



**EUROPEAN COMMISSION**

## **MEMO**

Brussels, 8 November 2013

# **EU measures to tackle youth unemployment**

## **What is the current situation?**

- 5.6 million young people were unemployed in the EU-28 area in September 2013.
- This represents an unemployment rate of 23.5% (24.1% 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 September 2013) and with the Member State with the highest rate, Greece (57.3% in July 2013). Greece is followed by Spain (56.5%), Croatia (52.8%), Cyprus (43.9%), Italy (40.4%), and Portugal (36.9%).
- The potential of job mobility to help tackle youth unemployment could 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 working with Member States to tackle youth unemployment.

## **What is the EU doing?**

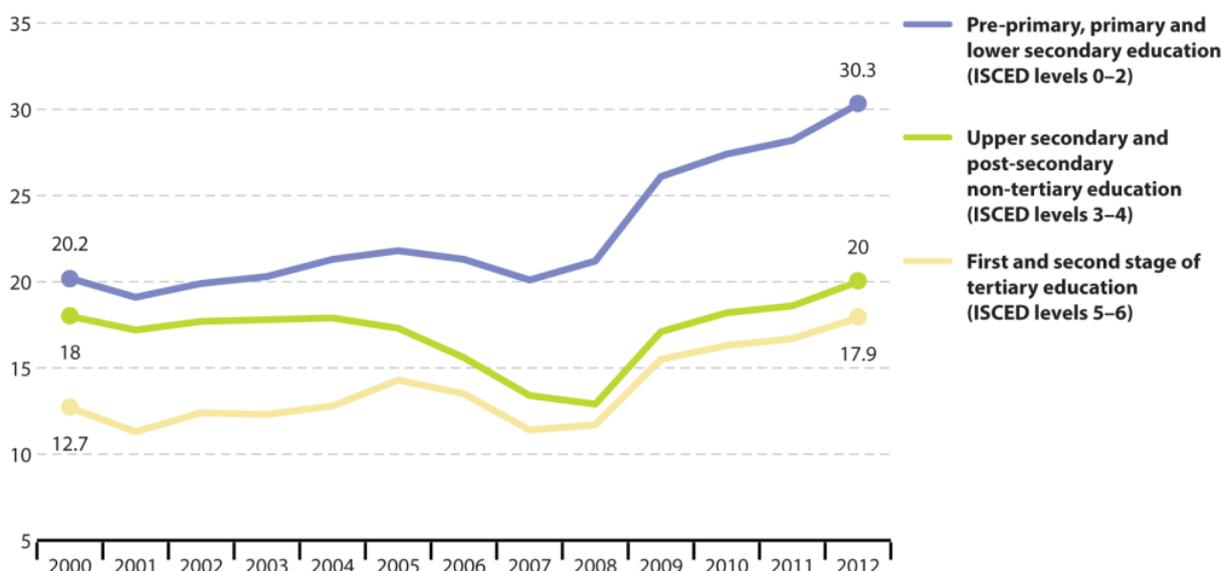
### **Investing in youth: the Youth Guarantee**

The Youth Guarantee seeks to ensure that Member States offer all young people up to age 25 a quality job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. The Youth Guarantee is one of the most crucial and urgent structural reforms that Member States must introduce to address youth unemployment and to improve school to work transitions.

The logic of the Youth Guarantee is very simple – to ensure that young people are actively helped by public employment services to either find a job suited to their education, skills and experience or to acquire the education, skills and experience that employers are looking for and so are directly relevant to increasing their chances of finding a job in the future.

This approach is based partly on the very clear relationship between levels of educational attainment and youth unemployment:

### **Youth unemployment rate, by educational attainment, EU-27, 2000 – 2012**



**Source: Eurostat 2013**

The Youth Guarantee is based on experience in Austria and Finland that show that investing in young people pays off. For example, the Finnish youth guarantee resulted in a reduction in unemployment amongst young people, with 83.5% successfully allocated a job, traineeship, apprenticeship or further education within three months of registering.

A [Youth Guarantee Recommendation](#) was formally adopted by the EU's Council of Ministers on 22 April 2013 (see [MEMO/13/152](#)) on the basis of a proposal made by the Commission in December 2012 (see [IP/12/1311](#) and [MEMO/12/938](#)) and was endorsed by the June 2013 European Council. .

For many Member States, the implementation of the Youth Guarantee will require **structural reforms**. For example, **public employment services** must be able to ensure individual young people receive appropriate advice on job, education and training opportunities most relevant to their own situation. The Commission's June 2013 proposal for a Decision to help public employment services to maximise their effectiveness through closer cooperation can play a useful role here (see [IP/13/544](#)).

Another area requiring structural reforms concerns **vocational education and training systems**, where Member States must ensure that they give young people the skills that employers are looking for. In this respect, dialogue between trade unions, employers' organisations, educational establishments and public authorities on the structure and content of education and training courses can prove useful.

The Youth Guarantee does have a fiscal cost for Member States (the International Labour Organisation has estimated the cost of setting up Youth Guarantees in the eurozone at €21 billion per year). However, the costs of NOT acting are far higher. The [European Foundation for Living and Working Conditions](#) (Eurofound) 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 €150 billion every year (1.2% of EU GDP) 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 for the EU to preserve its future growth potential. Significant EU financial support can help - most notably from the European Social Fund and in the context of the Youth Employment Initiative (see below). But to make the Youth Guarantee a reality, Member States also need to prioritise youth employment measures in their national budgets.

### **European Social Fund support for the Youth Guarantee**

By far the most important source of EU money to support implementation of the Youth Guarantee and other measures to tackle youth unemployment is the [European Social Fund](#) (ESF) which should continue to be worth more than €10 billion every year in the 2014-20 period. It is important that Member States devote a significant proportion of their European Social Fund allocations for 2014-20 to implementing the Youth Guarantee.

#### **Examples of Youth Guarantee activities/interventions that can be supported by the ESF:**

<b>Measures</b>	<b>Specific examples of activities/interventions that can be supported by the ESF</b>
Outreach strategies and focal points [YG rec 8-9]	<ul style="list-style-type: none"> <li>• School visits by PES</li> <li>• Training sessions for teachers by PES</li> <li>• Development of specialised youth services as part of PES or contracted private providers</li> <li>• Distribution of printed material at youth centres or youth events</li> <li>• Use of internet and social media</li> <li>• Data gathering systems</li> <li>• Road-shows</li> </ul>
Provide individual action planning [YG rec 10]	<ul style="list-style-type: none"> <li>• PES staff training</li> <li>• Contract with specialised partners</li> </ul>
Offer early school leavers and low-skilled young people routes to re-enter education and training or second-chance education programmes, address skills mismatches and improve digital skills [YG rec 11-13]	<ul style="list-style-type: none"> <li>• Training and second chance programmes</li> <li>• Language training provision</li> <li>• Counselling and extra teaching support to keep or bring youth back into education or training</li> <li>• Support to at-risk youth in acquisition of relevant qualifications and the completion of upper secondary qualification</li> <li>• Work-based learning and</li> </ul>

	<p>apprenticeships</p> <ul style="list-style-type: none"> <li>• Provide digital skills training</li> <li>• Training vouchers</li> </ul>
<p>Encourage schools and employment services to promote and provide continued guidance on entrepreneurship and self-employment for young people.</p> <p>[YG rec 14]</p>	<ul style="list-style-type: none"> <li>• Training sessions of employment services' staff and teachers</li> <li>• Development and implementation of entrepreneurship courses in secondary education</li> <li>• Training sessions for unemployed young people</li> </ul>
<p>Use targeted and well-designed wage and recruitment subsidies to encourage employers to provide young people with an apprenticeship or a job placement, and particularly for those furthest from the labour market.[YG rec 17]</p>	<ul style="list-style-type: none"> <li>• Hiring credits targeted at net new hiring of young people via jobs as well as apprenticeships (ESF support for the subsidies credits should be accompanied by activation measures – such as practical training, etc.)</li> </ul>
<p>Promote employment/labour mobility by making young people aware of job offers, traineeships and apprenticeships and available support in different areas and provide adequate support for those who have moved</p> <p>[YG rec 18]</p>	<ul style="list-style-type: none"> <li>• Operation of EURES points (ESF support to EURES focuses on recruitment and related information, advice and guidance services at national and cross border level)</li> <li>• Awareness-raising campaigns</li> <li>• Support to voluntary organisations providing mentors</li> <li>• Support to youth organisations reaching out to migrant young workers</li> </ul>
<p>Ensure greater availability of start-up support services</p> <p>[YG rec 19]</p>	<ul style="list-style-type: none"> <li>• Cooperation between employment services, business support and finance providers (e.g. regional employment fairs and networking events)</li> <li>• SME start-up support</li> <li>• Self-employment support</li> <li>• Training in business skills for e.g. for unemployed persons, accompanied by entrepreneurship grants</li> </ul>
<p>Enhance mechanisms for supporting young people who drop out from activation schemes and no longer access benefits</p> <p>[YG rec 20]</p>	<ul style="list-style-type: none"> <li>• Support to youth organisations and youth services</li> <li>• Cooperate with other organisations that are in contact with the young persons</li> <li>• Establish tracking systems</li> <li>• Support to employment and school career support services</li> </ul>

<p>Monitor and evaluate all actions and programmes contributing towards a Youth Guarantee, so that more evidence-based policies and interventions can be developed on the basis of what works, where and why[YG rec 23]</p>	<ul style="list-style-type: none"> <li>• Identify cost-effective initiatives</li> <li>• Use controlled trials</li> <li>• Set up centres for analysis</li> <li>• Developing policy models, pilot actions, testing and mainstreaming of policies (social innovation and experimentation)</li> </ul>
<p>Promote mutual learning activities at national, regional and local level between all parties fighting youth unemployment in order to improve design and delivery of future Youth Guarantee schemes. [YG rec 24]</p>	<ul style="list-style-type: none"> <li>• Use of the European Network on Youth Employment (ESF supports transnational cooperation activities on exchange of good practice among organisations at EU level through ESF Technical Assistance funding at Commission level)</li> </ul>
<p>Strengthen the capacities of all stakeholders, including the relevant employment services, involved in designing, implementing and evaluating Youth Guarantee schemes, in order to eliminate any internal and external obstacles related to policy and to the way these schemes are developed. [YG rec 25]</p>	<ul style="list-style-type: none"> <li>• Provide training and workshops</li> <li>• Establish exchange programmes and secondments between organisations through transnational cooperation activities.</li> </ul>

### **Youth Employment Initiative support for the Youth Guarantee**

To increase available EU financial support to the regions and individuals struggling most with youth unemployment and inactivity, the Council and the European Parliament agreed to create a dedicated **Youth Employment Initiative (YEI)**. YEI support will concentrate on regions experiencing youth unemployment rates above 25% and on young people not in employment, education or training (NEETs). 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 €3 billion from a specific new EU budget line dedicated to youth employment matched by at least €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.

The YEI will exclusively target NEETs aged up to 25 years, and where the Member States consider relevant, also those aged up to 30 years. In this case however Member States will have to allocate additional ESF resources to these measures in order to avoid a drastic reduction of support per person (potentially down from €1356 to around €700 if all NEETs are included).

More generally, Member States will have to complement the YEI assistance with substantial additional ESF and national investments in structural reforms to modernise employment, social and education services for young persons, and by improving education access, quality and links to labour market demand. The YEI will be programmed as part of the ESF.

## **Implementing the Youth Guarantee**

The European Commission urges Member States to now put in place the structures to make the Youth Guarantee a reality as soon as possible. The Commission has proposed to frontload the €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 could exceptionally start implementing YEI-related measures already as of 1 September 2013 to be reimbursed 'retroactively' when the programmes are subsequently 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 (see below), 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 trade unions and employers' organisations and relevant stakeholders.

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. It brought together in a new format nationally appointed Youth Guarantee Coordinators, Public Employment Services, 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 (see [IP/13/969](#)).

The Employment Committee (EMCO), representing Member States, is also working on the 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.

A Youth Conference took place on 3 July in Berlin attended by Heads of State and Government from 16 Member States as well as European Commission President José Manuel Barroso and European Commissioner for Employment, Social Affairs and Inclusion László Andor. Meetings between Heads of Public Employment Services and ministers were held. A follow-up Heads of State and Government conference will take place in Paris on 12 November.

A high-level conference under the patronage of Commissioner Andor on the implementation of the Youth Guarantee is due to take place in Spring 2014.

### **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 €600 million has 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.

On 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 €3.7 billion from the ESF resources re-allocated to specific actions for youth and €1.19 billion already committed to projects. 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.

### **Country Specific Recommendations**

The [Country Specific Recommendations for 2013](#), proposed by the Commission in May 2013 and adopted by the EU's Council of Ministers in July as part of the so-called European Semester, the EU's yearly economic policy-making cycle, urged 20 Member States to take urgent steps to combat youth unemployment. These steps include 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 ways to tackle the segmentation of labour markets where older, established employees enjoying very good terms and conditions of employment but young people are either jobless or only employed on short-term contracts.

## Transition from school to work

Effective vocational education and training systems, in particular those that include a strong work-based learning component, 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 mind-sets towards apprenticeship-type learning (see [IP/13/634](#)). The Alliance is supported by the first-ever joint Declaration by the European Commission, the Presidency of the EU's Council of Ministers and European level trade union and employer organisations (the European Trade Union Confederation - [ETUC](#), [BusinessEurope](#), the European Centre of Employers and Enterprises providing Public services - [CEEP](#) and the European Association of Craft, Small and Medium Sized Enterprises - [UEAPME](#)). The Commission urges Member States to include apprenticeship reform as part of their implementation of the **Youth Guarantee** 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**. The Commission will urge the Council to adopt recommendations based on the proposal early in 2014 – in line with the June European Council conclusions.

## Labour mobility

The Commission also helps young people to find a job by facilitating labour mobility, in particular by making young people aware of job opportunities in other EU countries. The **EURES job search network** gives access to over 1.4 million job vacancies and nearly 31 000 registered employers to find talented mobile job-seekers.

The EURES job search network 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 to strengthen EURES services to job-seekers and employers (see [IP/12/1262](#), [MEMO/12/896](#), [MEMO/12/897](#)) and a further proposal is due to be presented before the end of 2013.

The Commission's **Your first EURES job** mobility scheme is a pilot project 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.

Under the next MFF, the new Programme for Employment and Social Innovation (EaSI) will provide additional direct funding of between €5 and €9 million a year to support this type of targeted scheme (see [MEMO/13/628](#)). 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, currently worth more than **€10 billion per year** 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 (Germany, France, Hungary), 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.
- 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.

### **Further information**

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

**See also:**

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