



# YOUTH EMPLOYMENT STRATEGY

**10 December 2013**

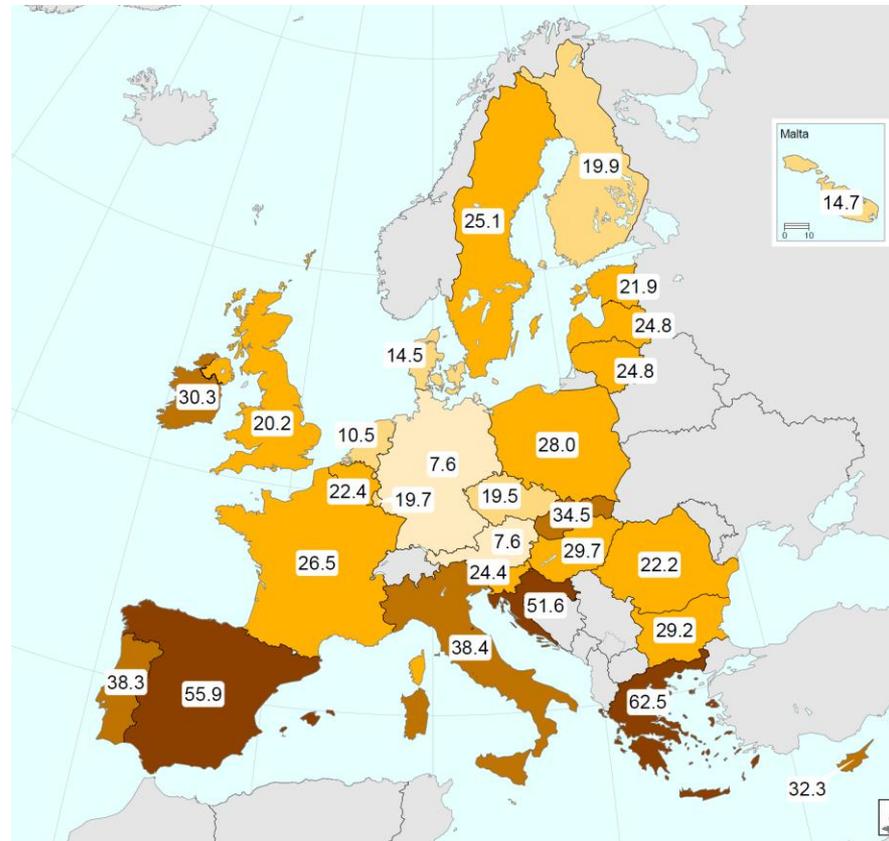
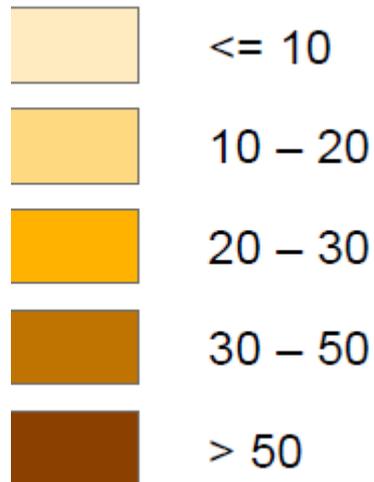
**Katalin Szatmári**

**Directorate General for Employment, Social Affairs and Inclusion  
European Commission**

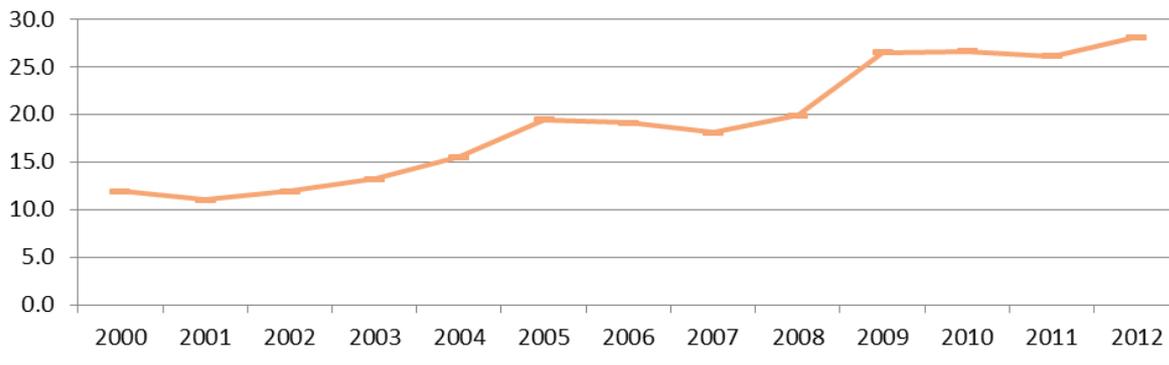
## Crisis has hit young people exceptionally hard

- ✓ *Nearly one in four young people on the labour market cannot find a job (EU: 23% in 2012)*
- ✓ *EU youth unemployment rate more than twice as high as the general unemployment rate (10.4% in 2012)*
- ✓ *More than 32% of unemployed young people are long-term unemployed*
- ✓ *Young people over-represented in temporary and part-time work*
- ✓ *7.5 million young Europeans aged 15-24 neither in employment, nor in education or training (NEETs)*

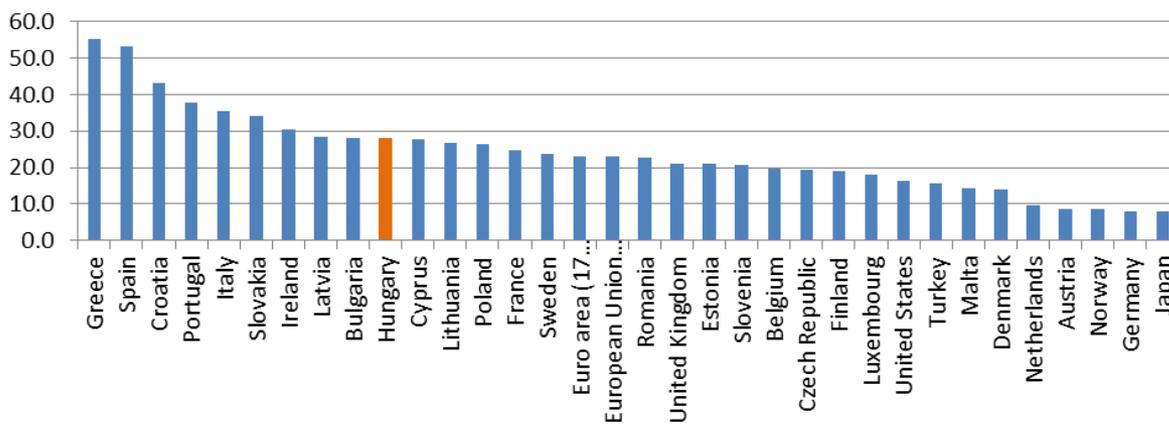
# Youth unemployment rates in the EU (March 2013)



## The trend of youth unemployment rate in Hungary



## Youth unemployment rate in 2012



## Key problems and possible remedies: Youth Employment Package (YEP)

- *Young people dropping out of education or work; low-skilled youth most at risk of unemployment and exclusion in the longer term*
  - ✓ **Council Recommendation on establishing a Youth Guarantee (Youth Guarantee schemes)**
- *Difficult school-to-work transitions: **Increase offer of high-quality traineeships and apprenticeships***
  - ✓ Quality framework for **traineeships**
  - ✓ European Alliance for **Apprenticeships**
- *Growing skills and geographical mismatch ⇔ 2 million vacancies across EU: **Improve labour mobility***
- *Transitions more difficult in countries with segmented labour markets: **Reform labour market regulation***

# Council Recommendation on establishing a Youth Guarantee

- *Member States to ensure that:*
  - ✓ all young people **up to the age of 25**
  - ✓ receive a **good-quality offer** of
    - ✓ **a job, an apprenticeship or a traineeship, or the chance to continue their education**
  - ✓ within **four months** of becoming unemployed or leaving formal education

**Model:** fully fledged Youth Guarantee Scheme in Finland

# What will make the Youth Guarantee a success?

1. **Strong partnerships:** *employment services, education & training institutions, young people, social partners...*
2. **Early intervention and activation:**
  - *Focus on most vulnerable*
  - *Personalised guidance*
3. **Supportive measures for labour market integration**
  - *Boost skills & competencies*
  - *Labour-market-related measures*
4. **Use of EU Funds:** *in particular European Social Fund and Youth Employment Initiative*
5. **Assessment and continuous improvement of the schemes** -- *for more evidence-based policies and assistance*
6. **Swift implementation of Youth Guarantee schemes**

## Youth Guarantee Schemes have a cost

✓ BUT they represent *an investment*.

Cost of Youth Guarantee (ILO 2012)	Economic cost of NEETs (Eurofound 2012)
<i>Euro area, 15-24 years</i>	<i>26 Member States (all except Malta), 15-29 years</i>
About 0.22% of GDP €21 billion	1.21% of GDP €153 billion

# How the Commission supports implementation

- *Support for Member States in drawing up their Youth Guarantee Implementation Plans*
- *Staff Working Document in 22 languages*
- *Member State twinning*
- *Commission bilateral contacts*
- *Contacts with ILO, OECD, EIB, etc.*
- *19 pilot projects*
- *[EMPL-Youth-Guarantee@ec.europa.eu](mailto:EMPL-Youth-Guarantee@ec.europa.eu)*
- *Helpdesk on apprenticeships/traineeships:  
[ec.europa.eu/social/youthtraining](https://ec.europa.eu/social/youthtraining)*



## Youth Employment Initiative

- ✓ Decided by February European Council
- ✓ To support measures in the Youth Employment Package, and in particular the Youth Guarantee
- ✓ €6 billion for 2014 to 2020 – open to all NUTS2 regions with youth unemployment over 25% (in 2012)
- ✓ €3 billion from the European Social Fund, plus
- ✓ €3 billion from new 'youth employment' budget heading

## European Social Fund 2014-20

### Relevant investment priorities:

- *Sustainable labour-market integration of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee*
- *Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education [...]*
- *Enhancing equal access to lifelong learning [...], upgrading the knowledge, skills and competences of the workforce [...]*

## Europe Social Fund assistance for young people:

- *should be based on a **strategic, integrated approach** – Youth Guarantee schemes*
- *should support the Youth Employment Package objectives*
- *can **directly** target young people (e.g. job placement, training) **and/or reform systems** and structures (e.g. employment or education services access and quality – including training systems)*
- *should involve **partnerships at national and regional/local level** between all stakeholders (employers, public employment services, education and training institutions, regional/local government, youth organisations)*

# European Social Fund provisions on Youth Employment Initiative

- *To target actions to individuals only (not systems)*
- *Target group:*
  - *NEETs*
  - *inactive or unemployed (+long-term)*
  - *whether or not registered as job-seekers*
  - *residing in eligible regions*
- *Direct, speedy results expected*

## Additional remarks on Youth Employment Initiative

- *Will directly support the Youth Guarantee,*  
***BUT***  
*YEI supports implementation of only some aspects of the YG*
- *Member States to determine their own target populations of NEETs*
- *Frontloading of YEI – eligibility date for expenditure/ early adoption of dedicated YEI operational programmes*
- *Link between YEI and "normal" ESF assistance*
- *Tracking of results – focus on YEI monitoring and reporting*

# Youth Employment Initiative and European Social Fund

- *YEI will be fully integrated into ESF programming*
- *YEI will enhance and complement, not replace ESF actions*
- *Member States are expected to allocate more ESF to youth actions*
- *YEI has a specific purpose -- to act in worst-affected regions*
- *YEI will support similar interventions as ESF: jobs and training measures, apprenticeships and traineeships, hiring subsidies, business start-up, etc.*

## **Examples of measures benefiting individual young people that can be supported by YEI**

- ✓ *Provision of traineeships and apprenticeships*
- ✓ *Provision of first-job experience (placements)*
- ✓ *Reduction of non-wage labour costs*
- ✓ *Targeted and well-designed wage and recruitment subsidies*
- ✓ *Mobility measures*
- ✓ *Start-up support for young entrepreneurs*
- ✓ *Quality vocational education and training*
- ✓ *Second-chance programmes*



# Quality Framework for Traineeships

*Good quality traineeships in terms of:*

- *learning content*
- *suitable working conditions*

*can improve young people's employability and provide a stepping-stone to regular employment,*

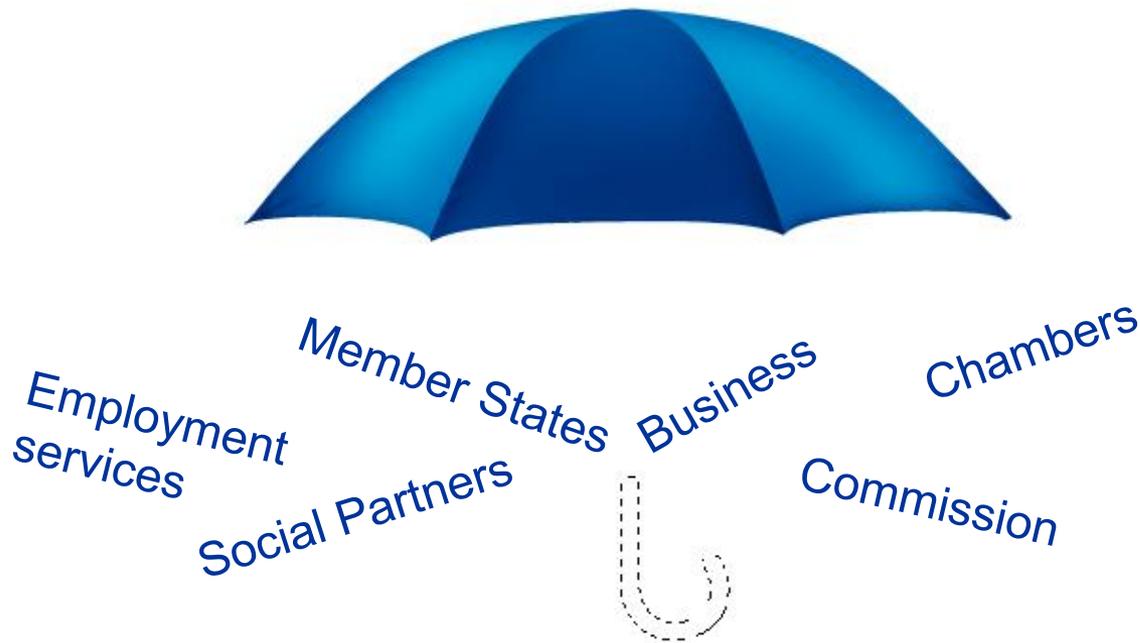
*Compulsory traineeship agreement to cover:*

- ✓ *learning content, mentorship and evaluation*
- ✓ *working conditions: weekly working time, duration (six months maximum), sick leave and holidays*

*Incentives for pay and recruitment through higher transparency*

# European Alliance for Apprenticeships (EAfA)

- ✓ *Improve quality and supply of apprenticeships*
- ✓ *Change attitudes to apprenticeship-type learning*



# Promote labour mobility for young people

The Commission is reinforcing EU instruments for mobility:

- ✓ *Increased mobility will offer more employment opportunities*
- ✓ *European Employment Services network (EURES) to be transformed into a results-oriented matching and placement instrument, will include apprenticeships and traineeships*
- ✓ *"Your first EURES Job" expanded, first pilot to help 5 000 young people to find a job placement in another Member State (job placement plus financial incentives, e.g. travel expenses and language courses)*



# Improving EU governance: the European Semester procedure

## Country-Specific Recommendations (CSRs)

- ✓ Commission proposals for each Member State
- ✓ Agreed by Council

Majority of Member States received CSRs on youth employment (or education/skills) in 2013 and are likely to receive them again in 2014

## Country-Specific Recommendation No 4 for Hungary

*Address youth unemployment, for example through a Youth Guarantee. Strengthen active labour market policy measures and enhance the client profiling system of the Public Employment Service. Reduce the dominance of the public works scheme within employment measures and strengthen its activation elements. Reinforce training programmes to boost participation in lifelong learning. Continue to expand child-care facilities to encourage women's participation. Ensure that the objective of the National Social Inclusion Strategy is mainstreamed in all policy fields in order to reduce poverty, particularly among children and Roma.*



## **Hungary's national Youth Guarantee Implementation Plan**

*Hungary to submit its national Youth Guarantee Implementation Plan soon (December).*

*It should include education, labour-market and social-assistance measures.*

*Hungary also needs to allocate sufficient (ESF, YEI and national) funding to Youth Guarantee schemes, but not at the expense of other active labour market policy measures.*

## Conclusions

- *High unemployment among young people has serious consequences for the economy, society and above all the individuals concerned*
- *Young people need special support, given the structural difficulties in making the transition from school to work – there is no "one size fits all" solution*
- *Investing in a Youth Guarantee is a sound investment – the cost of not doing so would be much higher*
- *Member States have primary responsibility for employment and education, but EU can play a supportive and stimulating role – we must learn from what works and what doesn't*



## Further information

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

Youth Employment Package:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=1036&newsId=1731&furtherNews=yes>

ESF website (including project examples on all Member States): [www.ec.europa.eu/esf](http://www.ec.europa.eu/esf)

European Social Fund Technical Assistance apprenticeship/ traineeship schemes:

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

Youth Opportunities Initiative: <http://ec.europa.eu/social/yoi>

Your First Eures Job: <http://ec.europa.eu/social/yourfirsteuresjob>

Youth on the Move: <http://ec.europa.eu/youthonthemove>