

Adecco Institute study: EU youth exposure to unemployment twice as high as overall rate – transition from school to work decisive for raising employment levels and employability

Adecco Institute Chairman: “EU Skills Commission” could bridge skills gap

Brussels, Belgium, March 15, 2007: The Adecco Institute, a global think tank on the future of work, today published a white paper on how the transition from school to work in Europe affects youth employment and prospects.

The main findings are:

- Changes in GDP growth have twice the impact on youth employment as they do on overall employment, positively as well as negatively
- Europe’s youth (age 15 to 24) suffer double the rate of overall unemployment
- Unemployment early in life can permanently impair a person’s job prospects
- There is no trade-off between job chances for older workers and youth market entrants
- Europe has 3 recognizable education-to-work systems, but success varies greatly
- Denmark could be considered a role model for Europe, with low youth jobless rates, low adult unemployment and gender balance in employment (youth and overall)
- Youth transition problems in the EU coincide with an ageing workforce, so compounding talent and skill shortages despite a youth unemployment rate of 18 percent

“With this study, we intend to draw attention to one of Europe’s major labour market deficiencies, the appallingly high rate of youth unemployment”, said Adecco Institute Chairman and former German minister of economics and labour Wolfgang Clement. “We believe that one of Europe’s biggest challenges is to improve the integration opportunities for young people by building a reliable bridge between school and work. Today there seems to be a big separation between the two, rather than accessible paths that would link them.”

The study presented by the Adecco Institute shows a clear correlation in Europe between GDP trends and youth unemployment rates: when economic growth slows, youth entry level jobs are frozen or cut first, and vice versa. On average, for every 1% rise or fall in GDP, young people’s job prospects are twice as affected as those of the workforce as a whole, making youth twice as vulnerable. Correlations vary greatly between countries, indicating that it is not just market forces but also institutions and policies that impact youth transition.

The research paper reveals that there is a growing gap between young people’s employability skills (and understanding of the workplace) and companies’ needs. As older people leave the workforce, demand for qualified replacements is rising. Yet since sufficiently skilled youngsters are not being prepared by schools to fill the shortfall, there is a continued risk of high unemployment and skill shortages growing side-by-side.

Conclusions and policy recommendations:

- Concentrating on employment rates alone will not ensure that Europe is properly equipped with the kind of skills it needs for an economic future that will be services-led, information-dependent and knowledge-focused



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- Quality education, training and development need to be delivered to young people in whatever circumstances they find themselves
- To achieve this there needs to be a variety of intermediate organisations, both public and private, working in partnership with existing educational institutions
- Europe needs to look at the whole area of training and skills through a framework coordinated by a joint EU Skills Commission, involving employers and policy makers
- A first step can be to assign a transition manager to every school in the EU – publicly or privately financed – to serve as a mediator between school and working life

The white paper can be downloaded from the research section of the Adecco Institute website at <http://www.adeccoinstitute.com/research.htm>.

About Adecco

Adecco Group is the world market leader in Human Resource services with sales of EUR 20.4 billion in 2006. The Adecco network connects over 700,000 associates with business clients each day through its network of 35,000 employees and 6,700 offices in over 70 countries and territories around the world. Headquartered in Switzerland, and managed by a multinational team with expertise in markets spanning the globe, Adecco delivers an unparalleled range of flexible staffing solutions and career services to corporate clients and qualified associates.

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