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THE FORTY-THIRD PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY  
**CULTURAL, EDUCATIONAL AND SOCIAL AFFAIRS COMMITTEE**

**REPORT\***

**“YOUTH UNEMPLOYMENT AND EMPLOYMENT POLICIES  
IN THE BSEC REGION:  
THE NEED TO EMPOWER THE YOUNG GENERATION”**

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## I. INTRODUCTION

1. In countries around the world, persistently high youth unemployment threatens the futures of individuals and the broader economy. The global unemployment rate among 15- to 24-year-olds was estimated at 12.6% in 2013, with 73 million young people jobless worldwide, according to the International Labour Office.

2. Levels of informal employment among young people are also increasing and youth are finding it ever more difficult to find jobs that match their skills and education. Young adults are three times more likely to be unemployed than other adults. They want to continue their education, receive employment training and participate productively in the workforce, but they are hampered by weak economies, discrimination and inequality of opportunity. The youth unemployment crisis threatens to leave a generation lost to work.

3. The recent economic crisis has intensified the uncertainty in the labour markets of Europe and its surrounding regions, where a severe recession in 2009 and beyond has led to the loss of hundreds of thousands of jobs.

4. Since its establishment, the Parliamentary Assembly of BSEC has placed social issues in the centre of its priorities. Employment has been a key issue discussed in numerous Reports and Recommendations adopted by the Assembly, such as:

- Social guarantees during the transition period (14/1996);
- Rights and social protection of refugees and displaced persons (21/1997);
- The legal framework of the protection of migrant workers in the Black Sea countries and the relations between immigrant communities and the host country (51/2001);
- Women's participation in the political, economic, social and cultural life (61/2002);
- Social reintegration of jobless people (67/2002);
- The fight against poverty (74/2003);
- Improving social, economic and civil rights of people with disabilities (77/2004);
- Improvement of the quality of life in the BSEC Member States (100/2007);
- Social cohesion within the BSEC Member States: contribution to political stability (103/2008);
- The impact of globalization on the social policies in the BSEC Member States (106/2008);
- Migration in the BSEC Member States – social and cultural aspects (109/2009);
- Social welfare reforms in the BSEC Member States (130/2012).

5. In the context of the youth unemployment crisis as mentioned above, the PABSEC Cultural, Educational and Social Affairs Committee decided to focus on “Youth unemployment and employment policies in the BSEC Member States: the need to empower the new generation” as the main item of the Agenda of its 42<sup>nd</sup> Meeting, to be held in Antalya, on 9-10 April 2014. Contributions to the Report were received from the national delegations of Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia and Turkey. Reference material was also obtained from the official websites of ILO, EU, Council of Europe, OECD and other relevant international organizations.

## II. YOUTH UNEMPLOYMENT – AN OVERVIEW OF THE BSEC REGION

6. In modern economies, continuous economic restructuring, innovation and globalisation have led to major transformations in labour markets, giving rise to pervasive skills mismatches. Increasingly, at least in the private sector, jobs are not for life as they were in the past, as the rapid development of new technologies makes old skills obsolete at shorter and shorter intervals. This is especially so in countries with low labour market regulation and weak social security systems.

7. This turbulence in the labour markets has been even greater in the transition economies, where entire industries that previously relied on subsidies and operated under soft budget constraints have all but disappeared. After almost a decade of sustained economic growth, the global economic crisis brought about an abrupt reversal of fortunes and unemployment began to increase in most countries of the region.

8. Although the BSEC Member States have different levels of socio-economic development, they share some similarities in terms of difficult labour market conditions. Hence, relatively low activity and employment rates and high unemployment rates are observed.

9. Long unemployment that spells early in life and extended periods in the informal economy affect the prospects of young people to secure a career job and a decent wage. High youth unemployment causes immediate and long-term economic damage. It means young adults take longer to get married, buy homes and begin families. In the long run, it means slower economic growth and lower tax receipts. Countries with prolonged high levels of youth unemployment risk social instability.

10. The European Foundation for Living and Working Conditions (Eurofound) has estimated the current economic loss in the EU of having 7.5 million young people out of work or education or training at over €150 billion every year (1.2% of EU GDP) in terms of benefits paid out and lost output. This is in addition to the long-term costs of unemployment to the economy, to society and to the individuals concerned, such as increased risk of future unemployment and poverty.

11. Not all youth face the same difficulties in gaining access to productive and rewarding jobs, and the extent of these difficulties varies across countries. Nevertheless, in all countries, there is a core group of youth facing various combinations of high and persistent unemployment, poor quality jobs when they do find work and a high risk of social exclusion. In the Member States facing a rapid population ageing, successful engagement of this group in the labour market is crucial not only for improving their own employment prospects and well-being, but also for strengthening overall economic growth, equality and social cohesion. As for the Member States with a young population (i.e. Albania, Azerbaijan and Turkey), young people looking for a job are an opportunity for growth but can also become a source of instability if youth unemployment and discouragement is not addressed.

12. Sharp increases in youth unemployment and underemployment have built upon long-standing structural obstacles that are preventing many youth in the BSEC region from making a successful transition from school to work. It is clear that more must be done to provide youth with the skills and help they need to get a better start in the labour market and progress in their career.

13. Despite the economic growth of the past decade, combating unemployment and informal and precarious employment conditions, in particular among young people, is a major challenge for **Albania**. With a mean age of 30 and 25% of the population in the 15-29 age group, Albania is one of Europe's youngest countries. However, the private sector is not yet able to absorb the growing workforce. Official figures place unemployment at 13.3%, while 58% of the country's workforce work in poor conditions in precarious employment, or work independently and are thus not formally employed. The official unemployment rate for young people between the ages of 19 and 29 is 24.3%. Other estimates place the youth unemployment rate at over 50%. Unemployment among the young is especially high in rural areas – particularly in northern Albania. In addition, roughly 70% of the young people who have jobs work under informal or precarious employment conditions.

14. The highest incidence of unemployment is found among young people with low educational attainment. Among unemployed youth, over 49.2% have compulsory education (56.7% men and 39.3% women), 32.2 % have secondary education (33.9% men and 30 % women) and 18.5% are university graduates (9.3% young men and 30.7% young women). Among young people with upper secondary attainment, general secondary school graduates are more likely to be unemployed compared to graduates of vocational schools.

15. According to the State Statistical Service of **Armenia**, the people in 18-30 age group comprise the 31.27% of overall population. According to the findings of the research “Current practices of young people in employment institute”, 73.3% of young people are engaged neither in gainful employment nor voluntary work. Furthermore, research data indicate that 48.7% of young people are employed, 18.7% unemployed and the economically non-active part constitute 32.6% respectively. The unemployment rate among the youth is 27.8% while the overall unemployment in the country makes up 20.7%. The unemployment rate is the highest among the 20-24 age group and the highest rate of economically non-active people is among the 18-19 year old age group. By types of communities, the urban unemployment is higher making up 22.8%. In rural areas it's comparably lower and makes up 13.1%: it is conditioned by a fact that the rural population owns land plots and by thus, people in this group are considered self-employed.

16. **Azerbaijan** is among the few European and CIS countries with a growing young population. With more than 28% young people aged 15-29 years and 22,2% children aged 0-14 years, ongoing efforts to stimulate job creation have been invaluable for the many young people entering the labour market each year. Youth unemployment was a significant problem in the first half of the 2000s, but between 1999 and 2010, the total youth unemployment rate fell from 18.4% to 11.0%. During the same period, the trend by which young women were more vulnerable to unemployment than young men reversed. Increased participation in tertiary education explains the decline in youth employment and the concomitant rise in unemployment, as the number of students enrolled in tertiary education grew rapidly over the last decade.

17. While throughout the country general unemployment rate has been 5.0%, in 2012 within the 15-29 age group the figure was 10.3% ( in 2007, 2010 and 2011 respectively – 11.8% , 11.3% and 10.8%) and within 15-24 age group - 14.1% (14% , 14.9% and 14.7%). Among the unemployed of 15-29 age group 56.8% are female and 43.2% male.

18. In **Bulgaria**, the rate of youth unemployment (from 15 to 24 years old) for the first nine months of 2013 was 28.3% on average, or by 0.2 percentage points (p.p.) higher compared to the same period of the previous year. According to Eurostat, in 2012 the share of young people that do not work or study was 21.5%, or by 0.3 p.p. less compared to 2011, however despite this decrease, it was still the highest one compared to the index value of the other EU member states for 2012.

19. According to the national legislation young persons aged 15-19 are a target group of the Employment Promotion Policy. In 2013 the average number of the registered unemployed young people aged 15-29 was 74 720, which is almost unaltered compared to 2012. In the same period the unemployment rate for young people aged 15-29 decreased by 0.4 p.p. and in 2013 it was averagely 20.1%.

20. In 2012, the annual unemployment rate in **Georgia** declined slightly by 0.1 percentage point, amounting to 15.0 percent. The rate of youth unemployment was 36.9% for the age group of 15-19; 32.2% for the age group of 20-24; and 25% for the age group of 25-29. The problem of youth unemployment is caused by the following factors: organization of the labor market, lack of work places, the problem of the matching of potential employer with the qualified job seeker, incomplete internship and training practices programs. The latter is the reason of the lack of experience and qualifications among young job seekers, which results in a failure to meet the key demands of employers regarding work experience.

21. In **Greece**, following the crisis which started to hit the country hard during the period 2010–2011, labour force participation decreased even further due to the structural changes and austerity measures. While the downturn in employment concerns everyone, the employment rate for young people fell much more speedily, regardless of gender, educational status or regional concentration. All youth categories in Greece have experienced a dramatic increase in unemployment. Young female workers and young foreign workers are among the most seriously exposed to youth unemployment.

22. The 15–24 age group registers the highest share of youth unemployment. While the average unemployment rate for the country as a whole was 27,6% in July 2013, Greek youth unemployment for the age category 15–24 was 57,3%. This is against the background of formerly well-managed youth unemployment for this age category. It is also to be noted that youth unemployment is most severe among young people with upper (3–4) EU educational attainment. Young people with tertiary qualifications are facing the highest youth unemployment, probably due to their expectations with regard to adequate job offers and working conditions.

23. The youth unemployment rate in **Moldova**, as compared with other categories of the population remains high. The National Bureau of Statistic estimates that during the third quarter of 2013 there were registered 24,1 thousand unemployed young people, aged between 15-29 years, which is almost 47% of the total number of unemployed persons, according to the ILO methodology. Young people aged 15-29 years old constitute 22, 6% of the active population and almost 22% of the total employment. The employment rate among young people aged 15-29 years is 29, 9% and remains low, as compared with the employment rate at the country level (42, 7%) and in particular as compared with other population groups (64,5% of persons aged 45-54 years and 62,7% of persons aged 35-44 years). The labour force

participation rate of the population aged 15-24 years is even lower and represents 19,7%, while the unemployment rate is 11,8%.

24. There are different reasons of high unemployment among young people. One of the problems of youth from Moldova represents the difficulties in the transition process from school to work. The lack of experience in getting the first job is a major problem for young people around the world. In Moldova this situation worsened as result of the young population decreasing and many youth being discouraged by the high unemployment rate take the decision to leave the country for a job abroad.

25. According to employers, young people are not sufficiently prepared for the labour market requirements, even if they are graduates of the three types of education system (secondary vocational, specialty and high education). The employers have to invest first in the young employee in order to increase his productivity, a risk that usually the employers don't want to take.

26. The economic recession has exacerbated the problem of unemployment also in **Romania**. The most affected categories of population are those situated at the extremes of the labor market: the youth and the elderly. Thus, there are significant discrepancies between Romania and the EU-27 concerning the employment rate among youth (15-24 years old), in 2012. The average value of this indicator is by 9% smaller in Romania than in the EU (23.9% in Romania in comparison with 32.9% the average in EU-27), being higher among the young women (10.7%). The unemployment rate for the youth with ages between 15-24 years rose from 18.6% in 2008 to 22.7% in 2012. There are three regions where the level of this indicator is higher than 25%: Center (31.7%), South-East (31.3%) and the South Muntenia (30.2%).

27. The unemployment rate among youth is influenced by the level of education and the discrepancy between the youth qualifications and the abilities required by the employers. The lack of experience makes the youth more vulnerable in comparison with other employees (59% of the employers cannot afford to engage young untrained people).

28. In **Russia**, young people of 16-29 years of age comprise more than 35.0% of the total working-age population. In the 3rd quarter of 2013 the share of youth in the total number of unemployed (according to the ILO method) was 39.6%. Around 2 million young persons aged between 14-29 years annually apply for assistance to the employment agencies. The rate of youth unemployment is much higher compared to the older age groups but this can also be explained with the lower share of the young people involved in economic activities since a significant part of young persons aged between 15-24 are students. The most serious problem of the youth employment is the weak link between the education service market and the labor market because of:

- absence of estimations of the demand for professional personnel;
- mismatching in either volume, sphere or qualities of professional skills of the jobseekers and the requirements of the labour market;
- lack of interaction between the employers and the vocational training institutions for the elaboration of educational standards and programs, as well as the development of the system of evaluation of competencies and qualifications.

29. The most common causes of the unemployment of the graduates are the lack of vacant workplaces (50%), lack of work experience (employment period) (48%), insufficient level of wages (31%), lack of available vacant positions according to the specialization (17%). Out of the more than 2.1 million graduates every year about 10% of the graduates from educational institutions are at risk of unemployment.

30. In **Serbia**, a large number of young people between fifteen and thirty years of age remain unemployed or trapped in temporary and underpaid jobs mostly in the informal labor market. The unemployment rate of people aged 15-24 in Serbia was 46.4% in the first quarter of 2010, compared to 20.3% in the EU-27, and 9.6% of young people are neither in education nor working.

31. According to the National Plan of Action for Employment, 15,1% of young people between 15-24 were employed, 46,4% were unemployed and 28,2% were actively seeking for employment. A large number of young people, in stress of unemployment were continuing their education.

32. The largest percentage of the unemployed consists of the young between 15 and 19 (years intended for secondary education), women, secondary and elementary school graduates. Among 19-24 employment rate is similar to the population over 64 years of age, i.e. non-working population. The most worrisome is the number of young 19-24 that are economically inactive (economic inactivity rate is 71.7%). Most common reasons for their inactivity are that they are still in a process of education or training. Among those aged 15-24 who are looking for a job a half is unemployed and 78% seek their first employment. The high unemployment rate indicates that school and university curricula are in need of revision and do not correspond with the needs of the labor market. For example, only 18% of VET schools are included in newly reformed profiles.

33. With GDP contracting by almost 5% in 2009 and the unemployment rate soaring to 14%, **Turkey** was also severely affected by the global financial crisis. But unlike many European and BSEC countries, it has managed to recover relatively well. By early 2011, the unemployment rate was back to its pre-crisis level, falling to a little less than 11% in March 2011. Youth unemployment rates have followed the same trend: while in 2009 unemployment rate of the 15-24 year olds reached 22.7%, in 2012 it fell back to 16.2%, which is lower than the 2006 rate (16.4%).

34. Population groups requiring special policy are primarily women, young people, long-term unemployed and disabled persons, who have low participation in the labour force despite regulations for positive discrimination in the relevant legislation. These population groups are often employed in informal jobs with low wages and are exposed to higher unemployment risk.

35. In **Ukraine**, the unemployment rate among young people was over 13.0% in 2008, twice the rate of general unemployment. In 2011 the rate increased to 18.6% (30.0-40.0% of registered unemployed people are people up to 35). The unemployment is much higher for young people in rural areas, which causes migration to big urban centers and abroad. 8.0% of rural population and 4% of urban population are involved in labour immigration processes.

## **Barriers to decent employment for youth in the BSEC region**

36. According to the above situation, as reported by the Member States and notwithstanding the specificities of each country, the general barriers to decent employment for youth in the BSEC region match the categorization made by the ILO, following a series of National and Regional Events on Youth Employment organized between March and mid May 2012 (*Working with youth: Addressing the youth employment challenge - Highlights of the national and regional events with young people*):

37. **Slow job-growth economies:** with low growth, there are low levels of private sector investment, insufficient trade dynamism, and less start-up activity. These conditions reduce labour demand and hinder job creation, particularly for young people.

38. **Low-quality jobs trap:** while temporary contracts smooth entry, they can trap young people, keeping them away from more permanent, decent jobs. Protracted and difficult school-to-work transitions, precarious situations of young people in unpaid, undeclared, low-paid or temporary work as well as limited outreach of existing active labour market, training and employment initiatives to the young as obstacles to decent employment, are often the case all over the region.

39. **Skills mismatch:** as reported by all Member States, among the obstacles to be urgently addressed is a mismatch between the education and training outcomes and the skills demanded by the labour market.

40. **Inadequate job matching:** insufficient or imperfect information on available jobs, limits the match between jobseekers and employers, particularly among youth who have weaker access to job networks and social capital. There is a lack of knowledge concerning where and how to look for work. Young people generally feel that public employment services do not always provide them with effective tools and support in their search for a decent job.

41. **The work experience trap:** young people often find themselves in a paradoxical situation where they are not hired because they lack work experience and they lack job experience because they are not hired. The trend of young people using their families' contacts in order to find a "decent job" is very usual.

42. **Lack of access to capital and entrepreneurship/business training:** there is a narrow exposure of youth to entrepreneurship education and training and limited access to financial, physical, and social capital. In many Member States, this is also due to a lack of entrepreneurial culture.

43. **Limited youth participation:** the role of youth in development of youth employment initiatives – be it programmes or policies – is limited.

## III. POLICY RESPONSES IN THE BSEC MEMBER STATES

44. The Action Plan on Youth Employment (2010-2013) developed by the Government of **Albania** and its social partners outlined four strategic objectives and a number of key



outcomes to be pursued for the promotion of full, productive and freely chosen employment for young people, namely:

- Strengthen the governance of the (youth) labour market (strengthening the capacity of the Employment Policy Department of the Ministry of Labour, Social Affairs and Equal Opportunities to manage the employment policy cycle, mainstreaming the reform of the National Employment Services in all local employment offices, and establishing local partnerships for youth employment)
- Promote labour market prospects of young people by enhancing their employability (aligning the education system to labour market requirements; increasing access of young people to adult training to remedy the skills gap, developing a system of recognition of prior learning system; and providing access to career development services to young people)
- Foster the role of the private sector in creating decent jobs for young people (promoting investments with high youth employment impact; providing incentives for human resources development and youth employment growth; introducing work-training programs to ease the transition from school to work of young people; establishing a system of incentives for upgrading enterprises and individuals to the formal economy; and increasing awareness of their rights at work among young people)
- Promote labour market inclusion of disadvantaged youth through targeted labour market measures (reform of the design, targeting and financing of active labour market policies to address the needs of the most disadvantaged groups of the population).

45. In **Armenia**, youth employment and creation of job opportunities for young people was one of the main priorities of the National Youth Policy for 2008-2012, and also a priority for number of governmental and non-governmental institutions. “Youth Professional Orientation Center” state not-for-profit organization was established by the Ministry of Labor and Public Affairs in 2006. A number of NGOs as well as business started to address this question by opening their own youth training centers. In November 2012, Armenia adopted a National Employment Strategy and Action Plan 2013-2018, which includes objectives for the medium-term in the area of employment policy and a set of actions for achieving them. Moreover, a reform of vocational education and training (VET) is carried out through the Action Plan for 2012-2016. In this framework, the National Training Fund on Vocational Education and Training established its board of trustees, including representatives of public institutions and social partners.

46. In **Azerbaijan**, in the framework of the “State Program on implementation of the Strategy for Employment in 2011-2015” and the State Program “the Youth of Azerbaijan in 2011-2015”, as well as other governmental programs, certain activities are carried out in the field of ensuring employment and enhancement of entrepreneurship among the young generation, bringing the education system (especially vocational education) in line with the growing demands of employers for quality work force, increasing career guidance in educational institutions, development of lifelong learning, organization of employment exhibitions and labor exchanges for young people, establishing a mechanism of application of financial and tax incentives to encourage employers to hire representatives of young population, etc.

47. At the same time, the State Employment Service of the Ministry of Labour and Social Protection of the Population introduced in all secondary schools throughout the country vocational consulting services and disseminated appropriate educational and methodological materials, questionnaires, etc. As a result of the accomplished work, the number of people involved in the consulting services is growing steadily.

48. The Ministry of Labor and Social Protection of Population jointly with the United Nations Development Program in Azerbaijan and the Norwegian organization “SYSLAB” have developed the project “Promoting Employment and Innovation in Azerbaijan”. Within the framework of this project the SYSLAB Center was opened in Baku. The Center conducts training for the unemployed in order to develop job-seeking skills, facilitates integration into the labor market and paves the way towards the development of innovative approaches in the state employment policies. It also envisages setting up such centers in other cities and regions of the country.

49. The Policy for Decrease of Unemployment among Young People in **Bulgaria** is a priority for the Ministry of Labour and Social Policy (MLSP). In reply to the indicated challenges MLSP, in cooperation with ministries, social partners, youth organizations and other NGOs, has developed, and the Council of Ministers approved in the end of 2013, a National Plan for the European Youth Guarantee Implementation Plan (NPEYGIP). Since the beginning of 2014 Bulgaria has been implementing the NPEYGIP measures, which are separated in two major directions: activating and integrating the labour market. The following are among the specific tools and measures used to activate young people and involve them in employment / training:

- All young people are provided with mediation services that stimulate them and assist them for a more active behaviour on the job market and, respectively, contribute to starting a job.
- In order to overcome the problem related to the difficult inclusion in employment, to the matching of the interests of the employer and the young person who wants to work, the Employment Agency conducts the so-called employment exchanges for young people – general, as well as specialized, where in an informal atmosphere potential employers meet persons who are searching for jobs, without any preliminary commitments and obligations.
- Young people are included in all employment and training programs and measures, and in schemes, that are financed with budget funds and under the Operational Programme Human Resources Development (OPHRD).

50. Under the Scheme Creating Employment for Young People by Providing Opportunities for Work Experience, young people receive mediation services and internships with employers from the private and public sectors, at positions that correspond to the education they have acquired in the professional field of their secondary and higher education, for the purpose of increasing their competitiveness on the labour market.

51. Unemployed young people, who plan to start economic activities, can participate in specialized trainings and services, provided under the Scheme Promoting the Launch of Projects for the Development of Independent Economic Activities under Operational Programme Human Resources Development. The Scheme supports unemployed persons, who

lack the initial finance to start their own business and the appropriate vocational training and management skills.

52. Opportunities to participate in trainings to acquire skills, knowledge and competence required by the employers are provided to young people who need new knowledge and skills in order to be competitive on the labour market. Within the Schemes financed by the Operational Programme Human Resources Development (e.g. “Development”, and “I can More”), young people are trained to acquire skills in various professions and to acquire or improve their key competences (including: information and communication technologies skills, competence in foreign languages, team work skills, entrepreneurial skills, etc.).

53. The National Youth Policy of **Georgia**, adopted in August 2012, was elaborated by the Ministry of Sport and Youth Affairs of Georgia based on the partnership between the Ministry and the United Nations Children's Fund (UNICEF), as well as with other ministries, youth organizations and local authorities, international organizations and experts. The Youth Policy is aimed to encourage an appropriate environment for young people, develop their potential and involve them actively in all aspects of society. In line with the National Youth Policy Document, the national action plans have to be designed around four thematic areas, among which is Education, Employment and Mobility of youth. In the framework of the implementation of the National Youth Policy “The state government's Interagency Coordinating Council for Youth Policy Development” was created in 2013.

54. Moreover, a state web-portal (WorkNet.gov.ge) on employment was created under the supervision of the Employment Programs Department of the state legal entity of Social Service Agency under the Ministry of Labour, Health and Social Affairs. The program WorkNet provides jobseekers with an opportunity of self development and access to useful information. It allows jobseekers to look through the ongoing developments in different professional fields, to seek development opportunities, learn about current vacancies, etc. The service WorkNet is also addressed to employers wishing to manage their websites, find proper human resources, obtain statistical data about the labor market etc.

55. In the framework of the Youth Guarantee of the EU, **Greece** has submitted the relevant national Implementation Plan. Taking into account the large number of youths already registered as unemployed in the Manpower Employment Organisation, as well as the NEET (young persons "Not in Education, Employment, or Training") number according to the National Statistical Service, together with the difficult macro-economic circumstances, Greece shall proceed to a gradual implementation of the Youth Guarantee Implementation objective, prioritizing specific groups such as the long-term unemployed persons falling into the 15-24 age group, the youths living in regions with high unemployment rates and the youths-members of very low-income households , with the aim of initially dealing with the threat of social exclusion for the aforementioned groups, which are in danger of permanent marginalization from the labor market. Actions included in the Plan are divided into two categories:

- Early Intervention and Activation. Actions of this category are focused on prevention and the support of youths in a NEET state.
- Integration in the labor market. Actions of this category are focused on measures for getting access to education, training or employment , in order to furnish the unemployed with the possibility of smoothly accessing the labor market

56. The Plan's actions will be materialized in cooperation with institutions and agencies involved in youth programmes such as Ministries, Local Authority agencies, but also Social partners; funding will be covered by utilizing the European Social Fund's Youth Initiative and the Competitiveness Fund.

57. The sustainable integration of youths into the labour market, especially of those outside the labour market or education and/or training is a major priority of the NSRF 2014-2020 (National Strategic Reference Framework – the reference document for the programming of EU funds at national level). In the context of the aforementioned priority the following objectives are pursued:

- The design of concrete interventions according to the needs of each youth target group;
- The creation of further entry points to the labour market;
- Strengthening of the youths' potential to adapt their professional profile according to ad hoc labour market circumstances;
- Strengthening of youths' vocational mobility and halting "brain drain";
- Upgrading the role of practical training and apprenticeship through vesting and ensuing upgrading of practical training means and mechanisms.

58. The Ministry's for Labor, Social Security and Welfare Operational Programme "Human Resources' Development" is the main programme directly targeting employment improvement. In this framework, the Manpower Employment Organization is in the process of materializing a series of concrete programmes and actions for enhancing the field of youth employment, such as the following:

- programme for obtaining work experience addressed to youths entering the labor market, aged 16-24;
- programme of subsidizing businesses for recruiting unemployed university and technical institutions' graduates, aged up to 35 years;
- Programme for promotion to employment through financing entrepreneur initiatives, for 2000 youths aged up to 35 years, titled "Youth entrepreneurship with emphasis in Innovation";
- Special biannual programme for employment promotion by subsidizing insurance contributions, aiming at the recruit of 25.000 unemployed persons;
- Special four-year programme for employment promotion by subsidizing insurance contributions, aiming at the recruit of 40.000 unemployed persons;
- Preservation of employment posts in hotel businesses of seasonal operation for the years 2012-2013;
- Labor market reintegration strategy;
- Social services programme with Manpower Employment Organisation's participation.

59. In **Moldova**, several measures have been taken to reduce youth unemployment such as: improving the young people's competitiveness, financial support for start-up businesses, facilities during the hiring process, etc. Youth issues are addressed in several strategic documents such as: the National Employment Strategy, the National Youth Strategy, etc.

60. Reforms were launched in the educational system in order to ensure training according to the requirements of the labour market. The priority of reforming the educational system is reflected in the main strategic documents of the Republic of Moldova, like: the Activity Programme of the Government for 2013-2014, the Moldova 2020 Strategy, Strategy for development of vocational and technical education for 2013-2020, the draft Strategy “Education 2020”, the Roadmap for the improvement of the competitiveness of the Republic of Moldova.

61. Training and financial support programmes are implemented for the creation of private business. An example is the *National Programme for Economic Empowerment of Young People*, which provides for granting loans with a part of non-refundable grant amounting to 40%, to young people starting a business. Annually, some hundreds of new jobs are created under this programme.

62. Counselling, career guidance and information activities, in particular providing information in labour market information centres in employment agencies are organised (labour clubs, job fairs for young people, informative seminars, supporting small initiatives of young people by means of grants, encouraging young people to take part in the decision making process and in mobilising resources around important communication issues etc). Thus, about 30 thousand young people receive yearly counselling and information through employment agencies in order to integrate in the labour market.

63. At the same time, free professional training can be accessed in educational institutions and also by means of professional training courses organised by employment agencies and other NGO-s that are financially supported by the competent ministries. Consequently, every year, about 1000 unemployed young people are enrolled in professional training courses organised by employment agencies.

64. Finally, in 2013, facilities were provided to about 1530 doctors and nurses and 941 teachers who were employed, according to the assignment, in rural areas.

65. In **Romania**, the current strategic framework in the field of youth employment is the Implementation Plan of Youth Guarantee 2014 – 2015. The national legislative framework for the implementation of the Youth Guarantee is focused on the *Law on the system of unemployment insurances and on fostering the labor occupation* and the corresponding methodological norms. The key element was the modification of the unemployment insurance so that to include a new category of beneficiary persons, for example, the long-term unemployed (who will be eligible for specific services, being however, non-eligible for unemployment indemnities). The recent modifications emphasized upon the use of the structural and cohesion funds of the EU and some two elements subordinated to the architecture of the Youth Guarantee, namely: *the Law on apprenticeship* and *the Law on the training stage for the superior education graduates*. They offer a clear alternative for achieving a balance between the occupational and the training measures, with the possibility to use EU funds.

66. The National Plan for Youth Employment 2013 includes measures and programs as, for example through a Youth Guarantee (mobility bonuses, financial incentives, professional and career guidance, counseling in the field of enterprisers, training courses, enhancing the implementation and effectiveness of apprenticeship schemes, partnerships among schools,

universities, companies and other organizations created by young people), due to which, until the end of September 2013, a number of 13,000 young people had been engaged.

67. Implementation of two pilot projects “Youth Guarantee” with the role to facilitate the access on the labor market for 5,000 young people who did not manage to take a high school diploma, by providing them integrated programs of active measures, were delivered through the 26 guarantee centers for the youth. These centers will also have the role to identify and register the young people of the NEET group (who are not in employment education or training) and who do not contact the Public Service for Employment. The services pack includes measures, as following:

- providing information, professional individual or group consultancy;
- offering mediation;
- providing programs of professional training;
- consultancy, assistance and professional training for starting an independent activity or a business;
- providing apprenticeship stages;
- organizing county fairs for jobs.

68. The increase of the employment rate among the youth is also among the main objectives of the National Strategy for Employment 2014-2020. The document stipulates the implementation of measures as apprenticeship at the working place which assures the quality in the process of the continuous professional training benefiting by an additional financing from the European Social Fund (FSE) and also, providing internships for the higher education graduates, in order to assure them a good job, with a decent level of social security.

69. In **Russia**, the issues concerning the improvement of the situation in the labor market are reflected in the Presidential Decrees of May 2012, which aim also at improving the qualification of workers.

70. The State Program of the Russian Federation on Support of Employment was approved in 2012, while in June 2013 the Plan for its implementation was approved, including a chapter on the “Active employment policy and social support for the unemployed”.

71. In September 2013 the New Employment program was launched, encouraging employers to recruit several categories of people, including young people looking for a job for the first time. The program envisages measures aiming the employment of qualified citizens under the age of 35 within the major investment projects, as well as on the employment of citizens of the Russian Federation under the age of 35 from other regions and territories in Federal Districts of Siberia and the Far East.

72. The Ministry of Education and Science of the Russian Federation is monitoring the efficiency of the activities of the higher education establishments in order to ensure the compliance of the training structure within the education system with the demands of the labor market. In 2013 a new criterion concerning the employment of the graduates was introduced.

73. Starting with 2012 the executive authorities of the constituents of the Russian Federation carried out a set of measures for the vocational guidance of the students of the educational institutions for 2012-2015.

74. The Ministry of Labor of Russian Federation and the Ministry of Education and Science of the Russian Federation have set up the interagency Coordinating Council for the professional orientation of the young people with the goal to prepare proposals for the professional orientation of the young people, shaping their life plans, career aspirations and the organization of their employment, including temporary employment. One of the tasks of the Council is to develop the system of vocational orientation, including professional guidance for students of the secondary educational institutions, strengthening their motivation for professions, specializations and study fields that are on demand on the labor market. Also, since 2009 internship programmes for graduates are organized in order to ensure that they receive vocational training and practical skills at the educational institutions, as well as to master the new technologies, forms and methods of organization of work right at the workplace.

75. One of the priorities of the youth policy on the labor market is to create favorable conditions for the development of youth entrepreneurship and to increase the opportunities of the young people to set up their own businesses.

76. Within the framework of development of youth entrepreneurship, ever since 2009 anti-crisis measures have been taken to promote self-employment of unemployed citizens. These measures envisage the state support in the form of subsidies equaling the 12-fold maximum amount of unemployment benefits with the aim to start their own business and the same amount for the creation of additional jobs for the employment of the unemployed citizens. In the period 2009-2011 more than 30% of those who opened their own business were young people.

77. In **Serbia**, the Strategy for Career Guidance and Counseling with the relevant Action Plan was adopted in March 2010. Main aim of this document is to match the labor market demands with the personal competences of youth.

78. Educational system reform is currently progressing towards development of school and university curricula that will correspond more with the needs of the labor market. The Government adopted the National Youth Strategy on May 9, 2008. The Action Plan for the Implementation of the National Youth Strategy encourages and stimulates all forms of youth employment, self-employment and entrepreneurship.

This overall goal contains four specific objectives addressing the employment of young people. The following expected results have been determined for planned and suggested activities which ensure the achievement of specific objectives:

- Increasing the number of employed young people;
- Improving technical and staff capacities of career guidance and counselling centers as well as vocational information centers;
- Development of career guidance and counselling centers as well as vocational information centers;
- Increasing activity rates of young people in the labour market;
- Realizing activities contributing to the popularization of entrepreneurship through the education system and increased number of young entrepreneurs in the Republic of Serbia;
- Increasing territorial mobility of young people, particularly towards less developed regions with above-average youth unemployment rates.

79. In addition to macroeconomic policies aimed at regaining stability, the government of **Turkey** adopted measures to reduce non-wage labour costs. As a result, companies were encouraged to recruit workers rather than cut jobs and there was a drop in informal employment. Measures included a general reduction of social security contributions; incentives to hire youth, women and long-term unemployed; the promotion of training, as well as significant tax reductions for enterprises investing in less developed regions. These cuts were offset by public transfers to social security institutions. Thanks to this measure, more than 61,000 jobs were created in 2009 and more than 63,000 in 2010. Also, employers who provided vocational training to their staff benefited from lower social security contributions, and employers who hired workers in the fields of technology, research and development were reimbursed half of their social security contributions for five years. For women and youth in particular, the government decided to cover the employer share of social security contributions during a five-year period for those recruited between May 2008 and May 2010.

80. One of the fundamental policy axes in the current National Employment Strategy has been designated as "Increasing Employment of Groups Requiring Special Policy". Within this fundamental axis, it is aimed to eliminate obstacles to the employment of young people. The objective is to reduce youth unemployment rate to general unemployment level until 2023. Actions within this scope will be as follows;

- Providing young people with career planning, job search assistance, matching and counseling services;
- Supporting young people with professional trainings;
- Supporting young entrepreneurs;
- Combat informal employment of young people;
- Providing counseling and consultancy services for facilitating integration of young people to labour force market, particularly young women;
- Increasing internship and on-the-job trainings, with a focus to graduates of banking and insurance studies;
- Supporting youth employment in the textile and garment industry;
- Creating new departments in vocational high schools, vocational higher education institutions and faculties based on medium and long term projections of the labour demands.

81. In **Ukraine**, unemployment is one of the major problems defined in the State Social Programme "Youth of Ukraine 2009-2015". For youth employment and entrepreneurship the government provides youth business incubators and supports employment centres in educational establishments. Significant role in this sphere is support of working units – temporary employment of youth for summer holidays.

The Strategy for the State Youth Policy Development for the period up to 2020 was adopted in September 2013 and among its priorities is ensuring youth employment through:

- encouraging the employers to provide young graduates with the first workplace;
- increasing the level of competitiveness among young people;
- introduction of extracurricular activities within the educational institutions' syllabi on launching a business and acquiring entrepreneurial skills;
- implementation of activities directed at promoting youth employment, particularly among socially vulnerable groups;



- promoting youth entrepreneurship and investigating the support mechanisms to enable its development;
- introduction of an attestation system for validation of informal education among young people;
- promoting occupational guidance for the 8-11-form students of the comprehensive secondary educational institutions.

#### IV. INTERNATIONAL FRAMEWORK AND EXPERIENCE

##### **United Nations - International Labour Organization**

82. The ILO's programme on youth employment provides assistance to countries in developing coherent and coordinated interventions on youth employment. This integrated approach combines macro-economic policies and targeted measures which address labour demand and supply, as well as the quantity and quality of employment. Work in this area includes:

- Data collection on the nature and dimensions of youth employment, unemployment and under employment;
- Analysis of the effectiveness of country policies and programmes on youth employment;
- Policy advice to strengthen in-country labour market policies and programmes for youth employment and capacity building for governments and employers' and workers' organizations;
- Technical assistance in formulating and implementing national youth employment programmes that focus on employment-intensive investment, skills development, youth entrepreneurship, access to finance and other targeted active labour market measures;
- Advocacy and awareness-raising activities to promote decent work for youth with a focus on employability, employment and workers' rights;
- Advisory services through the Youth Employment Network (YEN) partnership;
- Strategic partnerships on youth employment through the promotion of cross-country and global peer networks, inter-agency cooperation across United Nations and other international agencies, and collaboration between the private and public sectors at the international, regional and national levels.

##### **The European Union**

83. The EU is working to reduce youth unemployment and to increase the youth-employment rate in line with the wider EU target of achieving a 75% employment rate for the working-age population (20-64 years).

84. In December 2012, the Commission proposed measures to help Member States specifically tackle youth unemployment and social exclusion. The measures (the Youth Employment Package) included the Recommendation to launch a Youth Guarantee in every country, according to which Member States should ensure that all young people up to age 25

receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

85. Youth Employment Initiative (2013) reinforces and accelerates measures outlined in the Youth Employment Package. It aims to support particularly young people not in education, employment or training (NEET) in regions with a youth unemployment rate above 25%. The Youth Employment Package (2012) is the follow-up to the actions on youth laid out in the wider Employment Package and includes inter alia:

- Second-stage consultation of EU social partners on a quality framework for traineeships;
- *The European Alliance for Apprenticeships* and ways to reduce obstacles to mobility for young people;
- *Youth on the Move* - a comprehensive package of policy initiatives on education and employment for young people in Europe;
- *Youth Opportunities Initiative (2011)* including actions to drive down youth unemployment;
- *Your first EURES Job* aiming to help young people to fill job vacancies throughout the EU;
- *EU Skills Panorama* - an EU-wide tool gathering information on skills needs, forecasting and developments in the labour market.

86. Of relevance to Armenia, Azerbaijan, Georgia, Moldova and Ukraine, the *European Neighbourhood Policy (ENP)*, through its social dimension, covers in particular socioeconomic development, employment, social policy and structural reforms. In this context, the EU encourages partner governments' efforts aiming at reducing poverty, creating employment, promoting core labour standards and social dialogue, reducing regional disparities, improving working conditions, enhancing the effectiveness of social assistance and reforming social welfare systems. Progress made in the ENP framework is reflected in the relevant country reports.

87. Within the EU's enlargement policies, the *European Training Foundation (ETF)*, an EU agency, supports countries in harnessing the potential of human capital through the reform of vocational education, training and employment systems. Among the BSEC Member States, ETF partners are: Albania, Serbia and Turkey, Armenia, Azerbaijan, Georgia, Moldova, Ukraine (ENP countries), as well as Russia. With the aim to provide assistance to policymakers and practitioners in their efforts to improve their systems of matching supply and demand for skills, the ETF has launched a three-year innovation and learning project, 'Anticipating and matching demand and supply of skills in ETF partner countries', which was implemented from 2011 to 2013.

### **The BSEC framework**

88. In order to develop cooperation among the BSEC Member States in the field of tackling youth unemployment and enhancing employment, it is necessary to begin with exchanging information and best practices in the field of youth employment policies.

89. However, a major obstacle to a fruitful cooperation in this field, which was faced also during the preparation of the present report, is the lack of comprehensive, integrated and centralized databases on youth labor market in the BSEC region.

90. Harmonization and Exchange of Economic and Social Statistical Data and Information is one of the goals stipulated in the “Economic Agenda Towards an Enhanced BSEC Partnership.” Efforts should therefore be intensified towards the reactivation of the BSEC Working Group on Exchange of Statistical Data and Economic Information.

91. At its first meeting in October 1992, the Working Group on Exchange of Statistical Data and Economic Information agreed that its major task must be to provide the BSEC Working Groups in time with comparable information. In order to ensure data compatibility and to create the basis for a common economic language, the Member States agreed on a need to harmonize statistical methods and definitions and to utilize international classifications in all their activities.

92. The Member States also agreed to establish within the State Institute of Statistics of Turkey the BSEC Coordination Centre for the Exchange of Statistical Data and Economic Information. The latter has issued a compilation of statistics, namely *Social and Economic Indicators of the Black Sea Economic Cooperation Countries* and *Turkey's Foreign Trade with the Black Sea Economic Cooperation Countries*.

93. The Working Group has not had a meeting since April 1997. Since that period no Member State has expressed its willingness to organize the Meeting or to assume the duty of the Country-Coordinator of the Working Group.

## V. CONCLUSIONS

94. The youth employment crisis, considerably aggravated by the global economic and financial crisis, has had major effects in the economies and societies of the BSEC region. The BSEC Member States have sought to tackle the problem by taking measures to promote, create and maintain decent and productive jobs.

95. A lot has been learned about how to address barriers young people face to transition into the labour market, but in many countries ineffective macroeconomic and other policies have not delivered enough jobs in general, and for youth in particular.

96. There is no easy solution to the problem of youth unemployment. It is clear that a collective approach is needed to address the systemic nature of the challenge, particularly at the country level. There is a need for measures to foster pro-employment growth and decent job creation through macroeconomic policies, employability, labour market policies, youth entrepreneurship and rights to tackle the social consequences of the crisis, while ensuring financial and fiscal sustainability. Socioeconomically disadvantaged youth are more likely than their wealthier, better-educated peers to be unemployed, so policymakers must deliberately target efforts to reach those groups.

97. Many active labor market programs have failed to improve significantly the employment prospects of young people, and the problem of youth unemployment remains above all in the

capacity of countries to achieve sustainable economic growth that generates viable jobs. Yet, lessons from programs evaluation in several countries also show that some programs and policies that address the specific barriers to youth employment can be useful to some youth and in some cases.

98. The differences in education and labour market outcomes for youth among the BSEC Member States should be used as an opportunity for mutual learning from successful measures and programmes that countries have taken to improve youth employment and skills. Political commitment and innovative approaches are also critical to improve the situation and reverse the alarming trend of a “lost generation”.