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European Youth Guarantee

European employment strategy



The European employment strategy seeks to create more and better jobs throughout the EU. It takes its inspiration from the [Europe 2020 growth strategy](#).

The European employment strategy provides a framework (the "[open method of coordination](#)") for EU countries to share information, discuss and coordinate their employment policies.

It is based in the [annual growth survey \(AGS\)](#), which sets out the EU's priorities for the coming year to boost growth and job creation

and opens the yearly [European semester](#), which promotes closer coordination by national governments of their economic and fiscal policies.

Each year, this process (which is supported by the work of the [Employment committee](#)) involves the following steps:

- [Employment guidelines](#) – common priorities and targets for employment policies. Proposed by Commission, agreed by national governments, [adopted by the EU Council](#).
- [Joint employment report \(JER\)](#) – based on (a) assessment of employment situation in Europe (b) implementation of the Employment Guidelines (c) examination of draft National Reform Programmes by the Employment Committee. Part of the AGS. Published by Commission, adopted by the EU Council.
- [National Reform Programmes \(NRPs\)](#) – submitted by national governments, analysed by Commission for compliance with Europe 2020. ([database – NRPs prior to 2011](#))
- [Country-specific recommendations](#) – issued by Commission, based on assessment of the NRPs.

In response to the high level of unemployment in Europe, the European Commission launched in April 2012 a set of measures to boost jobs, the so called "[Employment package](#)".

The European employment strategy also builds on the Europe 2020's [Agenda for new skills and jobs](#) and is supported by the [European Employment Observatory \(EEO\)](#) and the [Mutual Learning Programme \(MLP\)](#).

Employment package

The [Employment package](#) (launched April 2012) is a **set of policy documents** looking into how EU employment policies intersect with a number of other policy areas in support of smart, sustainable and inclusive growth. It identifies the EU's biggest job potential areas and the most effective ways for EU countries to create more jobs. Measures are proposed in the following areas:

Supporting job creation

- **Stepping up job creation across the economy** by:
 - encouraging labour demand
 - targeting hiring subsidies to new hiring
 - reducing the tax on labour while ensuring fiscal sustainability
 - promoting and supporting self employment, social enterprises and business start-ups
 - transforming informal or undeclared work into regular employment
 - boosting 'take home' pay
 - modernising wage-setting systems to align wages with productivity developments
 - fostering job creation ([Key areas: comparing EU countries' performances](#))
- **Harnessing the potential of job-rich sectors:** [ICT](#), [green economy](#) ([analysis](#)), [healthcare](#)
- **Mobilising EU funds for job creation:** [European Social Fund](#).

Restoring the dynamics of labour markets

- **Reforming labour markets** by:
 - encouraging companies' internal flexibility to protect jobs in crisis times
 - encouraging decent and sustainable [wages](#)
 - making job transitions pay
 - reducing the [labour market segmentation](#) between those in precarious employment and those on more stable employment
 - anticipating economic [restructuring](#)
 - developing lifelong learning and [active labour market policies](#)
 - delivering [youth opportunities](#) and the [youth employment package](#) (see also [youth unemployment analysis](#) and [youth action teams](#))
 - reinforcing [social dialogue](#)
 - reinforcing [public employment services](#) (see also [analysis of public employment services](#))
- **Investing in skills** by:
 - coping with [skills mismatches](#)
 - ensuring better recognition of skills and qualifications and anticipating skills needs ([EU Skills Panorama](#))
 - improving synergy between the [worlds of education and work](#)
- **Moving towards a European labour market** by:
 - removing legal and practical obstacles to the [free movement of workers](#)
 - enhancing the matching of jobs and job-seekers across borders ([EURES](#)).

Improving EU Governance

- **Reinforcing coordination and multilateral surveillance** in employment policy by:
 - publishing a benchmarking system with selected employment indicators together with the draft [Joint employment report](#)
 - developing a [reform tracking device](#) to keep track of progress implementing [national reform programmes](#)
- **Effectively involving the social partners** in the [European semester](#) exercise by setting up an EU tripartite format for monitoring and exchanging views on wage developments
- **Strengthening the link between employment policies and relevant financial instruments.** Partnership contracts and operational programmes should be prepared in the light of the priorities of the [national reform programmes](#) and national job plans, and revised taking into account the country specific recommendation (see also [Blueprint on the future of the EMU](#)).

Youth employment: Commission proposes package of measures

Measures to help Member States tackle unacceptable levels of youth unemployment and social exclusion by giving young people offers of jobs, education and training have been proposed by the European Commission.

As requested by the European Council and European Parliament, the Commission's Youth Employment Package includes a proposed **Recommendation to Member States on introducing the Youth Guarantee** to ensure that all young people up to age 25 receive a quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

The proposed recommendation urges Member States to establish strong partnerships with stakeholders, ensure early intervention by employment services and other partners supporting young people, take supportive measures to enable labour integration, make full use of the [European Social Fund](#) and other structural funds to that end, assess and continuously improve the Youth Guarantee schemes and implement the schemes rapidly.

The Commission will support Member States through EU funding, by promoting exchanges of good practice, monitoring implementation of Youth Guarantees in the [European Semester](#) exercise and awareness-raising.

To facilitate school-to-work-transitions, the Package also launches a **consultation of European social partners on a Quality Framework for Traineeships** so as to enable young people to acquire high-quality work experience under safe conditions.

Furthermore, it announces a **European Alliance for Apprenticeships** to improve the quality and supply of apprenticeships available by spreading successful apprenticeship schemes across the Member States and outlines ways to reduce obstacles to mobility for young people.

Youth employment



The EU is working to reduce youth unemployment and to increase the youth-employment rate in line with the [wider EU target](#) of achieving a 75% employment rate for the working-age population (20-64 years).

[Factsheet: EU measures to tackle youth unemployment](#)

Key actions

- Communication: [Working together for Europe's young people - A call to action on youth unemployment](#) (2013) to accelerate the implementation of the [Youth Guarantee](#) and the investment in young people, and develop EU-level tools to help EU countries and firms recruit young people.
- [Youth Employment Initiative](#) (2013) reinforces and accelerates measures outlined in the [Youth Employment Package](#). It aims to support particularly young people not in education, employment or training in regions with a youth unemployment rate above 25%.
- [Youth Employment Package](#) (2012) is the follow-up to the actions on youth laid out in the wider [Employment Package](#) and includes:
 - A proposal to Member States to establish a [Youth Guarantee](#) - adopted by the Council in April 2013
 - [Second-stage consultation of EU social partners on a quality framework for traineeships](#)
 - The [European Alliance for Apprenticeships](#) and ways to reduce obstacles to mobility for young people.
- [Youth on the Move](#) is a comprehensive package of policy initiatives on education and employment for young people in Europe
 - [Youth Opportunities Initiative](#) (2011) includes actions to drive down youth unemployment
 - [Your first EURES Job](#) aims to help young people to fill job vacancies throughout the EU.
- [EU Skills Panorama](#) is a EU-wide tool gathering information on skills needs, forecasting and developments in the labour market.
- [Measures in the field of education and culture](#)

Why? - Youth unemployment rate is more than twice as high as the adult one - 23.3 % against 9.3 % in the fourth quarter of 2012.

- The **chances** for a young unemployed person of **finding a job are low** - only 29.7 % of those aged 15-24 and unemployed in 2010 found a job in 2011.
- When young people do work, their **jobs tend to be less stable** - in 2012, 42.0 % of young employees were working on a temporary contract (four times as much as adults) and 32.0 % part-time (nearly twice the adults' rate).
- **Early leavers from education and training** are a high-risk group - 55.5% of them are not employed and within this group about 70% want to work.
- **Resignation** is an increasing concern - 12.6 % of inactive youth wanted to work but were not searching for employment in the third quarter of 2012.

- In 2011, 12.9% of young people were **neither in employment nor in education or training** (NEETs).
- There are significant **skills mismatches** on Europe's labour market.
- Despite the crisis, there are **over 2 million unfilled vacancies** in the EU.

Youth Guarantee

What is it? - The Youth Guarantee is a new approach to tackling youth unemployment which ensures that **all young people under 25** - whether registered with employment services or not - get a good-quality, concrete offer within 4 months of them leaving formal education or becoming unemployed.

The good-quality offer should be for a **job, apprenticeship, traineeship**, or continued **education** and be adapted to each individual need and situation.

EU countries endorsed the principle of the Youth Guarantee in April 2013 ([Council Recommendation](#)).

How will Youth Guarantee schemes be set up? - Developing and delivering a Youth Guarantee scheme requires **strong cooperation** between all the key stakeholders: public authorities, employment services, career guidance providers, education & training institutions, youth support services, business, employers, trade unions, etc.

Early intervention and activation are key and, in many cases, **reforms are needed**, such as improving vocational education and training systems.

EU countries are currently developing **national Youth Guarantee Implementation Plans**. The European Commission is helping each country to develop its plan and set up the Youth Guarantee scheme as soon as possible.

The Commission also facilitates the **sharing of best practices between governments**, in particular through [the European Employment Strategy Mutual Learning Programme](#).

Success story - Finland has developed a comprehensive Youth Guarantee scheme. A Eurofound evaluation found that, in 2011, 83.5% of young job seekers received a successful offer within 3 months of registering as unemployed. The Finnish scheme has led to personalised plans for young people being drawn up more quickly, ultimately lowering unemployment.

For an **overview of similar national initiatives**, see the [Commission working document](#) (in 22 EU languages).

Cost-benefits of a Youth Guarantee - Although precise figures are impossible to determine until each EU country has defined exactly how it will implement the scheme, recent research rates the benefits much higher than the costs.

The total **estimated cost** of establishing Youth Guarantee schemes in the Eurozone is **€21bn a year**, or 0.22% of GDP. (Source: [ILO report - eurozone job crisis](#))

However, **inaction** would be **much more costly**. Young people not in employment, education or training are estimated to cost the EU **€153bn** (1.21% of GDP) a year - in benefits and foregone earnings and taxes. (Source: [Eurofound report on youth unemployment](#))

Not all Youth Guarantee measures are expensive. For example, greater cooperation between stakeholders is effective without requiring large budgets.

Funding - To make the Youth Guarantee a reality, national budgets should prioritise youth employment to avoid higher costs in the future.

The EU will top-up national spending on these schemes through the [European Social Fund](#) and the €6bn [Youth Employment Initiative](#).