



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senát for its Resolution concerning the Youth Employment Package {COM(2012) 727 final}, {COM(2012) 728 final} and {COM(2012) 729 final}.

The Commission would like to express its gratitude for the support of the Senát for the Commission's initiatives to fight youth unemployment. Indeed, due to the gravity of the youth unemployment problem, the European Council of 27-28 June 2013 confirmed that the EU will mobilise all available instruments in support of youth employment.

While the Commission agrees that a Youth Guarantee has a fiscal cost in the short run, it has to consider these costs in a broader context, namely in the context of the long term costs of the current very high levels of youth unemployment. According to a 2011 study by Eurofound the costs of youth not in employment, education or training (NEETs) – in terms of benefits paid out to unemployed young people, foregone earnings and taxes – are estimated to be the equivalent of 1.21% of EU annual GDP. This represents an annual loss of €153 billion for the Member States. In the case of the Czech Republic, the annual costs of NEETs amount to €1.7 billion, i.e. 1.2% of the GDP.

The Youth Guarantee is a structural reform that will improve Member States' economic situation in the long run. It constitutes an investment in the same way as education. Investments such as financing a Youth Guarantee should be prioritised and strengthened while ensuring the efficiency of such expenditure.

In the current context of fiscal consolidation, EU funds will have an important role to play. Therefore, Member States should make full and optimal use of the Cohesion Policy funding instruments to support the implementation of Youth Guarantee schemes. The Commission has proposed that in 2014 to 2020 labour market integration of young people would be a specific investment priority of the European Social Fund.

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Furthermore, as the Senát's Resolution underlines, the Youth Employment Initiative will provide financial support to measures set out in the Youth Employment Package, in particular the Youth Guarantee. The funding for the Initiative will be € 6bn for the period 2014-2020 (€ 3bn from a dedicated budget line matched by € 3bn from the European Social Fund (ESF)). The Commission proposed that the Youth Employment Initiative will be open to regions with levels of youth unemployment above 25% – including in the Severozápad region of the Czech Republic. The European Council of June 2013 decided to make the Initiative fully operational as from 1 January 2014. Furthermore, Member States with tight budgetary situation may implement the Youth Guarantee gradually.

Of course, the needs are much larger, and the ESF proposal has been designed in such a way that it could finance the Youth Guarantee beyond the Initiative. This is why it is more critical than ever that a minimum share of 25% of Cohesion policy resources are earmarked for the ESF. The Commission counts on the Senát's support in this regard.

While the Commission agrees with the Senát's analysis that other social groups including older people and women returning from parental leave also deserve appropriate attention in the framework of active labour policies, it is important to underline that young people are paying the highest price for the crisis. Furthermore, different studies show that starting a career as an unemployed has long term scarring effects both in terms of future income and career prospects. We should pay particular attention not to lose an entire generation.

The Commission fully agrees with the Senát's recommendation to cooperate further on transfer of knowledge and best practices: In this sense the Commission was delighted to welcome also Czech participants to the Commission conference on 'Advice on apprenticeship and traineeship schemes', organised in Brussels on 5-6 June 2013. Indeed, apprenticeships and traineeships are crucial to enhance young people's education to work transitions – however it is important to make sure that both apprenticeships and traineeships are of high quality and in any case not abusive to young people; especially, they should not replace jobs. This aspect should be well reflected within the European Alliance for Apprenticeships – launched in Leipzig on 2 July – and this is indeed the main objective of the Quality Framework for Traineeships, on which the Commission plans to propose draft Council Recommendations by the end of the year.

The Commission hopes that these clarifications address the concerns raised by the Senát and looks forward to continuing our political dialogue in the future.

Yours faithfully,

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Vice-President/Member of the Commission*

