigns and improve the vocational guidance system.

In order to improve the quality of vocational education, a professional development system for vocational education teachers should be launched, and the use of international best practices in the teaching process should be encouraged. The state should aim to improve the image, attractiveness, and popularization of vocational education in this field. Which could be implemented with the support of social partners and international organizations, as well as raising public awareness and demonstrating real prospects for vocational education.

Compliance with labour market requirements, learning outcome orientation, strengthening the practical component, and modern teaching-assessment approaches should be key features of the modular programs. By integrating general education with vocational education, students who receive vocational education based on basic education will be given the opportunity to continue their studies at the academic education level. In addition, it will be possible to recognize credits obtained at the vocational education level at the higher education level. The strategy should also focus on creating opportunities for the recognition of competencies achieved through

³⁹⁷ OECD (2010), Learning for Jobs, OECD Reviews of Vocational Education and Training, OECD Publishing, Paris, <https://doi.org/10.1787/9789264087460-en>.

formal education and establishing a system for recognizing non-formal education, which should contribute to the improvement of competencies and lifelong learning. It should be noted that in order to improve access to vocational education, it is important to establish an optimal network of educational institutions. Involvement in non-formal education recognition and vocational training and retraining programs should be one of the priorities of vocational education reform. Accordingly, the reform of vocational education should consider the needs of various vulnerable groups, such as people with disabilities, ethnic minorities, and vulnerable populations.

4.2.2 RESEARCH TO DEFINE THE NEEDS OF YOUNG PEOPLE AND THEIR PARTICIPATION LEVEL

Civic engagement and activism are defined as a combination of individual and collective actions that are committed to identifying and addressing a problem/need of public importance. Civic engagement and activism can be found in both simple voluntary forms and organized engagement. These actions may be aimed at solving a specific issue or problem and may also be of a general nature. This concept can be interpreted as a sense of personal responsibility that a person must have to fulfil his or her responsibilities in any society.³⁹⁸

Youth civic engagement has exactly the same content, but it predominantly includes young people. As a rule, civic engagement and participation are typical of a democratic society. Accordingly, the term is used to measure and analyse the level of democracy in countries. It should be noted that the term civic engagement includes values that are generally human in nature and have nothing to do with types of government. It should be noted that there are certain preconditions without which it is

³⁹⁸ O'Hara, S. (2016). Civic engagement and activism. *The SAGE Encyclopedia of Political Behavior*, 154-155.

impossible to ensure youth participation in civil society and each state individually has to work on this direction:

Informing - includes providing information to citizens about their civic responsibilities and rights. It is impossible for a person to engage in civic engagement if he or she is not informed about the topic. Awareness-raising should be done through information campaigns, the mission of which is to raise awareness at the legislative level. Types of information can be advertisements, billboards, booklets, music videos or even small movies or some non-formal education methods. To motivate young people to get involved in civic affairs, it is necessary to provide information to those who are listening. Imitation and learning by imitation are one of the main features of human psychology.

Motivation - Low sense of civic awareness is due to a lack of motivation. E.g., The ignorance that even garbage dumped on the street is ecological pollution of the environment, which can lead to the spread of any disease - this is another provocative factor for an individual to be socially demotivated. It is important to spread the word about the issue, organize certain rallies to involve young people in civic activities, to plan incentive projects by municipalities or non-governmental organizations to increase motivation. Those activities will teach young people about their importance as apart of society.

Legislative scope - Civic engagement must be carried out within the law, it must not be illegal. Legislation may also establish specific mechanisms for civic engagement, providing additional opportunities for its implementation. For example, legislative assumptions, such as elections, directly create opportunities for civic engagement.

Institutions - There may be institutions in the country that directly point to civic engagement and provide an excellent environment for civic engagement. Such institutions include NGOs, various types of self-governments (student, school, school

supervisory boards, the Public Broadcaster Board of Trustees, residential building associations, trade unions) and many more.

Effectiveness and trust, usefulness - Involvement of the population in civic activities and increasing their role will lead to a highly trained and cultured civil society that is ready to better understand and accept the innovations that will be offered by different organisations. Because revitalizing the existing is a difficult process and requires a lot of energy and resources, young people, as the next generation, are the segment that will quickly and easily engage in civic activities and further propaganda³⁹⁹.

Involvement of young people in public processes, their social assistance and fulfilment of civic duty will benefit not only the environment, those around them, but also themselves. What builds and enhances a person is what he does, what he serves, and what he spends his time on. Well-managed time management shows young people more mobilization, attention and consequently more utility. The accumulated experience will help them again in the future and they will earn more confidence in personal relationships and career advancement.

There are two few forms, platforms which give a direct stage to young people to get involved in activities and become engaged with civil life:

1. Involvement of non-governmental organizations - The role of non-governmental organizations in establishing democratic values in the country is very important. NGOs interact with the general public, and they have the resources and mechanisms to ensure civic engagement, collaboration, and the formation of coalitions to address issues that are important to the community.

³⁹⁹ Youniss, J., Bales, S., Christmas-Best, V., Diversi, M., McLaughlin, M., & Silbereisen, R. (2003). Youth Civic Engagement in the Twenty-First Century. *Journal of Research on Adolescence*, 13(1), 3-26. doi: 10.1111/1532-7795.00027

2. Participation in self-governments - There are different types of self-governments that promote the active involvement of young people in civic activities. The most important thing is that young people are involved in the decision-making process through these types of structures. Student self-government is a representative body of students elected to the faculties by universal, equal, direct and secret elections by the students at the university, in compliance with the requirements of the Law. The goals of the student self-government are to protect and represent the interests of students in relations with the governing bodies of the University and, if necessary, to ensure the full protection of each student of the University in non-university relations; To assist students in the protection, promotion and practical realization of their rights and freedoms, their legitimate interests; Assist students in obtaining a highly qualified education, self-realization and the formation of independent thinking. Usually, the self-governments of the university also assist students to find part-time jobs, and they take a significant role in youth employment.

3. Volunteering - Volunteering is generally an altruistic type of activity that serves to improve people's quality of life. However, people also volunteer to improve their skills. In addition, volunteering is a good way to make new acquaintances and contacts, which may further play an important role in an individual's employment and other important matters. Volunteering is completely voluntary and does not require, requires management from anyone. Volunteer activities typically serve to improve public life, and volunteer service is usually coordinated by the non-governmental sector and non-profit organizations. A volunteer is a person who has the desire to acquire new skills and at the same time is willing to use his or her time, energy, and talent for community service - to make choices and be free.

4. Participation in the decision-making process - for the active involvement of young people in civic activities the most important thing is the involvement of young people in the decision-making process, both at the state and regional and local levels. This means that young people have the opportunity to have a representative in different local municipalities, and town halls, who expresses the opinion of local youth, which will be further taken into account in the decision-making process.

There are many scientific papers or official studies on youth unemployment, active participation, the role of non-governmental organisations and youth policy practices in the EU, including studies prepared by the EU itself. Differences of opinion have emerged on the current situation of youth unemployment in Europe. As youth unemployment is a topical and important societal challenge, a wealth of data is available on it. The problem, however, is that surveys are sometimes focused on unemployment, while youth unemployment is seen as a secondary subject. Studies on the latter point to analytical data, instead of identifying specific problems at the level of a country. The Youth Unemployment Survey largely depends on the government's willingness to share information that could lead to some conclusions from this survey. Numerous formal studies or research papers prepared or supported by the EU in some cases serve to highlight most of the benefits of youth employment programs or initiatives. Many types of research or scientific papers need to be considered in order to properly understand the hints of this problem (youth unemployment) and similar topics related to young people. For example, it will be interesting to do research on the field of youth awareness about state youth policy, the involvement of youth NGOs and more specifically determining the problems of young people.

The involvement of young people in civic activities is not very noticeable today, therefore research is needed to determine the main causes of this problem. The main purpose of the research is to understand how young people are involved in civic activities, how much they understand the importance of their involvement and what is their main motivator. Also, understand what causes youth passivity. This research will be interesting for various organizations as well as for state institutions working in the

field of youth. Although there are several studies on youth involvement, and there are results and reports on this issue, conducting research today will yield completely different results for a variety of reasons. In the first place, the need for additional research arises only from the existence of general studies, which consider the civic involvement of young people as one of the sub-points, and recent political and environmental changes in the world will show significant changes with previous outcomes.

This research project should aim to explore the involvement of young people in civic activities across Europe. To study how active the youth are today, what are the reasons for their activity/passivity and what prevents them from being active. What kind of problems do they face in labour market, what challenges they have and what are their involvement level in decision making processes. The aim of the research should also be to study the problems and challenges faced by the youth with the participation of governmental, non-governmental and international organizations, to obtain information about the current, current and expected youth-related programs and to evaluate their results. Assessment of the situation of young people living in the EU according to the following aspects:

- Employment of young people
- Youth policy issues
- Issues of young families
- Education issues for young people.

Based on the research and outcomes, a concrete strategy and recommendation package should be prepared for each county. This research should be based on interviews and should be done individually in each EU member state. Recommendation packages should be good bases for updating youth policy documents and making them more related and relevant to young populations' needs and requirements.

The creation of a state strategy based on the results of the research should become the basis for the development of new approaches. It is desirable for any entity to focus on the priority areas that are reflected in the state policy and strategy. It is also necessary to find effective ways in terms of thematic and territorial harmonization of programs. To exclude thematic coherence and coherence of projects. Updating the state youth policy and creating a strategy will also enable us to have more opportunities to collect, analyse, and plan for future information on youth activities.

4.3. CONCLUSION

Given the urgency of the issue, the employment problem is one of the most important economic problems in the EU. The root problems of employment are still unresolved. This, in turn, leads to feedback - a slowdown in economic development. From these problems, we can highlight some key issues related to the successful solution of the tasks of ensuring effective employment. In the labour market, it is difficult to achieve an optimal balance between labour supply and demand, which hinders the reduction of unemployment rates in the country and the stability of employment processes. In addition, it is important that without the development of state policy, the labour market cannot regulate the creation of equal employment conditions for job seekers⁴⁰⁰. Especially in the case of low-competitive jobs.

It is also clear that the effectiveness of initiatives or programs implemented to improve youth employment in the EU over the last decade is doubtful. This is confirmed by the high level of youth unemployment. Inefficiency is due to several factors, the most notable of which are:

⁴⁰⁰ Center for European Policy Studies (CEPS). (2015). Youth unemployment in Europe: What to do about it? Brussels: CEPS.

- a. The huge gap between EU member states in terms of economic status, specific characteristics or youth unemployment confuses the idea of a unified, universal policy and significantly reduces its effectiveness.
- b. Policymakers do not want to understand or do not understand that solving such a complex and multifaceted problem as youth unemployment is impossible with any kind of universal, 27 state solution project.
- c. Many of the state programs are more about encouraging young people, involving them in education or training, and providing them with social assistance, rather than solving key problems or stimulating job creation. Without the latter, even a high level of education and professional development is ineffective. These measures temporarily, slightly eliminate the problem of unemployment, but do not eliminate its primary source - the problem remains.

From all the above, the root of the multifaceted problem of youth unemployment in the EU should be sought not in financial crises, economic shocks or other external factors, but in the internal, social, educational or educational problems of a particular country. And the way to solve it depends on the will and ability of the government of this or that country to discover the mentioned problems or challenges and to solve them. Otherwise, any superficial attempt makes no sense; Youth unemployment is having serious consequences for the country and its future.

The entrepreneurial sector is the foundation of any country's economy. Small and medium enterprises are especially important for the developing economy. They are the ones who stand out with the potential for employment growth and job creation. Also, a strong and well-developed small and medium-sized enterprise sector contributes significantly to exports, innovations, and the creation of modern entrepreneurial culture, and at the same time, plays a special role in

raising the level of wealth of the individual state⁴⁰¹. In the process of developing the labour market, it is important that the employee not only be provided with a job but also, at the same time, his rights as an employee are strictly protected and receive adequate remuneration as a result of the activity, which provides him with normal living conditions. As we discussed above it is essential to have a complex approach to the issue. More private and public sectors need to be involved in youth employment. There should be a higher frequency of state attention to addressing youth employment and employment problems. It is necessary to have a state employment system that will study the economic situation of all young people and, consequently, implement the employment program.

At the present stage, the main recommendation for the European Union is to improve and implement programs for the radical improvement of the socio-economic situation of the population at all levels, in which the states should take an active part. To overcome it, it is important to take into account the demands of the labour market and the demographic, political, and national conditions characteristic of the state. These recommendations stated in this chapter will help reduce the unemployment rate among young people and increase real employment opportunities.

⁴⁰¹ Acs, Z. J. (2006). How is entrepreneurship good for economic growth? *Innovations: Technology, Governance, Globalization*, 1(1), 97-107.

CHAPTER V:

CONCLUSION AND MAIN FINDINGS

Youth is the most important part of society, which can not only play the role of a participant in the process of changes and development but also become the initiator of transformational processes. Therefore, it is important to support them in the process of transformation or development. This means not just providing young people with access to the services they need to acquire different knowledge and skills, but also protecting young people's rights, exploring and responding to their needs, both locally at the governmental level and centrally – the European Union approach. All this together creates a favourable environment for the development of young people and, therefore, society.

Young people have a unique ability to contribute significantly to both the social and economic development of the country. In this context, it is important for the state to create an environment that responds to the challenges of young people and provides an opportunity for effective implementation of youth policy for young people and with young people. Youth policy should be based on the principles of human rights, citizenship, and gender equality.

On the other hand, youth employment has positive effects for both the economy and the well-being of young people. From the public point of view, the employment of young people is important as it contributes to the participation of the young generation in social events, integration, solidarity, etc. Creation of decent income jobs for young people has a positive impact on reducing poverty. Promotion of the inclusion of young, qualified labour force in the productive sector of the economy is an important factor for the development of the economy and for the maintenance and further growth of the country's competitiveness and productivity in the international market.

Youth unemployment as a pillar of the social economic environment is still under development and study. Many states pay a big attention to the topic as it has in the end a big influence on the economic performance of the state. Many key issues were found during the research on why the unemployment of young professionals remains a global problem.

This dissertation has studied the main aspects and elements of youth unemployment in the European union member states. Of course, with the limits, I was not able to assess and analyse all 27 member states, but within the research most of the countries were covered. General EU policies and statistics were the main data and bases of the whole study.

There are many scientific articles or official studies on youth unemployment in the EU, including studies prepared by the EU itself and by an international labour organisation. In the majority of the studies mentioned in the dissertation differences of opinion regarding the current situation of youth unemployment in Europe were highlighted. As youth unemployment is an actual and important public challenge, there are many types of data available regarding it. However, the problem is that research sometimes focuses on unemployment in general and youth unemployment is treated as a secondary subject. Despite challenges lot of sources and important materials were analysed and assessed in the dissertation. Research on youth unemployment is largely dependent on the government's willingness to share information on which to draw conclusions from the research.

Many official studies or scientific papers prepared or supported by the EU in some cases serve to cover the most positive aspects of youth employment programs or initiatives. In order to correctly understand the hints about the mentioned problem of youth unemployment topic, it is necessary to take into account many research and scientific works. That was the reason why the dissertation work was narrowed down and had comparison analyses of cases of two countries: Hungary and the Czech Republic. There are many reasons and

factors for both general unemployment and youth unemployment, including social, financial, educational, economic, and political factors.

In the first chapter statistical data was brought and analysed to understand the dynamics of youth unemployment year by year. The main sources used in the chapter were brought from Eurostat and ILO. It is important to underline the definition of the international labour organisation of unemployment and its categories of the labour force: **employed, unemployed and economically inactive.**

When exploring into the statistics, the definition of 'unemployment' is also an issue, as there are various details that cause differing interpretations of the term. An individual is classified as 'unemployed' by the United Nations when they have not been working for a particular period of time but are nonetheless able and willing to find work. As an example of the significance of this issue, take the position of 'student,' who is deemed a 'jobseeker' in certain nations but counts as 'employed' in others.

There are notable discrepancies in the rates of youth unemployment across the EU. The figures and data presented in the first chapter illustrate the proportion of youth unemployment in all European Union member countries, with substantial disparities between Eastern and Western European regions. There are several reasons for youth unemployment in general, but there are underlined some main ones based on Eurostat and ILO findings, and all of the are linked to the state's economic performance in general:

- Reduced macroeconomic performance.
- Poor economic performance
- Lack of economic growth

Besides social economic performance, the influence of youth unemployment has more specific factors. The biggest issue and hurdle for young people entering the labour market is a lack of experience and, in certain cases, informal education.

“Informal education refers to a lifelong learning process, whereby everyone acquires attitudes, values, skills and knowledge from the educational influences and resources in his or her own environment and from daily experience. People learn from family and neighbours, in the marketplace, at the library, at art exhibitions, at work and through playing, reading and sports activities. The mass media are a very important medium for informal education, for instance through plays and films, music and songs, televised debates and documentaries. Learning in this way is often unplanned and unstructured.”⁴⁰²

Labour-related migration policies were another finding of chapter one. For some years, the EU has been working on migration concerns, and numerous policies and institutions have been devised to better manage migratory processes. Legal labour migration remains a difficulty, and it is still a fragmented and constrained procedure. National and European policies both aim to secure the availability of human capital and support migratory patterns that are linked to the labour market.

The rate of unemployment in the European Union, especially among young people, is significantly impacted by labour migration in general. Immigration-specific policies fail to do as intended to stop nations from experiencing immigration flows by shielding or influencing immigrants. There have been a number of conversations and debates over immigration policy, particularly in light of the European immigration crisis that began in 2017 as a result of the Syrian war. Since several governments adopted discriminatory strategies to defend themselves from the flow of immigrants, various new rules and regulations have been implemented both at the European and local levels of some European Union member state.

⁴⁰² Council of Europe. (2013). Glossary on youth policy. <https://www.coe.int/en/web/european-youth-foundation/definitions>

The great degree of job mobility brought on by globalization and the likelihood of passivity among the younger generation may both be used to explain the gap between youth and adult unemployment. The rate of inactivity differs widely among nations and is closely related to youth unemployment. Youth perform at a level that is four times greater than the adult population in the European Union when comparing adult and youth inactivity. Higher levels of inactivity are typically directly correlated with beginning formal schooling. This chapter's description of the transition process covers the time from academic institutions to secure job. The phase of transition often represents the procedures involved, how young individuals enter the labour force, how admission to the labour force is controlled, and what the overall effects are for young job searchers throughout this time. Individual resources and the person's background play a crucial role throughout the transition phase, but they can have some negative effects and provide certain obstacles. Institutions that support the time of transition from school to the labour market furthermore respond more quickly to social and other circumstances (demography, business environment, etc.) The structure of opportunities changes by its very nature and increases the risk of unemployment for people rather than assisting in successfully navigating the transition from education to the labour market, even if the institutions' tools for facilitating this transition remain stable at the current level.

The chapter also underlined the problem of employment in rural areas. Which has a big challenge in access to education for young people. How do governmental institutions react to this issue and what policies and regulations do apply for the development of the labour market in rural areas? Besides, globalisation processes might have a positive impact on youth unemployment in rural areas. The labour market is evolving towards a new, as-yet-undetermined stage as a result of continuous globalisation processes that constantly present new obstacles. Future jobs are also being created as a result of this transition to online platforms. Although the procedures are somewhat predictable, they are nevertheless quite ambiguous in other places. Since young people have the

opportunity and time to adjust to the changes and find a perfect match for the demands of the job market, these processes and general changes brought about by globalisation ultimately have beneficial impacts on young people. Future employment opportunities including cloud-based businesses, rapid technical advancements, and the expansion of the worldwide market are largely advantageous for the growth of the youth labour market.

To summarise, chapter one had a general overview of youth unemployment, identified the main factors that influence the rate of youth unemployment and challenges that states face in the process to overcome the issue. Besides analysing the influence of state policies and economic performance on youth unemployment.

The second chapter of the dissertation studies the **youth policy of the European Union**. Underlines the importance of dual-education systems supporting vocational education and has a close review of policy documents linked to young people. The first part of the chapter reviews the legal framework, policy papers and youth programmes initiated by the European Union, starting from the Maastricht treaty – which was the first official document where a separate chapter was dedicated to young people.

The European Commission white paper, ‘A New Impetus for European Youth’, was released in November 2001 in Brussels, Belgium. The European Union first consolidated its position on youth policy with the adoption of a white paper in 2001. It is regarded as the first framework developed with two major goals in mind: to promote cooperation inside the European Union, between the member states, and to give youth a higher priority in any sectoral policy. Since the white paper's publication, several initiatives financed by the European Union, including exchange and volunteer programmes, have actively promoted youth engagement in social life. The white paper represented a radical change that helped lay the groundwork for subsequent youth initiatives (Youth, Youth in Action, Erasmus +, etc.). The white paper was followed by European Pact for

Youth 2005 – presented by European Commission in Lisbon Strategy mid-term meeting. At the end of 2009 new document referring to youth issues was adopted in Europe – Youth Strategy Paper.

The youth Strategy paper was for the first time published at the end of 2009 and covered the years 2010-2018. The strategy document featured a well-defined action plan and contained initiatives in several domains. The document, in a more organised and effective manner, prioritised and highlighted the same requirements and challenges that were already discussed in the earlier papers (White Paper and Youth Pact).

Besides policies, pacts and strategy papers in the chapter also presented some programmes funded and prioritised by the European Commission. Below is the list of the programs studied in the dissertation that is linked to the research topic:

- Youth program
- Youth in Action
- Erasmus +
- Youth Opportunity Initiative program (YOI)
- Youth Guarantee program (YG)
- Youth Employment Initiative' (YEI)

This program's primary goal was to direct financial assistance to the areas that needed it the most. Under the financial sponsorship of the European Social Fund, the programme was carried out at the national level.

The obvious emergence of developing youth policy for the European Union is evident in the documents reviewed in chapter two and the youth strategy paper discussed in this chapter. The initiatives that the European Union and the Council of Europe took in response to this emergency had beneficial results and should be viewed as positive steps toward improving youth policy in Europe. The initiatives that have been put into place over the past ten years have also played a vital role

in helping young people build soft and social skills in addition to tackling the major concerns facing youth.

Role of the Non-governmental organisations (NGO) in the youth unemployment issue – is another key sub-topic of the second chapter. Assessment and role of the international and local non-governmental organisations underline the importance of their involvement in the problem-solving process of youth. Numerous organisations in the European Union work specifically on these issues, and they appear to be one of the key parties involved in the formulation of national youth policy. Numerous youth organisations work to help young people improve their essential competencies and social skills via a variety of international and local projects.

Most of the time, NGOs organise events like training sessions, seminars, youth exchanges, and international conferences at no cost to the young participants. Therefore, NGOs play a crucial role in determining the requirements of their target audience, offering services, connecting communities and governments, and putting their knowledge to use. NGOs have an impact on young people's education by supporting government-sponsored programmes and giving young people the resources, skills, and knowledge, they need. However, when seen from a governmental perspective, young NGOs in the European Union do not have an easy transition, particularly when it comes to the recognition and inclusion of NGOs as a direct target group in policy creation and decision-making processes. The chapter's goal was to give a situational analysis of European youth policy, including what practical initiatives have been done and what is being planned to address youth unemployment and preserve their job rights.

Chapter three was dedicated to the deep analysis and **study of two member states of the European Union: Hungary and the Czech Republic**. These two states were chosen due to their similarity in development level, historical background and geographical allocation. Despite the similarities, there is a big

difference in the rate of youth unemployment and was interesting to assess and determine the main causes of different statistics.

Youth unemployment in Hungary and the Czech Republic has been a concern in recent years. In Hungary, the youth unemployment rate (ages 15-24) reached a peak of 19.4% in 2013 but has since decreased to 11.5% in 2020. However, this rate is still higher than the overall unemployment rate of 3.5%. In the Czech Republic, the youth unemployment rate reached a peak of 17.3% in 2013 but decreased to 8.2% in 2020. This rate is also higher than the overall unemployment rate of 2.7%.⁴⁰³

Factors contributing to high youth unemployment in these countries include a lack of job opportunities, a mismatch between the skills of young people and the needs of employers, and a lack of experience and education. Additionally, the economic downturn caused by the crisis in 2008 has had a significant impact on youth unemployment rates.

To address youth unemployment, both Hungary and the Czech Republic have implemented various measures such as training programs, apprenticeships, and subsidies for employers who hire young people. The European Union's Youth Guarantee program, which aims to ensure that all young people under the age of 25 receive a good-quality offer of employment, education, or training within four months of becoming unemployed or leaving education, is also available in both countries.

However, The Czech Republic has a lower rate of youth unemployment compared to Hungary for a few reasons. One of the main reasons is the Czech Republic has a more developed and diversified economy compared to Hungary. The Czech Republic has a well-established manufacturing industry, which has helped to create jobs for young people. The Czech Republic also has a relatively

⁴⁰³ Eurostat. (2020). Youth unemployment statistics. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Youth_unemployment_statistics#Youth_unemployment_rate

high level of foreign direct investment, which has led to the creation of new jobs and business opportunities.

Another factor is that the Czech Republic has a stronger education system and a more skilled workforce than Hungary. The Czech Republic has a robust vocational education and training system that helps young people prepare for the job and matches them with the requirements of employers. Furthermore, as compared to Hungary, the Czech Republic has a greater percentage of tertiary education enrolment, which implies that more young people are acquiring better levels of education and training, which can boost their employability. In order to solve youth unemployment, the Czech Republic's government has also put laws and programmes into place, including training courses, apprenticeships, and financial incentives for businesses that recruit young people. In addition, compared to Hungary, the Czech Republic has a more accommodating labour market that makes it simpler for businesses to hire and fire workers. The amount of social mobility, the degree of economic inequality, and cultural attitudes toward labour and education are just a few examples of the cultural and sociological elements that research reveals may have an influence on youth unemployment rates. It has been discovered that the Czech Republic has more positive views toward labour and education, higher social mobility, and less economic inequality than Hungary, which may possibly help explain why it has a lower percentage of youth unemployment.

Non-governmental organizations (NGOs) have played a significant role in addressing youth unemployment in the Czech Republic and Hungary. In the Czech Republic, NGOs have been involved in providing job training and education programs for young people, as well as offering counselling and support services to help young people find employment. Some NGOs also work with employers to create job opportunities for young people and provide incentives for employers to hire young workers.

In conclusion, NGOs in the Czech Republic and Hungary have played an important role in providing education, training and support services to young people and working with employers to create job opportunities for young people. Additionally, NGOs have been involved in research and advocacy efforts to raise awareness about youth unemployment and its impact on young people and society as a whole. A better-developed economy, a more trained workforce, a better education system, and more effective government initiatives have all contributed to lower young unemployment rates in the Czech Republic as compared to Hungary.

There are several ways to **improve youth unemployment issues and further develop youth policies**. Some strategies that have been shown in chapter four will have an effective effect on governmental performance and will cause positive changes towards the youth unemployment issue. Youth unemployment is a serious problem that has an impact on not just the unemployed individuals but also their families, communities, and whole nations. Financial hardships are brought on by the high rate of young unemployment, but it can also have long-term detrimental impacts on physical and mental health as well as lower participation in the labour field. For the general welfare and advancement of societies, it is essential to reduce young unemployment and further improve youth policy.

Youth employment regulation is critical to ensure that young people have access to high-quality occupations and may fully engage in the labour force. Important considerations in effectively regulating youth employment include studying, researching, and forecasting the labour market, predicting trends in changes in labour demand, analysing workplace structure, and promoting the development of business relations between social partners in the field of employment.

Many ways and proposals on how to address youth unemployment and youth policy, in general, have been discussed in this chapter. Of course, each state and country require a unique approach and study to determine how to respond and

develop the best plan. Below are a few actions that, in my opinion, are universal and/or will assist governments in determining their own, country-specific strategy and in planning future steps to address youth unemployment:

1. Complex approaches to the solving problem of youth unemployment, including the ministry of economy, Ministry of Youth affairs, ministry of education, Etc.
2. Recognition of non-formal education and vocational training
3. Research to define the needs of young people and identify their problems also involves NGOs. Based on the research update national policy documents and prepare recommendations for updating the EU strategy of Youth through the National Youth Council of the EU member states
4. Youth participation

To conclude the chapter, there are various ways to improve youth unemployment and further develop youth policies. By providing job training and education programs, offering incentives for businesses to hire and train young workers, creating apprenticeship and internship opportunities, improving access to affordable childcare, healthcare, and housing, and developing youth entrepreneurship. Based on research each state has the possibility to reduce youth unemployment and improve the well-being and development processes of young people by above offered recommendations.

The major purpose of the research, according to the research goals, was to describe the influence of youth policy on the unemployment rate and to identify labour market specialities and their preparedness for young professionals. A time span of 2000-2019 was used to define this aim. The research approach was based on a case study of European countries, as well as a thorough examination of the labour market, youth policy papers, and the actions of government and non-governmental organisations in relation to youth unemployment. A refined literature and empirical analysis were carried out in order to completely follow the study objective.

The research was built to answer the key questions set from the beginning. All chapters and studies were dedicated to finding evidence and proof for answering them in the right and efficient way. Below I will recall all the questions and refer to the outcomes and main findings of the dissertation.

KEY QUESTIONS OF THE THESIS:

- **What is the role of the education system and what challenges does it face?**

From the beginning, it was obvious that the education system must play the important role in the employment of young professionals. Based on research in chapters two and three we found out the key links that the education system has towards youth unemployment. The education system is critical in tackling the problem of young unemployment. The education system serves to enhance young people's work chances and lessen the danger of unemployment by equipping them with the skills and information they need to succeed in the labour market.

Preparing young people for the labour market is one of the primary ways in which the education system helps to youth employment. This requires not just giving a solid academic foundation but also teaching skills such as critical thinking, problem-solving, and communication, all of which are in great demand by businesses. The school system also plays a role in introducing young people to various professional choices, assisting them in identifying their talents and interests and making knowledgeable decisions about their future.

However, in tackling young unemployment, the education sector confronts various problems. One of these problems is ensuring that the skills and information taught to young people are market relevant. With the quick rate of technological change, it is critical that the education system keeps up with the newest labour market trends and developments to provide young people with the skills they need to succeed in the transition period from school to the labour market.

To summarise, the education system plays an important part in solving youth unemployment. The education system serves to lower the risk of unemployment and promote economic growth by educating young people with the skills and information they need to succeed in the labour market. However, the education system must be flexible towards constantly changing job market demands and should provide excellent education to all young people. It should be comprehensive and accessible to everyone. That's why in chapter six while working on recommendation involvement of educational institutions in solving the youth unemployment issue is critically important.

- **What kinds of instruments have been applied and who are the actors in different countries?**

During the research, a few actors and tools were identified which has a significant influence on youth unemployment. A variety of policy tools have been used by different actors to address the problem of young unemployment in Europe. These tools are intended to assist young people in making the transition from school to the workforce and to provide them with chances to get work experience, improve their skills, and secure employment.

From chapter two, vocational training and skills development programmes are key policy tools used to alleviate young unemployment. These initiatives are designed to provide young people with the information and abilities they need to enter the workforce and enhance their career chances. They are offered in a variety of ways, such as apprenticeships, internships, or job training programmes, and are frequently provided by public sector organisations, non-profits, or private sector enterprises.

The European Union, national and regional governments, NGOs, employers' groups, trade unions, and young people themselves are just a few of the many actors that have an impact on youth unemployment in Europe. Governments at the national and local levels are essential in determining policies and supporting

initiatives and programmes to address youth unemployment. Through programmes like the Youth Guarantee and the European Youth Strategy, which work to guarantee that all young people in Europe have access to high-quality job and training opportunities, the European Union also plays a significant role.

Trade unions have a role in lobbying for the rights of young people and promoting policies and programmes that aim to improve youth employment chances. NGOs and trade unions in the European Union are involved in offering vocational training and skills development programmes.

In chapter six I have also identified the problem of youth involvement in the policy-making process and how important it is to have young people directly involved in it. Young people themselves are key actors in the youth unemployment issue, as they are directly affected by the challenges, they face in finding employment. Through their participation in programs and initiatives aimed at addressing youth unemployment, they can help to shape policy and create opportunities for themselves in the best and most effective way.

To sum up, a variety of policy tools have been used to combat youth unemployment in Europe, and a wide range of players are involved in developing and implementing these programmes. By collaborating, these parties can make it easier for young people to find jobs and guarantee that they have access to the services and opportunities they need to be successful in the labour market.

- **What are the positive impacts of the European programs? What are the benefits for young people and how do they influence their employability?**

European youth programmes are created to assist young people in making the transition from school to the workforce and to increase their employability by giving them the information and skills necessary to be successful in the labour market. These initiatives benefit young people in many ways and have a big impact on their employability.

The development of young people's abilities and knowledge is one of the major advantages of European youth programmes. Young people have the chance to learn new skills, develop their current ones, and obtain useful job experience by taking part in vocational training and skills development programmes. They might become more competitive in the job market and have a better chance of landing a job as a result.

Besides the thematic knowledge, young people through this programme develop their social skills and competencies, such as leadership, teamwork, effective communication, problem-solving and many more skills that could be valuable while entering the labour market. The confidence and motivation of young people are positively impacted by European youth initiatives. Young people who take part in these programmes might get a perspective of direction and purpose as well as increased self-assurance about their capacity to thrive in the labour market. This may result in a more positive view of the future as well as a stronger readiness to take chances and go for their ambitions. The development of networks and connections with other young people and possible employers is another advantage of European youth initiatives. Young people who take part in these programmes have the possibility to connect with other young people and potential employers, which increases their prospects of obtaining work in the future.

- **Do non-governmental organisations (NGOs) play a role?**

A lot was dedicated to the research to find proof of NGO influence on youth unemployment. Also, the case study of Hungary and the Czech Republic led to defining the answer to this question in chapter three. Non-governmental organisations (NGOs) play a vital role in combating young unemployment and supplementing government and private sector initiatives. NGOs give opportunities for young people to improve their skills, get experience, and find work through their numerous programmes and projects.

One of the most important ways that non-governmental organisations (NGOs) contribute to youth employment is through vocational training and skill development initiatives. These programmes attempt to provide young people with the skills and information they need to enter the labour force and increase their chances of employment. NGOs, for example, may provide courses in areas such as computer skills, language competence, or entrepreneurship, assisting young people in developing skills that are in high demand by employers.

NGOs are also involved in lobbying for young people's rights and pushing laws and initiatives that improve their job chances. NGOs may assist to create a more favourable climate for youth employment and ensuring that young people have the support and opportunities they need to thrive in the labour market by raising awareness and campaigning for change. Furthermore, the involvement of non-governmental organisations (NGOs) in young employment is critical. NGOs assist young people with the skills, experience, and opportunities they need to locate and succeed in the labour market through their different programmes and projects.

- **What is the role of youth programs (e.g. Erasmus)? Can they help in youth unemployment issues?**

1. Youth program
2. Youth in Action
3. Erasmus +
4. Youth Opportunity Initiative program (YOI)
5. Youth Guarantee program (YG)
6. Youth Employment Initiative (YEI)

Those were the main youth programmes funded by the European Union that I have identified and studied in chapter two. European youth initiatives have the potential to improve the economy as a whole. These programmes can contribute to a decrease in youth unemployment and an increase in the number of productive

and involved citizens by providing young people with the information and skills necessary to thrive in the labour market.

In conclusion, youth programmes in Europe have a significant influence on young people's employability and play a crucial part in assisting them in making the transition from school to the workforce. These programmes can help to improve the environment for youth employment by offering young people the knowledge and skills they need to succeed in the job market and by encouraging entrepreneurship and self-employment. They can also guarantee that young people get the support and opportunities they need to succeed as employees.

- **How is national youth policy impacted by EU-level policies? Do young people have any say in decision-making at the state, regional or international level?**

The European Union's youth policy is seen as a critical method for fighting against youth unemployment. The EU has undertaken several initiatives, including the European Youth Guarantee, Erasmus, and other youth employment programmes, with the goal of giving young people the opportunity to develop their skills and find jobs. However, the efficacy of these measures has been called into question, and further studies in all chapters lead to the conclusion that youth policies create all the patterns to have the biggest and most direct effect on the youth unemployment rate.

The youth forum – identified in chapter two, is the main platform for young people to be involved and influence decision-making processes at different European and state levels. The youth forum is an umbrella organisation that provides young people with the opportunity to voice their opinions and concerns, and to engage with decision-makers in a meaningful and productive way. The goal of the youth forum is to ensure that young people are represented and that their perspectives are considered in the development of policies and programs that affect their lives.

The youth forum also encourages young people's active engagement in the political process, which is another advantage. Young people may get a greater awareness of the problems that influence their life and learn how to advocate for their opinions and interests by having conversations and arguments with decision-makers. This can promote the formation of a more educated and involved citizenship as well as a more democratic and inclusive society. The youth forum plays a significant role in ensuring that the perspectives and needs of young people are taken into account in the development of policies and programmes that affect their lives by giving young people a voice in the political process, encouraging their active participation, and fostering collaboration between young people and decision-makers. More involvement of the young people and strengthening organisations operating under the umbrella of the youth forum is another recommendation based on findings from chapter six.

OBJECTIVES OF THE RESEARCH:

This research intended to confirm or refuse the following three hypotheses in order to ascertain whether there is any connection between the EU youth policy and youth unemployment rates in member states as well as whether different non-governmental organisations have generation-specific effects.

1: EU-funded youth programs play a significant role in the employability of young people within the European Union member states.

2: In EU member states, the rate of unemployed youth depends on and has a strong connection with the performances of non-governmental organisations.

3: National youth policy papers do not have the strength nor capacity to play a role in solving unemployment issues at the local level.

Proposed hypotheses have been confirmed or partially confirmed in the study. The first one was fully confirmed as youth initiatives and programmes supported by the EU have the potential to significantly improve young people's employability in EU member states. These programmes provide several chances for skill improvement, training, internships, and job placement, which can assist young people in acquiring the knowledge and abilities needed to enter the labour market. Those programs also support local institutions to employ young professionals. By providing practical work experience, education and training opportunities, and a network of support and mentorship, these programs help young people gain the necessary skills and experience to succeed in the competitive labour market.

The second hypothesis was partially confirmed as the success of non-governmental organisations is highly linked to the rate of youth unemployment in member countries of the European Union, but their influence cannot be proved by the research. NGOs are essential in helping young people in need, particularly those who are having trouble finding jobs, by offering them assistance, opportunities, and resources. The rights and interests of young people in the labour market are strongly supported by NGOs. They frequently collaborate with businesses, decision-makers, and other stakeholders to increase public awareness of the difficulties young people experience in the job market and to provide solutions that can enhance their chances of finding employment. For instance, NGOs may advocate for the establishment of initiatives that encourage young people to start their own businesses, the implementation of youth-friendly policies, or the creation of employment training programmes. The rate of youth unemployment in European Union member countries is directly related but does not depend on the success of non-governmental organisations. NGOs play a key role in enhancing young people's employment opportunities and helping to

minimise youth unemployment through their work in career development, advocacy, and social assistance.

The third hypothesis of the dissertation was also partially approved by assessing the national youth policies of some member states. National youth policy papers are important documents that outline the goals, objectives, and strategies for addressing youth unemployment at the national level. However, these policy papers in the majority of European Union member states lack the strength and capacity to effectively solve youth unemployment issues at the local level. One of the major issues that national youth policy documents face is that they frequently fail to take into consideration the varied conditions and challenges that young people encounter in different areas and communities. While these policy papers may establish general aims and objectives for decreasing young unemployment, they may fall short of providing the specific, practical solutions required to address the core causes of youth unemployment in a given environment. While national youth policy documents are crucial in tackling young unemployment at the national level, they lack the power and competence to handle these issues effectively at the national level. To address youth unemployment in a more comprehensive and successful manner, deep research and analyses are required in each individual community, besides engagement of young people must be supported in decision-making processes, and more focused, practical solutions that are relevant to the individual needs and circumstances of each community must be developed.

In conclusion, youth unemployment is an alarming problem in the European Union, as millions of young people are having difficulty finding jobs. Numerous initiatives by the EU have attempted to address the issue, but more must be done to strengthen the system of education and training and increase the number of work prospects for young people. Additionally, policies that encourage small business growth, entrepreneurship and innovation can also help create jobs for young people, as well as policies to improve working conditions and wages.

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