

The Youth Guarantee:

European approach to fight youth unemployment

Member States of the European Union made a promise to young people in April 2013. They undertook to ensure that no young person under 25 after leaving education or becoming unemployed is left without support to obtain a job, a traineeship, or an apprenticeship, or to get into continued education. Member States set themselves a 4 month time limit for providing such an offer. This offer should be of good quality to contribute to sustainably improved labour market prospects. Member States' commitment involves reaching out to the young who are currently outside the labour market and not participating in formal education or training. Ultimately all this aims at tackling youth unemployment and the current huge waste of young people's potential.

What is the Youth Guarantee?

The Youth Guarantee is an outcome-focused approach. It is about ensuring that young people can realize their potential and play the active role in our societies that they are capable of. This entails providing real opportunities for testing and further increasing skills and employability.



A lasting foothold in the labour market and positive career progression are the intended outcomes for the young individuals. At the same time European economies will benefit from boosted overall youth employment and activity. The four month timeframe is essential for preventing the potential scarring effects of extended periods of unemployment at the early stages of labour market entry.

So an offer needs to be forthcoming without delay but it also needs to be of good quality. A quality offer builds on the individual young person's needs and skills and identifies a tailored pathway to labour market integration. Sometimes a young person will need more comprehensive guidance and counselling, training in basic skills, help to address specific obstacles or other reinforced support before being ready to take up a full-blown Youth Guarantee offer. Adapting the response to the needs of each young individual is at the heart of the Youth Guarantee.

Why a Guarantee for young people?

While young people often experience difficulty in transitioning from school to work, the recent crisis has hit young people particularly hard. In some countries, the youth unemployment rate is around 50% for 15 to 24 year olds, and the EU-28 average for the same age group was 21.9% in November 2014, compared to 23.2% one year earlier.

In comparison, the unemployment rate for 25–74 year olds across the EU-28 was 10% in November 2014. This entails a considerable risk for a «scarring» effect on a generation of young people in terms of long-term negative impact on income levels and the risk of further unemployment spells. Beyond this, evidence has shown that young people's health, well-being and job satisfaction are also impaired by time spent unemployed.

The situation requires youth-targeted action. The current crisis-driven high rates of youth unemployment needs tackling. And in the longer term smoother school to work transitions needs to be ensured for future generations. This is behind Member States' undertaking to establish Youth Guarantees at national level.

A Youth Guarantee must be considered an investment for Member States. In fact, the cost of doing nothing has been shown to be very important. The International Labour Organisation has estimated the cost of setting up Youth Guarantees in the Eurozone at EUR 21 billion per year¹. This should be weighed against the current costs of non-action, for benefits paid out and lost output. At present 7.5 million young people are out of work, education or training in the EU. The European Foundation for Living and Working Conditions has estimated the economic loss caused by this waste of human potential at over EUR 150 billion².



The building blocks of Youth Guarantees:

Working in partnership

To deliver a Youth Guarantee requires bringing together various stakeholders in the design and implementation. Strong cooperation between public authorities, public employment services (PES), career guidance providers, education and training institutions, business, employers, trade unions and youth organisations is necessary. In this way a comprehensive approach can be delivered to young people according to their needs. This permits more efficient methods of delivery, making use of the different actors' characteristics and avoiding unnecessary double work.

Youth organisations bring an important link with the impact of Youth Guarantees and direct experience that young people have of the labour market. Therefore their close involvement increases transparency and relevance of interventions through better tailoring of services to the needs of young people. Youth organisations can also provide a vital network for reaching out to young people most distant from the public authorities.

Acting without delay

Early intervention and activation measures can work preventatively to reduce future youth unemployment rates, as well as impacting on those who are currently unemployed. Such measures would include reaching out to young people who may not otherwise register with the Public Employment Service. Only then can it be ensured that the Youth Guarantee applies to all young people up to the age of 25. Communication tools are important in this respect. Another important aspect is to be alert on early school leaving. Well-developed tracking systems can ensure quick reactions from relevant services when a young person is in need of support. Dedicated Youth Guarantee focal points or 'one-stop shops' which provide seamless access to a range of services and information is another way to help young people find the adequate and prompt support.

An appropriate, tailor-made approach to supporting the individual, starts concretely by the drawing up of an Individual Action Plan guided by the principle of mutual obligation. For young people facing multiple barriers to labour market integration the specific difficulties need to be taken into account, meaning that different individuals will have different pathways to sustainable employment.

Supporting labour market integration

All too often the skills required by the labour market and those that unemployed or inactive young people possess do not match. Redressing this imbalance may require reviewing systems for apprenticeship and vocational education and training. When such systems include good quality learning opportunities at the work-place they have proven particularly effective in easing the transition from school to work. Supporting young people's possibility to move to where jobs are available, if they so wish, can also help. Here, the European online portal which is designed to help match jobseekers and vacancies across EU-28 (EURES)¹ is a major supportive tool. Your First EURES Job has been developed to offer cross-EU job opportunities particularly for young labour market entrants.

Labour market integration can be particularly difficult for young people who leave school without finishing secondary school and for low-skilled young people. They need ways to re-enter education and training allowing them to obtain qualifications that they missed out on, including, for example, ICT skills.



¹ ILO report Eurozone Job crisis: Trends and policy responses (www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_184965.pdf)

² EUROFOUND: European Foundation for Living and Working Conditions: Youth (<http://eurofound.europa.eu/news/spotlight-on/youth>)

Entrepreneurship and self-employment are areas of great potential for young people. Access to finance and guidance, including through entrepreneurship courses and start-up support services, can help make this possible. Fostering co-operation between employment services, business support and providers of (micro)finance will facilitate such support.

In addition, well-designed wage subsidies can help permit a useful first work experience for young people. Attention must be paid to ensuring that such schemes are not abused but lead to sustainable labour market integration.



Funding the Youth Guarantee

First, not all measures are expensive. Building up partnerships for example does not require large budgets, but can significantly contribute towards the success of the Youth Guarantee. National budgets should prioritise youth also to avoid higher costs in the future and make a real impact. The Youth Guarantee can also be supported by EU Structural Funds and in particular the European Social Fund, which should include a particular focus on youth employment in its programming. The EUR 6 billion Youth Employment Initiative agreed by the Member States in February 2013 will further boost support measures set out in the Youth Employment Package, in particular the Youth Guarantee. This support will be concentrated exclusively in regions with youth unemployment rates for the age group 15-24 above 25% in 2012. In principle, it will target young persons under the age of 25 not in employment, education or training. Member States may extend this target group to include young people up to the age of 30 (within the eligible regions). A range of measures have been taken to facilitate the speedy use and implementation of this financial instrument specifically dedicated to support labour market inclusion of young people in the regions most affected by youth unemployment.

Assessing what works

In a situation where public finances are squeezed it is particularly important to ensure that funds to realize the Youth Guarantee are invested wisely and measures are implemented in ways that will make a real difference for young people. Assessment and monitoring should be part and parcel of

Youth Guarantee measures from the beginning. This allows for policies to be developed and improved in the light of what has been demonstrated to work well.

Monitoring requires the setting of objectives and targets that can be worked towards by all partners. Evaluation should take place on two levels: firstly, on a national level, monitoring the impact of the Youth Guarantee itself, is about checking progress towards the overarching objectives of tackling youth unemployment and inactivity.

Secondly, monitoring effectiveness from the individual's perspective helps to determine exactly what works, where, for whom and why.

At European level, assessment of the Member States' Youth Guarantee schemes and their implementation feeds into a yearly exercise of mutual assessment of employment and social challenges, and policy effectiveness — the European Semester. The Employment Committee, gathering senior officials from the Member States, have developed the indicators that are needed for conducting this annual monitoring activity.

Progress towards implementation

Most Member States started the roll-out of new Youth Guarantee measures from early 2014. All Member States have also presented a plan for the implementation of their Youth Guarantees. Many of them are available online. In some Member States, it is clear that developing the Youth Guarantee has been a catalyst for re-thinking the way youth employment policy is carried out, leading to new partnerships for more efficient delivery, and early intervention and activation strategies. So real added value has been brought about by comprehensive, long-term, clearly formulated national Youth Guarantees and the underpinning commitment to making quality offers to young people within a four-month timeframe.

The scale of the youth unemployment crisis in Member States with the most severe budgetary constraints will affect the scope of implementation in the early years. The existing level of provision of services within a Member State and the capacity of key actors to deliver will also impact on how quickly and comprehensively the Youth Guarantee can be implemented. In such circumstances, implementing the Youth Guarantee gradually is a way to start to make changes for the most disadvantaged young people while ensuring a long-term strategic approach to full implementation.

Ongoing Commission support

The Commission remains available to provide technical support and further guidance in a variety of ways. For example, to support the Member States in developing their Youth Guarantee schemes, the Commission is organising both high-level events, as well more technical meetings and country visits. The Commission set up and is continuously updating a dedicated Youth Guarantee website which explains the concept and related actions to a wider audience. A dedicated Youth Guarantee hot-line provides information and guidance to Member States. The Commission is also encouraging and enabling mutual learning among Member

States through the sharing of experiences and good practices. An example is a peer review on the Finnish Youth Guarantee held in 18 September 2014. The Commission also supports awareness raising activities around the Youth Guarantee: A pilot has been launched in four countries to run in the first half

of 2015, with a particular focus on outreach to young people to invite them to contact the relevant services. Furthermore, the Commission financed a number of pilot projects in 7 Member States to support Youth Guarantee partnerships at the local level, with a final conference scheduled in spring 2015.

Useful links

Youth Employment

<http://ec.europa.eu/social/youthemployment>

Youth Guarantee

<http://ec.europa.eu/social/youthguarantee>

Council Recommendation on Establishing a Youth Guarantee

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

Youth Employment Package

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1731&furtherNews=yes>

European Alliance for Apprenticeships

<http://ec.europa.eu/apprenticeships-alliance>

Consultancy on apprenticeships and traineeships

<http://ec.europa.eu/social/main.jsp?catId=1045&langId=en>

The Mutual Learning Programme

<http://ec.europa.eu/social/main.jsp?catId=1047>

La Hulpe Mutual Learning Programme Thematic Event

<http://ec.europa.eu/social/main.jsp?langId=en&catId=1072&eventsId=931&furtherEvents=yes>

