

Youth unemployment: too little too late

Commenting on the January 2014 target for full operability of the Youth Employment Initiative Arnaldo Abruzzini, Secretary General of EUROCHAMBRES, said: *“Six months is a nanosecond in EU policy making terms, but an eternity if you’re a young person in neither work nor education. We must do all that we can to ensure that the Youth Employment Initiative hits the ground running as soon as possible and in the meantime not lose sight of the need to take measures to improve conditions for businesses.”*

This is EUROCHAMBRES’ call to EU Heads of State and Government meeting in Brussels this week. While large companies have cut jobs in recent decades, the main creators of employment in Europe are without doubt SMEs. Improving conditions for SMEs to flourish is thus the right policy to provide job opportunities.

Restore lending to SMEs

Small and medium sized enterprises (SMEs) are currently creating fewer jobs due to the non-availability of financing for investment. Lending to the real economy must be restored as a matter of urgency and the mitigation of banks’ risk is a key factor in this respect.

EUROCHAMBRES has been working on a ‘European Guarantee Platform’ initiative with the European Investment Fund for over a year and many Chambers are involved in local guarantee schemes. Chambers thus welcome the discussion by heads of state tomorrow on proposals from the European Commission and the European Investment Bank for guaranteeing lending to SMEs. *“The challenge now is to shift these proposals from the European Council table to the bank managers’ desks and on to our SMEs’ credit facilities,”* said Mr Abruzzini.

Improve the supply of skilled staff

Member states with strong vocational education & training (VET) systems enjoy the highest rates of youth employment. Not only this week’s EU summit, but also the 2 July launch of the European Alliance for Apprenticeships - where EUROCHAMBRES and members of the Chamber network will sign pledges based on their key role in VET delivery - and the 3 July meeting in Berlin of heads of state and employment ministers must reflect this fact.

Effective use of limited resources

The EUR 6 billion allocated to the Youth Employment initiative will have to be spread very thinly in helping the 6 million 15-24 year olds who are currently unemployed, so EUROCHAMBRES stresses that efficient use of resources is imperative. *“We cannot afford to throw more EU money into bottomless pits. Every cent of the Youth Employment Initiative fund must be distributed and spent wisely and effectively, leveraging rather than replacing national and regional resources,”* concluded Mr Abruzzini.

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