



12 March 2012 - Unemployment is hotly debated everywhere in the European Union, not least in Southern Europe and often the Nordic countries are cited as examples of an efficient, flexible job market.

Youth unemployment is certainly highest in countries such as Spain with more than 40% of young job seekers unemployed, but if we look at unemployment among those under 24 compared to unemployment in general, the situation is different.

The highest ratio of youth unemployment vs unemployment in general in the OECD is in Sweden.

Unemployment among the under 24's in Sweden is 24.2%, or four times the average unemployment rate of 8%. The average for those aged 25-54 is 6.1%.

Germany, Switzerland and Japan are the only three OECD countries where youth unemployment is less than twice the average rate of unemployment.

The high ratio of unemployed youth in Sweden is not necessarily linked to the world economic crisis according to the Union of Swedish Employers which means that the reasons are structural.

### **Blame it on education**

Both employers and the Federation of Swedish Trade Unions (LO) agree that the education system, is partly to blame. Too many young people graduate without the necessary skills for the job market, partly due to their own choices.

“About 20-25% do not get adequate school results. Of those who do, many choose an education where there are more graduates than are needed. We often cite education in such sectors as tourism, media and professions such as hairdressers as examples,” Christer Aagren, Deputy-Director of the Swedish Employer’s Union told the newspaper Aftonbladet recently.

The young do not have a chance to get any experience in the job market. “Many young people do not have any experience of working; which can be obtained by internships or working part time with school. If, in addition, your junior high school studies are not successful then you are in a bad place,” says Thomas Carlén, economist at the Federation of Swedish Trade Unions.

There is disagreement on how to fight youth unemployment. The Employer’s Union demand more flexibility and lower minimum wages. The trade unions, on the other hand, want more subsidies to create jobs for the young and long time unemployed.

“There is a growing group of youngsters who are not attractive for the job market. This is expensive for society, but most importantly it is terrible for those individuals,” says Mr. Carlén.

### **The German model**

In Germany the youth unemployment ratio is only one and a half times as big as unemployment in general. According to a recent article in the British weekly the Economist, one of the reasons is an apprentice-style approach which is also practised in the Netherlands and Austria with similar results.

- In Germany a quarter of employers provide formal apprenticeship schemes and nearly two-thirds of schoolchildren undertake apprenticeships.
- Students in vocational schools spend around three days a week as part-time salaried

apprentices of companies for two to four years. The cost is shared by the company and the government, and it is common for apprenticeships to turn into jobs at the end of the training. However, the German export driven economy based on manufacturing may be better suited to this approach than more service-oriented economies.

### **Ever heard of the new phenomenon Precariat?**

According to Eurostat, 20.9% of young people are unemployed in Europe.

When young people finally find a job, it may be an unstable one, being part-time, flexi, or temporary. Often they are trapped in countless internships or endless probationary periods. Also, they may be over-qualified for the positions they obtain. And, in some countries, being young means earning less, because of pre-established payment rates based on age categories.

A new word has been created to explain a new phenomenon that many young people are facing. 'Precariat' results from the combination of two words: 'precarious' and 'proletariat'.

The British economist, Guy Standing, divides the Precariat into three groups; workers from the former proletariat; young people with too many qualifications who are unemployed or precarious employees and finally, migrants.

According to the Economist, "in tough times young people are often the first to lose out. They are relatively inexperienced and low-skilled, and in many countries they are easier to fire than their elders. This all goes to make them obvious targets for employers seeking savings, though their low pay can redress things a little."