

# Increasing youth employment opportunities within economically unbalanced EU.

The contribution of portability of education/training public financing<sup>§</sup>

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For the foreseeable future, youth (mainly in Southern Europe) will continue to suffer from very bad employment prospects unless *i)* the local economic picks up rapidly and dramatically or *ii)* they decide to migrate.

The second option is currently hampered by several barriers (linguistic, financial, lack of knowledge of local rules...). Our point is that many of these barriers could be lifted if youth had the opportunity to move during their final study/training years to the countries offering brighter employment prospects.

One way to foster this pre-labour market mobility would be to offer youth the possibility to **mobilize the equivalent of the full set of public resources their home country currently spends on them** (i.e. education, training money but also budgets funding active labour market policies (ALMP)<sup>2</sup> earmarked for youth) **also when they move to another EU country**. This is the idea of portability of public funding. That funding could come from different sources: the country of origin, but also from EU structural and cohesion funds.

Implementing this idea would require a significant modification of the way post-16 initial education and training, but also ALMP, are organized and funded in Europe.

Instead of funding national training/educational institutions (which is currently the prevailing arrangement<sup>3</sup>), EU member states should commit to finance, to some extent, the educational/training costs of their young residents wherever they decide to accumulate human capital or acquire a first professional experience within the EU.

Similarly, the use of EU structural and cohesion funds should be deterritorialised. Instead of funding actions and programmes that take place on the territory of poorer EU regions – primarily with the aim of **bringing jobs where people are** -- , it should be possible to use these resources to cover the educational and training costs of the young residents from depressed EU areas who attend education

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<sup>2</sup> The effectiveness of these policies is heavily dependent on the existence of a labour market offering a reasonable set of employment opportunities. There is evidence that well-designed and implemented ALMPs are effective at reducing mismatches on the labour market (and thus at lowering the structural unemployment rate). However, they are no substitutes for a widespread lack of jobs in the economy. Money spent on ALMPs in countries facing a severe recession probably generates limited benefits.

<sup>3</sup> Nordic countries represent a noteworthy exception. They have developed a fully-fledged compensation system for the mobile students  
<http://www.universityworldnews.com/article.php?story=20121031163939447#.UJOYFr7pNiM.email>

and training programmes elsewhere in the EU – in short, **helping young people to move to where jobs are.**

Hopefully, this would persuade a larger number of youth, currently stuck into severely depressed areas of the EU, to move to other, more promising, parts of the EU. By joining the educational/training systems of the countries/regions that are performing better economically, they would considerably increase their chance of making a successful transition from school to work. Host countries – in particular the education/training institutions within these countries -- would welcome the financial resources they carry along, limiting the risk that they develop protectionist strategies. Countries of origin would benefit from lower youth unemployment rate and limit the loss of human capital associated with long-term unemployment, while preserving, in the longer run, the possibility to recuperated it, possibly enriched by experience abroad. And European integration would benefit altogether.

### **References.**

Marcel Gérard & Vincent Vandenberghe, 2007. "[Mobilité étudiante en Europe : une idée qui mérite mieux que des quotas](#)," [Discussion Papers \(IRES - Institut de Recherches Economiques et Sociales\)](#) 54, Université catholique de Louvain, Institut de Recherches Economiques et Sociales (IRES)