



European
Commission

EU measures to tackle youth unemployment

What is the current situation?

- 5.5 million young people were unemployed in the EU-28 area in August 2013.
- This represents an unemployment rate of 23.3% (23.7% 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 nearly 50 percentage points between the Member State with the lowest rate of youth unemployment (Germany at 7.7% in August 2013) and with the Member State with the highest rate, Greece (57.3% in July 2013). Greece is followed by Spain (56%), Croatia (52%), Italy (40.1%), Cyprus (38.6%) and Portugal (36.8%).
- 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 is clearly unacceptable: this is why the Commission has been taking direct action on youth employment.

What are we doing?

Investing in youth: the Youth Guarantee

In December 2012, the Commission proposed measures to help Member States specifically tackle youth unemployment and social exclusion. The measures (the Youth Employment Package) included the Recommendation to launch a **Youth Guarantee** in every country, according to which Member States should ensure that all young people up to age 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.

For many Member States, the implementation of the Youth Guarantee will require structural reforms including the development of Vocational Education and Training systems.

Significant EU financial support can help - most notably from the European Social Fund and in the context of the Youth Employment Initiative. But to make the Youth Guarantee a reality, Member States need to prioritise youth employment measures also in their national budgets.

To increase available EU financial support to the regions and individuals struggling most with youth employment and inactivity, the European Council agreed in February to create a dedicated **Youth Employment Initiative (YEI)**. YEI support will concentrate on regions experiencing youth unemployment rates above 25% and on young people (NEETs) aged 15-24. This will ensure that in parts of Europe where the challenges are most acute the level of support per young person is sufficient to make a real difference.

The YEI funding will comprise EUR 3 billion from a specific EU budget line dedicated to youth employment and another at least EUR 3 billion from the European Social Fund national allocations. This will amplify the support provided by the European Social Fund 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.





Member States suffering from high youth unemployment (i.e. those benefiting from the Youth Employment Initiative) are expected to draw up **Youth Guarantee Implementation Plans (YGIPs)** by the end of December 2013. All other Member States should submit their plans by spring 2014.

Member States are expected to draw up in parallel and submit as soon as possible the youth-related (parts of) Operational Programmes which will be the basis for EU (ESF and YEI) financial support to the youth guarantee implementation. They can already implement measures eligible for EU funding as of 1 September 2013.

The Commission has developed and circulated a template for these YGIPs, which sets out how the Youth Guarantee will be implemented, the respective roles of public authorities and other organisations, how it will be financed (including the use of EU funds) and monitored, as well as a timetable.

To aid the implementation of the Youth Guarantee, a working and learning seminar 'Practical support for the design and implementation of Youth Guarantee Schemes' took place in La Hulpe, 17 to 18 October 2013 under the Mutual Learning Programme. It brought together in a new format nationally appointed YG Coordinators, PES, education and training authorities and ESF Managing Authorities from all Member States. The seminar provided practical assistance to Member States for drafting the YGIP, and identified Member States' needs for further support.

The Employment Committee (EMCO), representing Member States, is also involved in working on Youth Guarantee: through multilateral review of implementation of youth-related Country-Specific Recommendations (CSR) and by developing data requirements for monitoring the implementation and impact of the Youth Guarantee. In December this year, three Member States agreed to have their draft YGIP peer-reviewed at the same time with the discussions on youth CSRs. EMCO will closely cooperate with the Public Employment Services, which have an important role to play in setting up Youth Guarantee schemes.

The YEI will exclusively target NEETs aged up to 25 years, and where the MS considers relevant, also those aged up to 30 years. In this case however MS will have to allocate additional ESF resources to these measures in order to avoid a drastic reduction of support per person (potentially down from EUR 1356 to around EUR 700 if all NEETs are included). Member States will have to complement this assistance with substantial additional ESF and national investments in structural reforms to modernise 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 priority is to accelerate the implementation of the Youth Guarantee. The Commission has proposed to front-load the EUR 6 billion under the YEI so that all this money is committed in 2014 and 2015 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 'retroactively' when the programmes will be approved. Member States should submit their youth-related Operational Programmes as soon as possible and ensure their full coherence with the Youth Guarantee Implementation Plans.

In parallel, the Commission is developing a number of EU-level tools to help Member States, such as the EU Alliance for Apprenticeships, the coalition for digital employment, 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 next generation of cohesion policy and in particular ESF operational programmes will also represent a vital financial tool to support these measures.

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. Nearly EUR 600 million 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.

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.

Encouraging results were reported in June: 1.14 million young people were to be helped with EUR 3.7 billion from the ESF resources re-allocated to specific actions for youth and EUR 1.19 billion already committed to projects (see details at the end of the document). Work has continued over the summer both to implement decisions already taken and to readjust programmes where still needed namely in Spain and Lithuania. The Commission will again take stock of implementation on the ground in December 2013.

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. The Commission has urged 20

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 and poverty.

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

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.

A high profile Youth Conference took place on 3 July in Berlin. It was attended by Heads of State from 16 Member States as well as President Barroso and Commissioner Andor. Meetings between Heads of Public Employment Services and ministers were held. A follow-up conference in Paris will take place on 12 November, and the Commission will organise a high-level conference under the patronage of Commissioner Andor on the implementation of the Youth Guarantee in Spring 2014.

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, the Commission launched a **European Alliance for Apprenticeships** to improve the quality and supply of apprenticeships across the EU and change mindsets towards apprenticeship-type learning. The Commission expects that Member States will include apprenticeship reform within their Youth Guarantee Implementation Plans, and use EU funding and available technical expertise to improve their systems where need be.

So that young people can acquire high quality work experience under safe conditions and to increase their employability, in December the Commission will also present a proposal related to a **Quality Framework for Traineeships**. It is expected that the Council will adopt Recommendations

based on the proposal early in 2014 – in line with the June European Council conclusions.

Labour mobility

The Commission can also facilitate 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.

The EURES portal is currently being revamped to make it more user-friendly, and a EURES Charter to provide commonly agreed EU guidance for national EURES delivery measures will be tabled before the end of this year. The Commission is working on new legislation to strengthen EURES services to job-seekers and employers.

The Commission is also piloting a job mobility scheme - **Your first EURES job**. 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 other Member States (minimum 6 months contract in accordance with national labour law). 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 Your first EURES job is to find placements for 5,000 young people on the basis of a total budget of around EUR 12 million. As from 2013, Your first EURES job will be extended to traineeship and apprenticeship placements, in line with the recommendation of the European Council of June 2012. Consequently, new support measures have been added to the existing mobility package for young people.

Under the next MFF, 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 this type of targeted scheme. 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. Youth employment will remain a key priority.



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 Your First EURES Job.

How does the European Social Fund already support young people?

The European Social Fund is currently 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 that can also benefit young people.
- From 2007 to 2012, 20 million young people under 25 years benefited from the ESF through training or mentoring. In some countries (DE, FR, HU), 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 strengthening 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.
- The ESF will have a crucial role to play also in the new financial period in supporting young people, implementing the Youth Guarantee and addressing the related country-specific recommendations as part of the European Semester. For this, the fund needs adequate resources as has been constantly stressed by the Commission ever since it proposed that the ESF should represent at least 25% of cohesion policy in the period 2014-2020.

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
- [European Alliance for Apprenticeships](#) ²
- [2013 Communication: A call to action on youth unemployment](#) ³
- [2013 Communication on Youth Employment Initiative](#) ⁴
- [2012 Communication on Moving Youth into Employment](#) ⁵
- [Youth on the Move website](#) ⁶
- [EUROFOUND: European Foundation for Living and Working Conditions: Youth](#) ⁷
- [Europe 2020 strategy](#) ⁸
- [EURES jobs portal](#) ⁹
- [European Social Fund](#) ¹⁰
- [ILO report Eurozone Job crisis: Trends and policy responses](#) ¹¹
- [Eurofound NEETs – characteristics, costs and policy responses in Europe](#) ¹²
- [Geographical map of unemployment rates](#) ¹³
- [DG Education and Training website](#) ¹⁴

Communicators' toolkit

- [ESF: my story](#) ¹⁵
- [Youth Guarantee video](#) ¹⁶
- [Your first EURES job video](#) ¹⁷
- [EURES, Your job in Europe video](#) ¹⁸
- [Getting off to a good start video](#) ¹⁹
- [Advice on apprenticeship and traineeship schemes booklet](#) ²⁰
- [Youth on the Move – Europe supports young people](#) ²¹
- [Finding a job in Europe – a guide for jobseekers](#) ²²

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

