



INSTITUTE OF EUROPEAN DEMOCRATS

“A Youth strategy for Europe’s future”

Research Paper, October 2018

Kyriacos Christofides

Author:

Kyriacos E. Christofides

Citizens Alliance Youth President (2015)

Young Democrats for Europe Board Member (2016)

Email : Christofidesk@gmail.com

Telephone: 00357 99209935

Post: Archimidous 3, Larnaca, Cyprus, 6031

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“A Youth Strategy for Europe’s future”

Abstract

Unemployment in European Union continues to plague Europe, threatening the fragile economic growth experienced over the recent years; a drastic difference is emerging between North and South, with countries such as Greece, Italy, Spain, Cyprus and Croatia having an alarmingly high youth unemployment rate consistently for years. This disparity concerns the European Union as it puts huge strain on the shoulders of the whole Euro system, the European Central Bank quantitative easing enabled citizens to borrow easier thus creating more opportunities subsequently more employment whilst the austerity measures had mix results, measures that worked in countries such as Ireland and Cyprus but failed in Greece.

The European Union’s Commission adopted a transparent approach in dealing with matters within the Union and it has established the 2015-2019 political objectives roadmaps which include a substantial investment in creating jobs and dealing with unemployed individuals, especially young persons finishing school, university or training. Looking at Cyprus, a lot have changed since the country ascended within the European Union- changes include legislation and enhanced protection for employees but also success stories of young people who benefited from EU’s programmes, however there is still a long way to go and Europe should continue its efforts through strategic thinking mentality and planning.

This research paper will outline the current situation both at European and national level, discuss about future development and suggestions of economic empowerment and finally political objectives and relative strategies at the European level. For the purposes of coherence and clarity the author will approach the subject matter in A) socio-legal approach going deep and wide in order to present the subject matter issues and concerns on national and European Level B) This part of the research will include socioeconomic theories regarding youth unemployment and the cost of high unemployment vis a vis low unemployment. Finally, the research will expand and attempt to outline the important of active strategic thinking that should be attained by all member states in harmony.

Introduction

The European Union has learned a lot through the economic crisis, foremost the leadership achieved a 'human face' persona and the council's strategy changed from reactive to proactive. This research paper consists of three parts through which the author attempts to analyse the current situation, future development and the political objectives and strategic thinking in the European Union. At the time of writing this research paper the overall situation in youth unemployment has been improved overall since the economic crisis in Europe, however the figures indicate that several regions are still struggling. The European Union leaders have started working together and in a more coherent manner after the shocks of the economic and political crisis.

The author attempts to outline the severity of high numbers in youth unemployment which in several occasions there is empirical evidence that relates youth unemployment to crime and vice-versa, low crime indicators are often related to low unemployment rates. Through these hardships the European Union is revising its strategies and political objectives whilst, there is a wind of change towards the European Values as founded by the fathers of the European Communities. This flexibility enabled Europe to lay down precise strategies and political objectives but at the same time enabling member states to apply policies on the ground in accordance with region's characteristics, strengths and weaknesses. Emphasis is given in restoring hope in European citizen's minds especially youths. This achieved through a combination of strategies, programmes and policies among member states.

Part 1. Current Situation - Lost generation equals Lost opportunities

It is important to recall a quotation from a speech during the International Monetary Fund's back in June 7, 2006 at De Montreal in Montreal Canada mentioning that *during economic prosperity times the biggest economic mistakes are taking place.*¹ While downturns are inevitable, as the evidences through the recent financial years in European Economic Zone show it is quite normal in economics as proved theories and socio-economic norms suggest that the business cycle is alive and well and at some point, there will be another downturn. During periods of strong economic growth, the policymakers at national and European level should grasp the opportunity and use the economic momentum to strengthen their economies by raising growth potential while at the same time reducing friction and vulnerabilities to economic shocks, this will increase the resilience in the face of future economic downturns. Effective action should ensure that such downturns, when they occur, will be more modest and short-lived compared to what would otherwise would have happened if such actions were not taken.

Unfortunately, this is not the case for Cyprus and a large chunk of European Union's Member States. Currently there is higher youth unemployment in the euro area than in the EU since mid-2012², even after considering the fact that Youth Unemployment Rates are generally much higher, sometimes even double or more compared to unemployment for all ages. For clarification purposes an **unemployed person** is defined by Eurostat, according to the guidelines of the International Labour Organization, as someone aged 15 to 74 without work during the reference week who is available to start work within the next two weeks and who has actively sought employment at some time during the last four weeks. The unemployment rate is the number of people unemployed as a percentage of the labour force. **Youth unemployment** is the unemployment of young people, defined by the United Nations as 15–24 years old.

In Cyprus the following Laws govern and regulation the employees, employers and labor:

¹ Anne O.Krueger, First Deputy Managing Director during De Montreal Conference, June 7, 2006

² Eurostat, accessible online from here : http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

- The Employment Hours Laws Cap.182
- The Part Time Employees Laws N. 76(I)/2002
- The Protection of Wages Laws of 2007 until 2012 N.35(I)/2007
- The Minimum Salary Law R.D.A. 180/ 2012

Since the admission of Cyprus to the European Union on 1st of January 2008, the employment related laws have been constantly updated in order to harmonize with the European Directives and Regulations but to also safeguard the articles of the European Convention on Human Rights. Changes in the legislation include a minimum wage per hour, prohibition of employing underage, gender and age equality and protection of unfair dismissals. Cyprus citizens also enjoy a dedicated court division for resolving employee- employer related legal disputed. Furthermore, offences relating to the above laws can extend up to imprisonment and / or heavy financial penalties.

Moving on to the subject matter, the table 1 below graphically outlines the decline since 2007. It is also mportant to note the trend of EU-28 vis a vis the Euro Zone. The EU-28 youth unemployment rate was systematically higher than in the euro area between 2000 and mid-2007. Since then and until the third quarter 2010 these two rates were very close. Following, the indicator moved more sharply in the EA-19 than in the EU-28, first downwards until mid-2011, then upwards until the end of 2012. In the middle of 2012 the euro area youth unemployment rate overtook the EU-28 rate, and the gap increased until the end of the year. The gap became even larger in the second part of 2013 and during the years of 2014 and 2015, when the rate for the euro area went down less than the rate for the EU-28. The gap remained at relatively high levels during the year 2017.

Unemployment rate 2007-2017 (%)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EU-28	7.2	7.0	9.0	9.6	9.7	10.5	10.9	10.2	9.4	8.6	7.6
Euro area	7.5	7.6	9.6	10.2	10.2	11.4	12.0	11.6	10.9	10.0	9.1
Belgium	7.5	7.0	7.9	8.3	7.2	7.6	8.4	8.5	8.5	7.8	7.1
Bulgaria	6.9	5.6	6.8	10.3	11.3	12.3	13.0	11.4	9.2	7.6	6.2
Czech Republic	5.3	4.4	6.7	7.3	6.7	7.0	7.0	6.1	5.1	4.0	2.9
Denmark	3.8	3.4	6.0	7.5	7.6	7.5	7.0	6.6	6.2	6.2	5.7
Germany	8.5	7.4	7.6	7.0	5.8	5.4	5.2	5.0	4.6	4.1	3.8
Estonia	4.6	5.5	13.5	16.7	12.3	10.0	8.6	7.4	6.2	6.8	5.8
Ireland	5.0	6.8	12.7	14.6	15.4	15.5	13.8	11.9	10.0	8.4	6.7
Greece	8.4	7.8	9.6	12.7	17.9	24.5	27.5	26.5	24.9	23.6	21.5
Spain	8.2	11.3	17.9	19.9	21.4	24.8	26.1	24.5	22.1	19.6	17.2
France	8.0	7.4	9.1	9.3	9.2	9.8	10.3	10.3	10.4	10.1	9.4
Croatia	9.9	8.6	9.3	11.8	13.7	15.8	17.4	17.2	16.1	13.4	11.1
Italy	6.1	6.7	7.7	8.4	8.4	10.7	12.1	12.7	11.9	11.7	11.2
Cyprus	3.9	3.7	5.4	6.3	7.9	11.9	15.9	16.1	15.0	13.0	11.1
Latvia	6.1	7.7	17.5	19.5	16.2	15.0	11.9	10.8	9.9	9.6	8.7
Lithuania	4.3	5.8	13.8	17.8	15.4	13.4	11.8	10.7	9.1	7.9	7.1
Luxembourg	4.2	4.9	5.1	4.6	4.8	5.1	5.9	6.0	6.5	6.3	5.6
Hungary	7.4	7.8	10.0	11.2	11.0	11.0	10.2	7.7	6.8	5.1	4.2
Malta	6.5	6.0	6.9	6.9	6.4	6.3	6.4	5.8	5.4	4.7	4.0
Netherlands	4.2	3.7	4.4	5.0	5.0	5.8	7.3	7.4	6.9	6.0	4.9
Austria	4.9	4.1	5.3	4.8	4.6	4.9	5.4	5.6	5.7	6.0	5.5
Poland	9.6	7.1	8.1	9.7	9.7	10.1	10.3	9.0	7.5	6.2	4.9
Portugal	9.1	8.8	10.7	12.0	12.9	15.8	16.4	14.1	12.6	11.2	9.0
Romania	6.4	5.6	6.5	7.0	7.2	6.8	7.1	6.8	6.8	5.9	4.9
Slovenia	4.9	4.4	5.9	7.3	8.2	8.9	10.1	9.7	9.0	8.0	6.6
Slovakia	11.2	9.6	12.1	14.5	13.7	14.0	14.2	13.2	11.5	9.7	8.1
Finland	6.9	6.4	8.2	8.4	7.8	7.7	8.2	8.7	9.4	8.8	8.6
Sweden	6.1	6.2	8.3	8.6	7.8	8.0	8.0	7.9	7.4	6.9	6.7
United Kingdom	5.3	5.6	7.6	7.8	8.1	7.9	7.5	6.1	5.3	4.8	4.4
Iceland	2.3	3.0	7.2	7.6	7.1	6.0	5.4	5.0	4.0	3.0	2.8
Norway	2.5	2.7	3.3	3.7	3.4	3.3	3.8	3.6	4.5	4.8	4.2
Turkey	9.1	10.0	13.0	11.1	9.1	8.4	9.0	9.9	10.3	10.9	10.9
United States	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4
Japan	3.8	4.0	5.1	5.0	4.6	4.3	4.0	3.6	3.4	3.1	2.8

: Data not available

Source: Eurostat (online data code: une_rt_a)

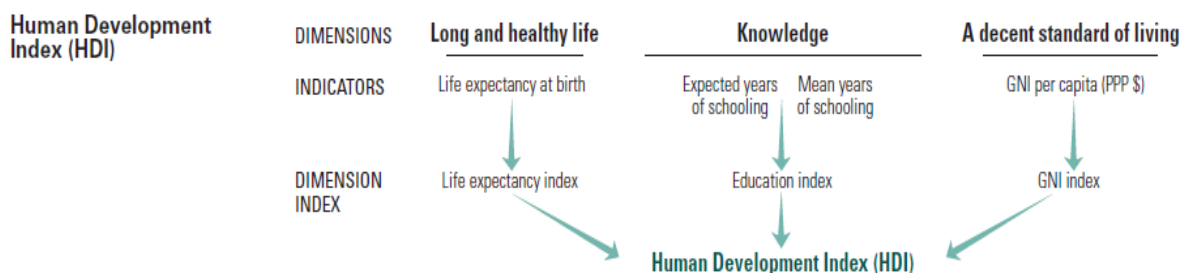
Table 1 above outlines the youth unemployment rates. It is evident that in the EU-28, during the economic crisis unemployment increased at a considerable pace, with the exception of the period between mid-2010 and mid-2011 when it was temporarily declined. The unemployment level peaked at 19.3 million in the second quarter of 2013, before going down since the second part of 2013 and reaching a staggering number of 14 million at the end of 2017. The figure is approximately 14 times the population of Cyprus. One must account though that the statistical numbers often overlap with education leave and students, however the number is still very high as

in 2016 more than 6,3 million³ young people were neither in employment nor in education or any other sort of training in the European Union.

Although the number were decreased vis a vis 2013 the youth unemployment rate is still very high in the EU (with peaks of more than 40% in several countries). Long-term youth unemployment is still at record highs and as mentioned above it masks big differences between countries: there is a gap of more than 30 percentage points between the Member State with the lowest rate of youth unemployment (Germany at 7%) and the Member States with the highest rates, Greece (47%) and Spain (44%) as of 2016. In Cyprus the yearly total number of unemployed youths was 2311 persons⁴ a total of approximately 10% of the total registered unemployed persons. However, one must admonish that young men of age 18 up to 20 undertake compulsory army service which is likely to understate the figures.

The total number of registered unemployed by sex and age for the year 2017 was 33,681 (Table 2 below). For purposes of clarity though it is important to establish that the social norms in Cyprus vis a vis Europe on what constitutes youth are quite different. Cyprus enjoys a very high Human Development Index ('HDI') of 0.869 which ranks the country at position 32 globally for 2018⁵.

HDI consists of the following dimensions and indicators:



³ European Commission Policies and activities on Youth employment, accessible from here: <http://ec.europa.eu/social/main.jsp?catId=1032>

⁴ Cyprus Ministry of Finance, Statistical Service Publication dated 01/06/2018

⁵ "Human Development Indices and Indicators 2018 Statistical Update". HDRO (Human Development Report Office) United Nations Development Programme. Retrieved 14 September 2018.

BY SEX AND AGE



SEX AND AGE	YEAR 2017												Year Average
	January	February	March	April	May	June	July	August	September	October	November	December	
TOTAL	42,839	42,326	39,088	32,804	29,922	30,577	31,670	31,003	27,951	26,436	33,780	35,771	33,681
Under 20	223	218	203	136	130	112	106	98	150	158	198	175	159
20 - 24	2,957	2,917	2,609	2,050	1,817	1,734	1,784	1,805	1,756	1,709	2,339	2,351	2,152
25 - 29	5,813	5,741	5,319	4,525	4,118	4,183	4,304	4,337	3,957	3,572	4,584	4,664	4,593
30 - 39	11,574	11,496	10,672	8,935	8,255	8,904	9,483	9,269	7,948	7,354	9,203	9,737	9,403
40 - 49	8,707	8,653	7,970	6,493	5,787	5,957	6,131	5,928	5,327	5,088	6,893	7,458	6,699
50 - 59	9,589	9,374	8,637	7,307	6,682	6,633	6,833	6,605	5,993	5,825	7,418	8,026	7,410
60 - 64	3,759	3,713	3,477	3,170	2,947	2,883	2,866	2,814	2,655	2,564	2,962	3,168	3,082
65 and over	217	214	201	188	186	171	163	147	165	166	183	192	183
MALES													
Total	21,263	20,870	19,250	16,250	14,678	14,172	13,892	13,627	13,225	12,741	15,773	16,973	16,060
Under 20	108	109	98	64	48	49	44	36	77	84	96	75	74
20 - 24	1,327	1,318	1,176	893	775	708	678	662	689	694	1,036	1,052	917
25 - 29	2,571	2,523	2,298	1,920	1,711	1,598	1,548	1,578	1,578	1,478	1,997	2,075	1,906
30 - 39	5,688	5,634	5,191	4,338	3,942	3,877	3,912	3,834	3,555	3,371	4,149	4,518	4,334
40 - 49	3,917	3,861	3,586	2,951	2,619	2,593	2,529	2,444	2,383	2,309	2,897	3,195	2,940
50 - 59	5,075	4,909	4,545	3,907	3,552	3,394	3,294	3,225	3,136	3,050	3,686	4,017	3,816
60 - 64	2,442	2,385	2,230	2,054	1,913	1,847	1,790	1,754	1,696	1,644	1,797	1,924	1,956
65 and over	135	131	126	123	118	106	97	94	111	111	115	117	115
FEMALES													
Total	21,576	21,456	19,838	16,554	15,244	16,405	17,778	17,376	14,726	13,695	18,007	18,798	17,621
Under 20	115	109	105	72	82	63	62	62	73	74	102	100	85
20 - 24	1,630	1,599	1,433	1,157	1,042	1,026	1,106	1,143	1,067	1,015	1,303	1,299	1,235
25 - 29	3,242	3,218	3,021	2,605	2,407	2,585	2,756	2,759	2,379	2,094	2,587	2,589	2,687
30 - 39	5,886	5,862	5,481	4,597	4,313	5,027	5,571	5,435	4,393	3,983	5,054	5,219	5,068
40 - 49	4,790	4,792	4,384	3,542	3,168	3,364	3,602	3,484	2,944	2,779	3,996	4,263	3,759
50 - 59	4,514	4,465	4,092	3,400	3,130	3,239	3,539	3,380	2,857	2,775	3,732	4,009	3,594
60 - 64	1,317	1,328	1,247	1,116	1,034	1,036	1,076	1,060	959	920	1,165	1,244	1,125
65 and over	82	83	75	65	68	65	66	53	54	55	68	75	67

(Last Update 4/1/18)

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Table 2 Registered Unemployed, Actual Data 2017, Cyprus

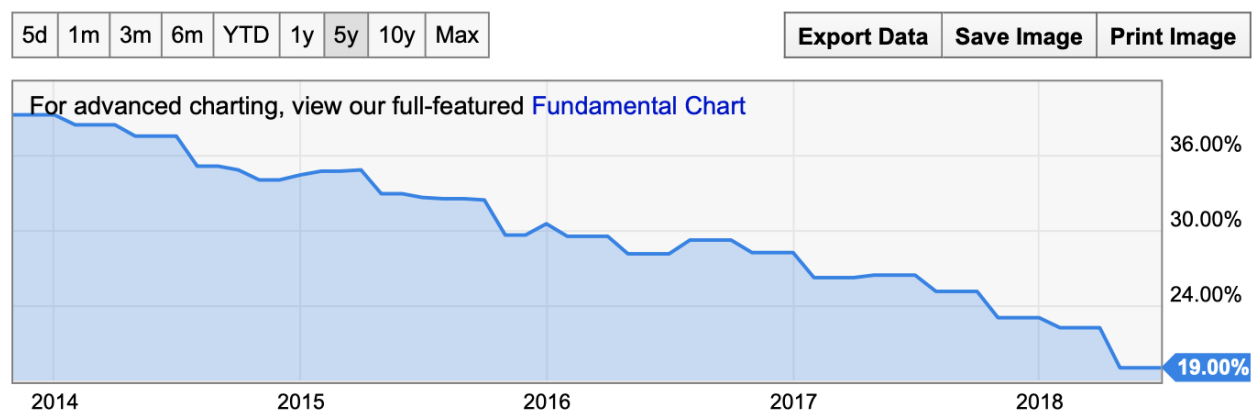
On another note and promising a brighter future, in 2018, Cyprus records the largest unemployment decrease in the European Union. Particularly in May 2018, 3.377 million young persons (under 24) were unemployed in the European Union 28, of whom 2.390 million were in the euro area. Compared with May 2017, youth unemployment decreased by 519 000 in the EU28 and by 353 000 in the euro area. In May 2018, the youth unemployment rate was 15.1% in the EU28 and 16.8% in the euro area, compared with 17.2% and 19.3% respectively in May 2017. In May 2018, the lowest rates were observed in Malta (4.8%), Germany (6.1%), Estonia (6.8% in April

2018) and the Netherlands (6.9%), while the highest were recorded in Greece (43.2% in March 2018), Spain (33.8%) and Italy (31.9%)⁶.

The table 3 below graphically illustrates this incredible feat which could not have been achieved without the help of national and supranational policies and initiatives designed to tackle the youth unemployment.

Cyprus Youth Unemployment Rate Chart

[View Full Chart](#)



Cyprus, following recommendations by the European Union adopted the EU Youth Guarantee Scheme, which says that member states should ensure young people under 25 are encouraged through state level policies and actions to find a good quality job in four months after leaving the school or losing an existing job. This milestone is assisted by the youth Opportunities Initiative by the European Union Commission. As a result the Ministry of Labour prepared an action plan consisting of 47mil EUR budget to combat youth unemployment⁷. Specifically, 24mil

⁶ Cyprus Ministry of Finance, Statistical Service accessible:
http://www.mof.gov.cy/mof/cystat/statistics.nsf/index_gr/index_gr?OpenDocument

⁷ Statement from Minister Mrs. Emilianidou, Democratic Labour Federation of Cyprus Conference, 16 July, 2016, Nicosia Cyprus

EUR of the total amount is reserved exclusively to policies and plans to provide job opportunities for young people. As mentioned above, one must admonish that when presenting statistics for Youth Unemployment, one must account for young people who are occupied with studying vis a vis the group of young persons who are 'Not in Education, Employment, or Training' (NEET). This is very important for the island as 53.4% attain or have attained tertiary education, one of the highest in Europe and well above the 46% target set by the European Commission.

Cyprus presented a Youth Guarantee Implementation Plan to the European Union Commission in 31 December 2013. In May 2018 Cyprus was assessed as to the overall performance of this program and the Commission states the following:

"Labour market is improving, but the situation of young people remains precarious. The robust recovery resulted in growing number of jobs, a steady increase of the employment rate (from 69 % in 2016Q3 to 71.5 % in 2017Q3) and a rapid drop in the unemployment rate (from 13.2 % in 2016Q3 to 10.5 % in 2017Q3). However, the youth unemployment rate is high (25.1 % in 2017Q3) and many young people are not in employment, education, or training (NEET rate 16 % in 2016 for 15- 24 years old see Box 4.3.1). While decreasing, long-term and very long-term unemployment rates are also above the EU averages".

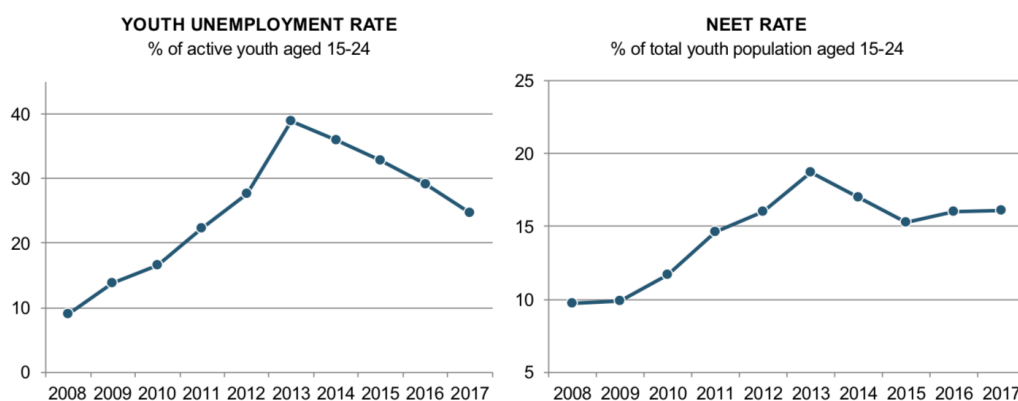
"The proportion of young people (15-24 years) not in employment, education, or training (NEET) remains one of the highest in the EU. In 2016, it grew to 16 % (from 15.3 % in 2015), still significantly above the EU average of 11.6 %. The NEET rate for young people with tertiary education was 4.8 %, compared to EU average of 0.9% (see Graph 4.3.3). Contributing factors include lack of jobs for university graduates (two in five graduates work in jobs below their qualifications), low enrolment in VET and possibly undeclared work. The authorities try to address the situation through targeted counselling in schools and youth entrepreneurship schemes. Youth Guarantee monitoring led to estimates that only (23 %) of the NEET population was enrolled in

relevant schemes in 2016. This is mainly due to the limited capacity of the Public Employment Services".⁸

The Youth Guarantee's efficiency can be graphically illustrated below (table 4), the national action plan (NAP) foresees a sequential approach starting with low-intensity services, followed by more intensive individualized services, followed by intensive treatment for those that cannot be placed during the previous stages.

Youth Guarantee monitoring – Key data¹

1. Main trends in young people's labour market performance



Source: Eurostat, LFS (une_rt_a, lfsi_neet_a)

The Youth Guarantee ('YG') monitoring program in Cyprus

is in late development but one can extract from the results the following:

A low 6.3% of the youth leaving the YG in 2016 are known to have taken up an offer within 4 months of registration, though the result is understated and of little real value as most destinations were unknown (76.4% of exits within 4 months). On average during 2016, the Cypriot YG scheme covered less than a quarter (23.8%) of all NEETs aged under 25. Only 14.1% of those leaving the YG in 2016 were known to be in a positive situation (employment or traineeships) 6 months after

⁸ Publication dated May 2018 by European Commission, Employment, Social Affairs & Inclusion, The Youth Guarantee Program Country by Country – Cyprus.

leaving. Again, this result is significantly understated as the large majority could not be tracked (84.0%). Almost half (46.3%) of those registered in the YG scheme at any point during 2015 had been waiting for an offer for more than 4 months, a significant increase on previous years (23.3% in 2014 and 33.7% in 2015).

Concluding this part of the research paper, by looking at statistics and figures, one can argue that the overall youth unemployment issue is improving overall but taking a closer look on a country by country basis and accounting for the NEET figures as well, it is apparent that the situation is still critical and European Union should be approaching the subject matter from a holistic point of view by focusing energy and resources to member states that require more attention.

Part 2. Future Development – Low unemployment vs high unemployment

Economic Impact

The economic loss from youth unemployment is extremely high, it is estimated that in Europe in 2011 it costs 153 EURO or a staggering 1.2% of the total Gross Domestic Product ('GDP')⁹. Nearly one young person in four is jobless in the EU, and in some parts of Europe the youth unemployment rate is well over 50%. Nearly six million young people aged under 25 are unemployed in Europe and 7.5 million are not in employment, education or training (NEET). Since the end of the Second World War, the youth unemployment rate in Europe has always been higher than that of the older population. But with the crisis it has started to rise at an alarming rate. While

⁹ Eurofound (2012) Economic cost of Europe's youth not in employment, education or training estimated at over €150 billion. Eurofound, 22 October. Available online at: <http://www.eurofound.europa.eu/press/releases/2012/121022.htm> (accessed 26 June 2013).

14.9% of young people were unemployed in May 2008, the figure rose to 21.2% in May 2010, 22.7% in 2012 and 23% in 2013. This is twice the rate in the United States and three times as high as in China. In some countries, more than 50% of young people who want to work are unemployed: this is the case in Greece (59.2% in March 2013) and Spain (56.5%). Germany, Austria and the Netherlands have comparatively low rates at 7.6%, 8.7% and 10.6%, respectively. With deteriorating job prospects, more and more young people are choosing to move abroad while others opt to continue their education. Since 2008, the rate of 15-29-year-olds still in education has risen by an average of 1.5 percentage points in the countries of the Organisation for Economic Cooperation and Development (OECD).

General Strain Theory

Besides the economic loss, one can interlink the relation unemployed youth and crime by applying the General Strain Theory ('GST')¹⁰ to untangle the relationship. General strain theory has gained an important amount of academic interest since being developed back in 1992. Robert Agnew's general strain theory is considered to be a very solid theory, has accumulated a significant amount of empirical evidence, and has also expanded its primary scope by offering explanations of phenomena outside of criminal behaviours. Agnew recognized that strain theory originally as it was put forward by Robert King Merton was limited in terms of fully conceptualizing the range of possible sources of strain in society, especially among youth.

It is evident that Street youths are often unemployed, spend periods of time without shelter, and "hang out" on the street regularly on the absence of legal financial resources to get a house and feed themselves. The potential for alienation as a result of these experiences, leaves these youths at risk for criminal activity making them an ideal sample to explore the unemployment-crime relationship. The theoretical application of GST focuses attention on how objective experiences, subjective interpretations, and emotional reactions can all be linked to crime. Agnew emphasizes how negative experiences can lead to criminal behaviour. His theory outlines several categories of strain into which unemployment might fall, including goal blockage, failure to achieve positively

¹⁰ Dr.Robert Agnew 1992

valued goals, and signs of negative stimuli. Agnew (2001)¹¹ also distinguishes between objective strains and subjective strains. Objective strains are conditions thought to be disliked generally by most members of a given group (e.g., unemployment), while subjective strains are disliked by the individuals actually experiencing them (Agnew 2001, 2006). He notes that individuals can differ in their interpretation of objective strains and these may be influenced by values, resources, and life circumstances. Agnew suggests that anger is often experienced when individuals have difficulty satisfying goals. Further, it is a method of responding to perceived injustice when "individuals feel they have the right to what others have"

Declining crime in low youth unemployment countries

In the Netherlands registered youth crime figures show a spectacular downward trend from 2007 (minus 60%). This decrease is evident among young girls and boys during times of economic prosperity and low youth unemployment. This can trend can also be observed in a lot of other countries sharing similar characteristics. While at older ages there is empirical evidence to challenge this relation (declining income during economic depression may translate to reduce purchases of consumer durables and other possible theft worthy goods, thus providing fewer targets for criminal activity,) at younger ages seems to be interconnected for the reasons mentioned above by applying the general strain theory.

Table 5 below was extracted from Netherlands Police Report surveys and can be used to support the above argument.

¹¹ Agnew, Robert 2001 Building on the foundation of general strain theory: Specifying the types of strain most likely to lead to crime and delinquency. *Journal of Research in Crime and Delinquency* 38: 319-61.

Figure 1: Arrested suspects per 10,000 in the age groups from 12 to 80

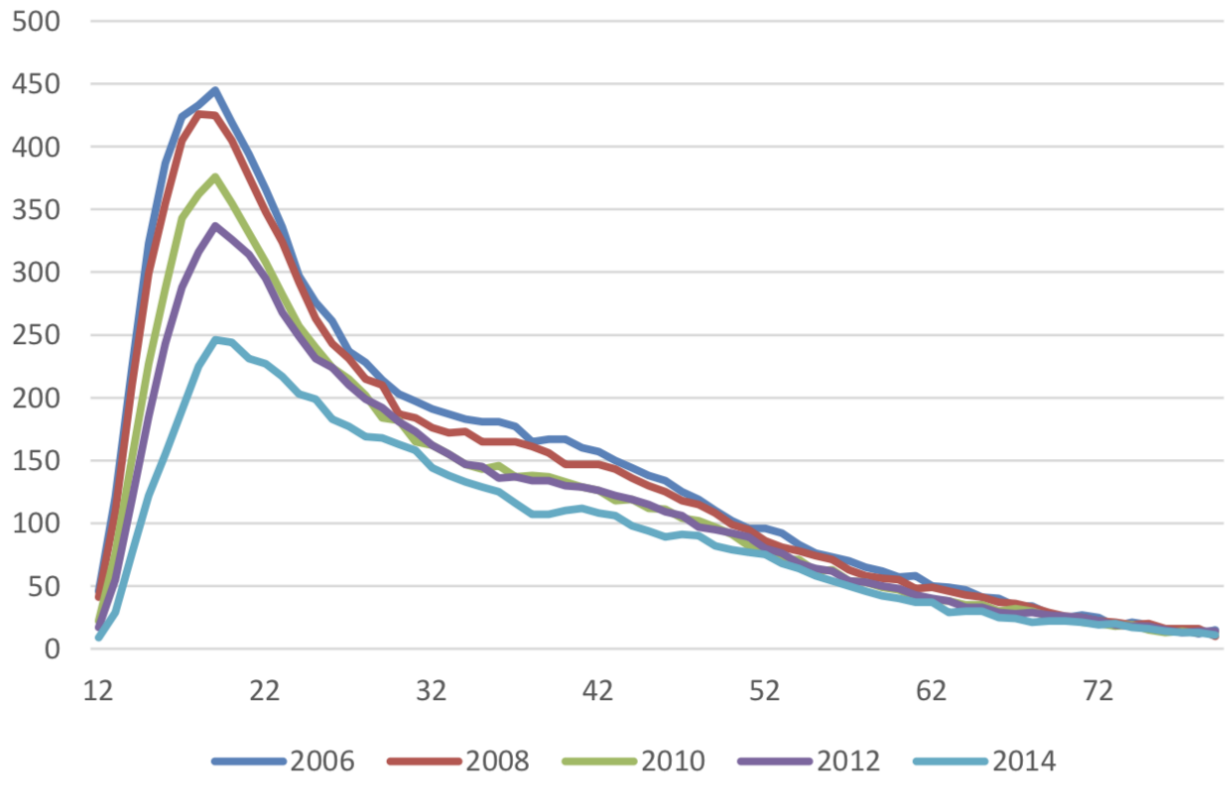


Table 5 above appears that the presented age-crimes curves decrease from a high level to lower level considering the variables of age and time. It is admonished that the age is a natural variable that interacts directly with the declining crime rate, but the year variable is very interesting. Comparing year by year and taking into consideration the overall youth unemployment indicators mentioned in part 1 of this research paper one can relate the interaction between the variables.

How the Current and Future European Union Budget is Spent

The Youth Employment Initiative (‘YEI’) is considered to be one of the most resource intensive EU financial programs designed from ground up to support the implementation of Youth Guarantee schemes (as discussed in part 1 of this research paper). Although YEI was initiated back in 2012, it has since then topped up in 2017 in order to support regions with youth unemployment higher than 25% in 2016. The YEI allocation of funds is outlined below:

Youth Unemployment Initiative By Country allocation

Country	Eligible regions	YEI allocation (€)
Belgium (BE)	Hainaut, Liège and Brussels-Capital.	€42 435 070
Bulgaria (BG)	Severen tsentralen, Severoiztochen, Severozapaden, Yugoiztochen and Yuzhen tsentralen.	€55 188 745
Czech Republic (CZ)	Severozapad.	€13 599 984
Ireland (IE)	All regions.	€68 145 419
Greece (EL)	All regions.	€171 517 029
Spain (ES)	All regions.	€943 496 315
France (FR)	Aquitaine, Auvergne, Centre, Champagne-Ardenne, Haute-Normandie, Languedoc-Roussillon, Nord-Pas-de-Calais, Picardie, Mayotte, Guadeloupe, Guyane, Martinique, Réunion.	€310 161 401
Croatia (HR)	All regions.	€66 177 144
Italy (IT)	Abruzzo, Basilicata, Calabria, Campania, Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardia, Marche, Molise, Piemonte, Puglia, Sardegna, Sicilia, Toscana, Umbria, Valle d'Aosta.	€567 511 248
Cyprus (CY)	All the country.	€11 572 101
Latvia (LV)	All the country.	€29 010 639
Lithuania (LT)	All the country.	€31 782 633
Hungary (HU)	Dél-Alföld, Dél-Dunántúl, Észak-Alföld, Észak-Magyarország	€49 765 356
Poland (PL)	Dolnoslaskie, Kujawsko-Pomorskie, Łódzkie, Lubelskie, Lubuskie, Malopolskie, Podkarpackie, Swietokrzyskie, Warminsko-Mazurskie, and Zachodniopomorskie	€252 437 822
Portugal (PT)	All regions.	€160 772 169
Romania (RO)	Centru, Sud-Muntenia and Sud-Est.	€105 994 315
Slovenia (SI)	Vzhodna Slovenija	€9 211 536
Slovakia (SK)	Stredné Slovensko, Východné Slovensko and Západné Slovensko.	€72 175 259
Sweden (SE)	Mellersta Norrland, Norra Mellansverige and Sydsverige.	€44 163 096
United Kingdom (UK)	Inner London, Merseyside, South Western Scotland, Tees Valley and Durham, and West Midlands.	€206 098 124

Guarantee (YG), a political commitment along the European Union member states to ensure that all young people under the age of 25 years receive a good-quality offers of employment, continued

education and professional development, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education.

The Youth Employment Initiative (YEI), with an initial financial budget of €3.2 billion for 2014-2015, is the main EU funding program of the political commitment above. Its main objective is the reduction and combating against youth unemployment in the worst-affected EU regions by supporting young people not in education, employment or training in regions with a youth unemployment rate above 25 %. Since YEI inception, three years back during which the average rate of youth unemployment in the EU fell to 16.9 % and the NEET rate from 13.2 % in 2012 to 11.5 % in 2016. It definitely contributed to this improvement, both by supporting young people individually, but also helping structural and national policy reforms, in more than 120 regions in 20 Member States. Considering the realities of our time and as the situation is still worrying in many regions of the EU, the program has been extended up to 2020 and its financial envelope has been increased with an additional €1.2 billion for the years 2017-2020.

A Cypriot young woman, Ms. Theognosia Petrou was looking for a job during the economic crisis in Cyprus back in 2013, the market was really constrained, and it was very hard for young professionals to get a job. However, Erasmus+ EU programme enabled the young lady to gain considerable work experience aboard and improved her job prospective considerably, she is now heading a very large Non-Governmental Organization involved in large EU funded projects.

Furthermore, in Cyprus the Human Resource and Development ('HRDA') authority is regulated in accordance with the provisions of local legislation N.125(I)/1999 & N.52(I)/2006 as amended, which fully harmonizes with relevant European Union Regulations and Directives. The authority is funded 100% from the approved national budget which is subsequently funded from funds allocation of several EU budgets. The authority is occupied with research, professional training and certification. HRDA contributes heavily in providing the government and general public with surveys and studies which are used to anticipate demands on professions and gauge potential demand and supply nationwide for employers and jobseekers. Low unemployment is a key economic objective for every modern and developed economy, a lot of lessons were learned since

the mass unemployment experience back in 1930s¹². In economic terms the following effects are taking place during low unemployment:

- a) **Opportunity Cost:** The opportunity cost of unemployment is zero as it represents a great loss of output that employees could have produced had they been employed. The national governments are also obliged to spend more on unemployment benefits, funds that could be otherwise invested in the real economic or public benefits such as health & education.
- b) **Waste of resources:** In cases of unemployment resources are not employed and are left idle, contributing nothing to the real economy. The investment in education and training costs are not utilized and individuals who have received such benefits.
- c) **Losses of revenue:** Governments are losing potential income taxes and other indirect taxes, as lower income translates to lower spending.

On the contrary, a low youth unemployment rate means the number of European Citizens actively seeking a job is lower relative to the total population of active workers. A low unemployment rate has several advantages for the economy at large, as well as for individuals especially young population looking to start their life, for example:

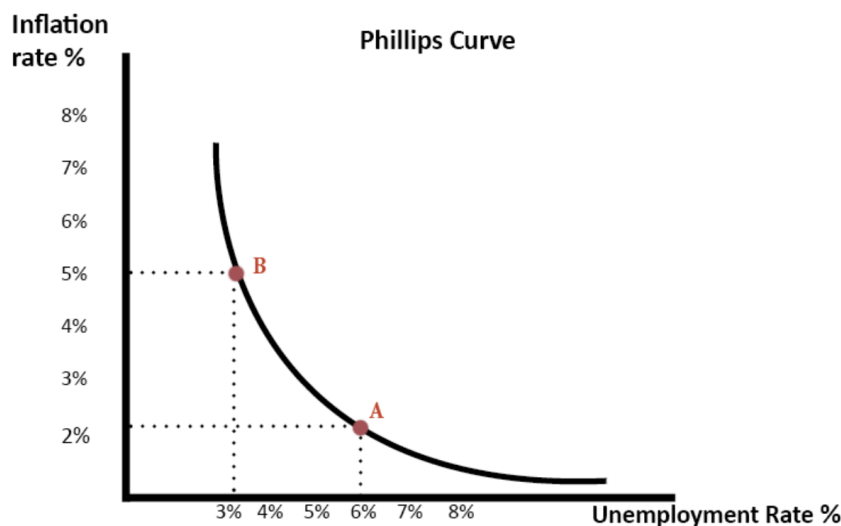
- a) **High Consumer Buying Power:** Consumer spending impacts the majority of economic growth. When citizens have money to spend, they support the businesses that then hire employees. During a strong economic cycle, low unemployment essentially is self-sustained. Businesses do well because employed individuals have money to spend. Major sectors of the economy, including housing, banking and retail, are stronger and more stable during periods of low unemployment because people have income to pay the bills and expand.

¹² The Great Depression, a case of severe world economic depression that took place in 1930s beginning in United States of America.

- b) **Less Government Borrowing:** Low unemployment reduces the strain on the government, and taxpayers, to support a large population of people out of work. With more people working, the government has less burden to put money into welfare assistance programs. Also, more people working allows the government to bring in more tax revenue. Higher revenue and reduced benefit payouts create a more financially responsible operation. The government does not have to rely as much on borrowing to keep up with bills, saving on interest payments.

Part 3. Political Objectives and relative strategies at the European and National Level

During times of general unemployment, including youth unemployment, the policymakers have a choice between prioritizing inflation or unemployment reduction. The Philips curve¹³ below suggests the inverse relationship between inflation and unemployment.



The Phillips curve originated out of an analysis comparing money wage growth with unemployment. The findings of A.W.¹⁴ suggested there was an inverse correlation between the rate

¹³ A.W. Phillips in *The Relationship between Unemployment and the Rate of Change of Money Wages in the United Kingdom 1861–1957*

of change in money wages and unemployment. For example, a rise in unemployment was associated with declining wage growth and vice versa. The Phillips Curve is just one of the many empirical evidences and theories which correlates unemployment with other economic and social factors. Such findings are important for policymaker's consideration both at national and European level before deciding on political decisions and relevant strategies.

Strategic thinking vs Strategic Planning in the European Union

Considering the recent academic literature there is no agreement on what consists strategic thinking versus strategic planning and how they are interacting with each other. Strategic Planning and Strategic Thinking are Two Distinct Thinking Modes and Strategic thinking should precede strategic planning. Taking into consideration this author's view is apparent that planning in isolation cannot produce strategies because the nature of planning misses the '*acta*' element. Strategic Planning however is a process characterized with organization, formalization and throughout analysis, it a process which takes place after the strategies have been laid down, considering the above view one can extract that the real purpose of strategic planning is to improve strategic thinking.

The European Union sets its strategic planning through the European Commission, which reports in a yearly cycle (known as the strategic planning and programming cycle), the Commission's main priorities are set out by the Commission President every five years. This process is developed jointly by the European Union's institutions (the European Parliament, European Council, Council of the European Union and the European Commission) the European Commission is tasked with collecting orientations and general political priorities from the leaders of the 28 EU member States. The 10 Commission political objectives for 2015 -2019¹⁵ include the following:

- 1) **Job growth and Investment**, stimulating investment and creating jobs within the European union.

¹⁴ Phillips in The Relationship between Unemployment and the Rate of Change of Money Wages in the United Kingdom 1861–1957

¹⁵ Accessible from, https://ec.europa.eu/commission/priorities_en

- 2) **Digital Single Market**, bringing down barriers to unlock online opportunities.
- 3) **Energy union and climate**, making energy more secure, affordable and sustainable.
- 4) **Internal Market**, a deeper and fairer internal market.
- 5) **A deeper and fairer economic and monetary union**, combining stability with fairness and democratic accountability.
- 6) **A Balanced and progressive trade policy to harness globalization**, Open Trade – without sacrificing Europe’s standards
- 7) **Justice and fundamental rights**, enhancing cooperation between different EU justice systems and preserving the rule of law
- 8) **Migration**, towards a European agenda on migration
- 9) **A stronger global actor**, Strengthening the global role of Europe
- 10) **Democratic change**, making the European Union more transparent and democratically accountable.

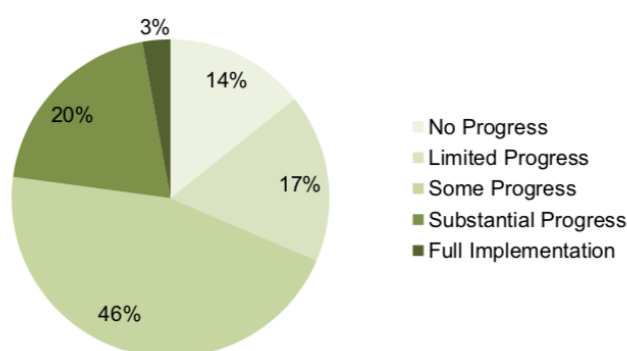
The author will focus on point 1, **Job growth and Investment** which forms a part of Coordinated efforts at European level are needed to put Europe on the path of economic recovery. The Investment Plan for Europe, the so-called Juncker Plan, focuses on creating jobs and boosting growth by making smarter use of financial resources. The Commission publishes in a frequent basis Country Reports regarding the overall economic and social performance for each European Union Member State. The member states are assessed in accordance with issues identified in the previous year’s EU recommendations. Taking a closer look at the Country Report Cyprus 2018 Commission Staff Working Document it is mentioned that ‘However, *unemployment remains particularly high among young people (25.1 % in 2017Q3, above the EU on average) and for long- term unemployed (4.3 % in 2017Q3 as against the EU average of 3.5%)*.’¹⁶

National and European Level incentives

¹⁶ Country Report Cyprus 2018, including an In-Depth Review on the prevention and correction of macroeconomic imbalances. Brussels 7.3.2018

The European Commission attempts to tackle country specific issues by implementing Country Specific Recommendations ('CSRs') which are assessed multi-annual in regard to their implementation since the date of adoption. For 2017 69% of all CSRs addressed to Cyprus have recorded at least some progress, 31 % of these CSRs recorded limited or no progress. The overall multi-annual implementation is outlined at table 6¹⁷ below:

Graph 2.1: Overall multiannual implementation of 2011-2017 CSRs to date



Specific CSRs relating to the youth unemployment appear to have progressed very limitedly as the vast majority of young people (15-24 years) not in employment, education, or training remains one of the highest in the EU. In 2016, it grew to 16 % (from 15.3 % in 2015), still significantly above the EU average of 11.6 %. The NEET rate for young people with tertiary education was 4.8 %, compared to EU average of 0.9% (as mentioned in Part 1 of this research.) Contributing factors include lack of jobs for university graduates (two in five graduates work in jobs well below their qualifications), low enrolment in VET and possibly undeclared work. The local authorities in Cyprus (Social Insurance Task Force) are attempting to address the situation through targeted counselling in schools and youth entrepreneurship schemes. Youth Guarantee monitoring led to estimates that only (23 %) of the NEET population was enrolled in relevant schemes in 2016. This is mainly due to the limited capacity of the Public Employment Services to

¹⁷ Country Report Cyprus 2018: Including an In-Depth Review on the prevention and correction of macroeconomic imbalances. Brussels 7.3.2018

absorb so many candidates, the labour market is improving overall, but the situation of young people remains precarious.

Some of the tangible results delivered through European Union's support to structural change in Cyprus and to reduce the youth unemployment include boosting of the European Structural and Investment Funds (ESI Funds). Cyprus can receive support up to EUR 917 million until 2020. Additional funds have been allocated to boosting youth employment under the Youth Employment Initiative. The ESI Funds are designed help address structural policy challenges and implement country-specific recommendations. Actions financed in Cyprus cover, among others, boosting competitiveness and economic growth; promoting R&D in the private sector; strengthening links between R&D, innovation and industry; supporting women and youth entrepreneurship; promoting e-services and e-government; helping develop more sustainable economy; assisting Cyprus in meeting the EU standards, in particular as regards waste treatment and recycling; strengthening links between vocational training and the labour market and youth learning development.

Youth Unemployment in Europe: An unacceptable strategy

Almost 70 years ago, Robert Schuman stated that: 'Europe will be built through concrete achievements which first create a de facto solidarity'. Taking into consideration part 1 & 2 of this research one can admonish that Europe's youth unemployment differs from region to region, especially countries from the south vis a vis the north, these asymmetrical results derive from the vast differences among of the economies among member states. The European Union's strategy is approaching the subject matter on a state by state case, adjusting resources and policies accordingly, rather than implementing a top down strategy among all member states. EU is attempting to remedy this issue by leveraging one of its greatest visions since the inception, the idea of free movement across all member states.

The EU proposed to all Europe's leaders a new professional mobility program, the Erasmus Plus to allow millions of young Europeans to gain a professional qualification in a different European Country by 2020. This program is extremely ambitious as it attempts to trigger a mobilizing effect among Europe, upholding the European Union's fundamental values of respect for human dignity and human rights, **freedom**, democracy, **equality** and the rule of law. This

approach is expected to develop strategic partnerships between member states bolstering business relationships and improving the employment prospective of long-term unemployment NEET individuals. The Erasmus+(plus) received a budget of 14.7 Billion EUR and will provide opportunities for over 4 million Europeans to study, gain experience, train and gain experience abroad. The program is essentially a consolidation of seven prior programmes, the new and improved strategy to consolidate is a result of EU's strategic thinking for implementing the Europe's 2020 strategy for growth, jobs, social equity. Erasmus + is contributing substantially in Europe's ET2020 strategic framework. ET2020¹⁸ aims to achieve the following 6 targets by 2020¹⁹:

- to reduce the early leavers from education and training below 10%
- to reach 40% tertiary educational attainment among 30 to 34-year-olds
- to reach the 95% participation in early childhood education and care
- to reduce the underachievement in reading, maths and science below 15%
- to reach the employment rate of recent graduates of 82%
- to reach 15% adult participation in learning

EU is slowly gaining a 'human face' in times of an unequal Europe, this kind of strategic planning caters for a caring Europe, moving Europeans closer (and better) together than attempting to remedy issues in isolation through single top down strategic plans. The Youth Guarantee('YG') is an ambitious EU commitment which was a necessary response to the economic crisis and increasing levels of youth unemployment, establishing YG was a bold and historical move. Most of the member states welcomed the Council's suggestions and amended laws and policies at national level to ensure that YG implementation plans could be facilitated as soon as possible. Since 2013

¹⁸ EU Council Recommendation on establishing a Youth Guarantee, 22 April 2013 (2013/C 120/01).

¹⁹ Source: Eurostat (EU-LFS). online data code [edat_lfse_03].

there was a flood of policies relating to the YG programme, the council's strategy was for each member state to apply and adjust the local and regional characteristics of the programme. Despite the precise strategy and objectives of YG programme, this was a step at the right direction. A great example of strategic thinking before strategic planning. This approach enabled member states to parametrize how the YG is delivered on the ground.

Conclusion

European Union is definitely taking steps towards the right direction, in embracing the values of the European Communities by empowering the future which is nonetheless its youth. The recent Britain's referendum on Brexit in combination with the ongoing pressure from recession commanded for a change in strategy, embracing strengths, weaknesses opportunities and threats emerging both from EU's internal governance but also on the national level of the member states. The signs of recovery are evidenced through the economic indexes of the member states however, there is an abnormal median within those numbers comparing countries from the north vis a vis south which European Union as a single market cannot ignore as the reverberations are felt and reflected on Euro as a currency and Europe as a Union.

The Commission's political objectives have been set since 2015 but many aspects of the policies still remain in question. The momentum towards a more efficient European Union should be maintained, especially in sensitive matters such as reducing the Youth Unemployment, it is clearly evidenced that unemployment among youth can only limit the economic and social prospective of Europe while strong employment among youth can only create positive economic and social effects. Erasmus +, ET2020 and Youth Guarantee should form the tip of the spear towards eradication of Youth Unemployment in Europe.