



European
Commission

EU measures to tackle youth unemployment

What is the current situation?

- More than 5.5 million young people are unemployed in the EU-28 area today.
- This represents an unemployment rate of 23.4% (24.0% in the euro area). More than one in five young Europeans on the labour market cannot find a job; in Greece and Spain it is one in two.
- 7.5 million young Europeans between 15 and 24 are not employed, not in education and not in training (NEETs).
- In the last four years, the overall employment rates for young people fell three times as much as for adults.
- The gap between the countries with the highest and the lowest jobless rates for young people remains extremely high. There is a gap of over 50 percentage points between the Member State with the lowest rate of youth unemployment (Germany at 7.7% in December 2013) and the Member State with the highest rate, Greece (58.3% in December 2013). Greece is followed by Spain (54.6%), Croatia (49.8%), Italy (41.7%), Cyprus (40.3%) and Portugal (34.4%).
- The unleashed potential of job mobility to help tackle youth unemployment remains to be further developed: the workforce in employment in the EU is around 216.1 million persons of which only 7.5 million (3.1%) are working in another Member State. EU surveys show that young people are the group most likely to be mobile.

The situation reflects a serious and structural problem: this is why the Commission has been taking direct action on youth employment.

What are we doing?

Investing in youth: the Youth Guarantee

The Council adopted the Recommendation on establishing a Youth Guarantee in April 2013. It calls on Member States to ensure that all young people under 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. It includes guidelines for setting up such schemes, covering in particular the need for stronger partnerships between all concerned stakeholders, early intervention and activation, and making full use of EU funding. Setting up Youth Guarantee

schemes is a **structural reform** in the mid and longer term. It will help school-work transitions, public institutions to work better (together) and improve the functioning of the economy (increasing skill matching and productivity).

Not all measures are expensive in terms of public expenditure. Building up partnership-based approaches for example does not require large budgets, but would significantly contribute towards the success of the Youth Guarantee.

Significant EU financial support can also help - most notably from the European Social Fund (ESF) and in the context of the Youth Employment Initiative (YEI). The June 2013 European Council stipulated that youth employment be given a particular focus in implementing Structural Funds. But to make the Youth Guarantee a reality, Member States need to prioritise youth employment



measures also in their national budgets to avoid higher costs in future. The 2013 Annual Growth Survey points out that investments in education should be prioritised and strengthened where possible, and the coverage and effectiveness of employment services and active labour market policies maintained or reinforced.

The ESF 2014-2020 will have a crucial role to play also in the new financial period in supporting young people, implementing the Youth Guarantee (in particular through the Youth Employment Initiative, half of whose budget comes from ESF national allocations) and addressing the related country-specific recommendations as part of the European Semester. For this, the need for Member States to allocate adequate resources has been consistently stressed by the Commission in the context of bilateral discussions on the programming period 2014-2020. The ESF Regulation for the programming period (2014-2020) already includes a dedicated ESF investment priority targeting the sustainable labour market integration of young NEETs. Member States facing high youth unemployment rates are thus expected to identify young unemployed persons as well as NEETs as a specific target group for ESF funding.

To increase available EU financial support to the regions and individuals struggling most with youth employment and inactivity, the European Council agreed in February 2013 to create a dedicated **Youth Employment Initiative (YEI)**. The YEI will exclusively target NEETs aged up to 25 years, and where the Member State considers relevant, also those aged up to 30 years. Member States will have to complement this assistance with substantial additional ESF and national investments in structural reforms to modernize employment, social and education services for young persons, and by strengthening the capacity of relevant structures and improving education access, quality and links to labour market demand. The YEI will be programmed as part of the ESF. The YEI funding will comprise EUR 3.2 billion* from a specific EU budget line dedicated to youth employment and another at least EUR 3.2 billion* from the European Social Fund national allocations. This will amplify the support provided by the European Social Fund (see below) for the implementation of the Youth Guarantee by funding activities to directly help young people not in employment, education or training (NEETs) such as job provision, traineeships and apprenticeships, business start-up support, etc.

The priority is to accelerate the implementation of the Youth Guarantee. In parallel, the Commission is developing a number of EU-level tools to help Member States, such as the European Alliance for Apprenticeships, the Quality Framework for Traineeships, EURES and the 'your first EURES job' initiative, and helping firms to recruit young people. All these measures need to be taken forward in close partnership with the social partners and relevant stakeholders.

The YEI will be front-loaded so that resources are committed in 2014 and 2015 and spent over a shorter period rather than over the seven year period of the MFF. To ensure a quick start, Member States can exceptionally start implementing YEI-related measures already as of 1 September 2013 and will be reimbursed when the programmes are approved.

Member States who wish to submit youth-related Operational Programmes could do so before submitting their Partnership

* In current prices.

Agreements, in order to have these programmes adopted as a matter of priority.

Member States suffering from high youth unemployment (i.e. those benefiting from the Youth Employment Initiative) were to draw up **Youth Guarantee Implementation Plans (YGIPs)** by the end of December 2013. All other Member States are submitting their plans by spring 2014. The YGIPs should set out how the Youth Guarantee will be implemented, the respective roles of public authorities and other organisations, how it will be financed and monitored, as well as a timetable.

Alongside the YGIPs, Member States are currently drawing up and submitting the youth-related (parts of) Operational Programmes which will be the basis for EU (ESF and YEI) financial support to the Youth Guarantee implementation.

The Employment Committee (EMCO), representing Member States, is also involved in working on the Youth Guarantee: a multilateral surveillance review took place on 2 December 2013 on the implementation of youth Country-Specific Recommendations (CSRs). In addition, the EMCO Indicators Sub-group is looking at the data requirements for monitoring the implementation and impact of the Youth Guarantee. EMCO will closely cooperate with the Public Employment Services, which have an important role to play in setting up Youth Guarantee schemes.

Already on-going actions in favour of youth: Action Teams

Since the beginning of the current financial period 2007-2013, young people have been among the specific target groups of the ESF in all Member States. In some cases more money has been mobilised for them since the outbreak of the crisis. At the Commission's initiative, Action Teams composed of national and Commission officials were set up in February 2012 with the eight Member States with the – at the time – highest levels of youth unemployment, namely Greece, Ireland, Italy, Latvia, Lithuania, Portugal, Slovakia and Spain. The Action Teams were tasked with further mobilising EU structural funding (including from the European Social Fund) still available in the 2007-2013 programming period to support job opportunities for young people and to facilitate SME access to finance.

By March 2014, EUR 4.2 billion from the ESF have been re-allocated to specific actions for the most vulnerable groups – among them young people – in areas of education, access to employment, guidance, practical training in companies and prevention, which could support around 1.2 million young people. Of this funding, EUR 1.8 billion have been contracted out to projects.

Working with Member States and Partners

The priority now is implementation. This is reflected in the **Country Specific Recommendations for 2013** which were adopted by the Council in July 2013. The Commission has urged 20 Member States

to take urgent steps to combat youth unemployment through *inter alia* active labour market policies, reinforcement of public employment services, support for training and apprenticeship schemes and combating early school leaving, all of which can contribute to the delivery of the Youth Guarantee. 12 Member States were directly urged to implement the Youth Guarantee. The recommendations also urged Member States to look at the segmentation of labour markets which can impact on young workers. The Commission is currently developing the 2014 CSRs in the framework of the European Semester.

Transition from school to work

Effective vocational education and training systems, in particular those that include a strong work-based learning component appear to facilitate the transition of young people from education to work. This is why on 2 July 2013, the Commission launched the **European Alliance for Apprenticeships** to improve the quality and supply of apprenticeships across the EU and change mind-sets towards apprenticeship-type learning. Many Member States include apprenticeship reform in the context of delivering Youth Guarantees. EU funding and technical expertise are available to help Member States improve their systems.

So that young people can acquire high quality work experience under safe conditions and to increase their employability, the March 2014 EPSCO, upon a proposal from the Commission, agreed on a **Quality Framework for Traineeships (QFT)** in the form of a Council Recommendation – in line with the June European Council conclusions. The QFT will be an important reference for the determination of a good quality traineeship under the Youth Guarantee.

Labour mobility

The Commission facilitates labour mobility, in particular by making young people aware of job opportunities in other EU countries. The EURES portal gives access to over 1.4 million job vacancies and nearly

31 000 registered employers to find talented mobile job-seekers. EURES and Your first EURES Job (YfEJ) are tools at the service of Member States to boost mobility and as a means to offer job opportunities.

A regulatory proposal on EURES is currently in the legislative process. The overall ongoing strategic reform of EURES aims at facilitating transparency in vacancy handling, improving skills-based matching processes, and enhancing cooperation between public and private service providers. The reform should contribute to the development of an open European labour market, and make EURES more market-oriented.

The Commission is also piloting a job mobility scheme – YfEJ. The scheme aims to test the effectiveness of tailor-made services combined with financial support to help young people aged 18-30 to find a job in any of the 28 Member States (minimum 6 months contract). It provides information, a job search function, recruitment and job placement support. It finances language courses or other training needs and travel expenses for young job applicants (for job interviews and job settlement in other EU countries). It also provides a contribution to an integration programme in the case of recruitment by an SME.

The objective of YfEJ is to find a job, apprenticeship or traineeship for 5 000 young people on the basis of a total budget of around EUR 12 million. The new Programme for Employment and Social Innovation (EaSI) will provide additional direct funding of between EUR 5 and 9 million a year to support Targeted Mobility Schemes. Small-scale initiatives will be developed to deal with vacancies in certain occupations, sectors or Member States through tailor-made recruitment campaigns, facilitating intra-EU job matching.

In view of the scale of the challenge the onus will be on Member States – working through their Employment Services with the possibility of using ESF funding – and employers to step up their financial support for employment through intra-EU mobility, drawing on the experience of YfEJ.



Investment

A Youth Guarantee does have a fiscal cost for Member State Governments. However, the costs of NOT acting are far higher.

- The International Labour Organisation has estimated the cost of setting up Youth Guarantees in the Eurozone at EUR 21 billion per year. But the European Foundation for Living and Working Conditions has estimated the current economic loss in the EU of having 7.5 million young people out of work or education or training at over EUR 150 billion in terms of benefits paid out and lost output.
- This is in addition to the long-term costs of unemployment to the economy, to society and to the individuals concerned, such as increased risk of future unemployment, health problems and poverty.

The cost of doing nothing is therefore very high: the Youth Guarantee is an investment. For the Commission, this is crucial expenditure if we want to preserve our future growth potential.

How does the European Social Fund already support young people?

The European Social Fund is worth more than **EUR 10 billion per year**. From this envelope, the ESF has provided targeted support for youth employment since long before the crisis, and has been vital in tackling the current rise in youth unemployment.

68 % of the ESF budget goes towards projects in which young people could potentially be one of the target groups.

- From 2007 to 2012, 20 million young people under 25 years benefited from the ESF through training or mentoring. In some countries, young people account for 40 % or more of all participants.
- ESF projects aim to keep young people in education by combating early school leaving and by providing opportunities for

re-entry into formal training or education. Transition from school to work is facilitated through mentoring and personal advice, additional training and work placements, including traineeships and apprenticeships.

- Many countries use ESF investment to modernise education and strengthen vocational training. Social inclusion-oriented projects address the integration of young people from disadvantaged groups into the labour market or the education system. Transnationality is one of the operational principles of the ESF and mobility for students and researchers is a very well-developed aspect of the provision.

Youth employment is a priority for the Commission but it must be clear there is no single solution – with the Member States we have to act urgently to put into practice the combination of measures which have been agreed, that work and that will bring results.

Further information

- DG Employment: Youth employment website ¹
- Youth Guarantee website ²
- European Alliance for Apprenticeships ³
- 2013 Communication: A call to action on youth unemployment ⁴
- 2013 Communication on Youth Employment Initiative ⁵
- 2012 Communication on Moving Youth into Employment ⁶
- Youth on the Move website ⁷
- EUROFOUND: European Foundation for Living and Working Conditions: Youth ⁸
- Europe 2020 strategy ⁹
- EURES jobs portal ¹⁰
- European Social Fund ¹¹
- ILO report Eurozone Job crisis: Trends and policy responses ¹²

Communicators' toolkit

- ESF: my story ¹³
- Youth Guarantee video ¹⁴
- Your first EURES job video ¹⁵
- EURES, Your job in Europe video ¹⁶
- Getting off to a good start video ¹⁷
- Advice on apprenticeship and traineeship schemes booklet ¹⁸
- Youth on the Move – Europe supports young people ¹⁹
- Finding a job in Europe – a guide for jobseekers ²⁰

1 <http://ec.europa.eu/social/main.jsp?langId=en&catId=1036>

2 <http://ec.europa.eu/social/main.jsp?langId=en&catId=1079>

3 http://ec.europa.eu/education/apprenticeship/index_en.htm

4 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52013DC0447:EN:NOT>

5 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52013DC0144:EN:NOT>

6 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52012DC0727:EN:NOT>

7 http://ec.europa.eu/youthonthemove/index_en.htm

8 <http://www.eurofound.europa.eu/spotlight-on/youth>

9 http://ec.europa.eu/europe2020/index_en.htm

10 <https://ec.europa.eu/eures>

11 <http://ec.europa.eu/esf/home.jsp?langId=en>

12 http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_184965.pdf

13 <http://ec.europa.eu/esf/main.jsp?catId=564&langId=en>

14 <http://ec.europa.eu/social/main.jsp?catId=669&langId=en&videosId=2619&vI=en&furtherVideos=yes>

15 <http://ec.europa.eu/social/main.jsp?catId=669&langId=en&videosId=2605&vI=en&furtherVideos=yes>

16 <http://ec.europa.eu/social/main.jsp?catId=669&langId=en&videosId=2628&vI=en&furtherVideos=yes>

17 <http://ec.europa.eu/social/main.jsp?catId=702&langId=en&videosId=2604&vI=en&furtherVideos=yes>

18 <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7555&type=2&furtherPubs=yes>

19 <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=6860&type=2&furtherPubs=yes>

20 <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7620&type=2&furtherPubs=yes>

21 <http://www.eurofound.europa.eu/pubdocs/2012/54/en/1/EF1254EN.pdf>

22 http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Labour_markets_at_regional_level

23 http://ec.europa.eu/education/index_en.htm