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COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

Proposal for a Council Recommendation
on Establishing a Youth Guarantee

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1. WHAT CONSTITUTES A YOUTH GUARANTEE?

1.1. The concept of a Youth Guarantee

Young people struggle to find a foothold on the labour market. These difficulties have been amplified during the current crisis, with young people often being the first fired and last hired in such economic circumstances. Youth-specific responses are needed, now and in the future, and in this context the Commission is proposing a Council Recommendation on establishing a Youth Guarantee.

Member States should ensure that young people receive, within four months of having left school or becoming unemployed, a good quality offer of employment, continued education, an apprenticeship or a traineeship.

This concept of a Youth Guarantee is not new. Already in 1981, the Nordic Council¹ defined it as "a social situation where all young people are guaranteed genuine opportunities for education, training and employment in accordance with, on the one hand, the aspirations, capabilities and interests of the individual, and, on the other, the needs and objectives of society". One could add today "and of the economy".

Young people should be supported in such a way as to achieve a job outcome, enrolment in continued education, in an apprenticeship or in a traineeship. Depending on the individual situation the support needed will vary. For many young people short and light interventions such as universal vocational orientation, education and labour market information are enough for them to achieve the desired placement on their own within the specified time period. Others will require a labour market entrants assessment, vacancy matching and, if necessary, a short CV training. Yet others, often more disadvantaged young people (such as those with low skills or other barriers), will need deeper, longer and more complex interventions and the use of tangible offers in order to ensure that they too benefit from the Youth Guarantee.

Indeed, the purpose of a Youth Guarantee is to ensure that nobody is left on their own, that all young people, who have not succeeded in securing an offer on their own, are, within a certain period of time, presented with an offer of a job, continued education, apprenticeship or a traineeship.

Taking into account the current high rates of unemployment across Europe, the fact that the most recent estimates² made by the International Labour Organization (ILO) show no reversing trend whatsoever in the next coming years, and in particular the unbearable number of more than 7.5 million of young people under 25 currently not in employment, education or training (NEETs), it is of utmost

¹ Youth Guarantee: Theory or Reality – Secretariat of the Nordic Council of Ministers – June 1981.

² http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_189461/lang--en/index.htm

urgency that a Youth Guarantee helps reduce those numbers and in any case put a stop to an increase of this group.

The European Commission is thus calling on Member States to take action and to provide the Youth Guarantee to young people within four months of becoming unemployed or leaving formal education. As the success of the Youth Guarantee is dependent on a number of actors and actions (e.g. addressing issues such as awareness or take-up), the Commission proposes a set of guidelines as part of the recommendation and which are further discussed in section 3 of this Staff Working Document.

1.2. Principles to consider when establishing the schemes

When designing a Youth Guarantee scheme, a number of principle-based questions are likely to arise and different situations in individual Member States (or at regional or local level) could lead to differences in how the scheme will be set up and further implemented.

First, it should be noted that young people, although requiring specific monitoring and intervention through a general Youth Guarantee, are **not a homogeneous group** and that they face **different social environments; furthermore a particular focus will be needed on those young people particularly at risk of becoming or staying as NEET**. For example, young women show a greater NEET persistence and lower turnover than young men, especially in Southern and Eastern Europe (Bulgaria, Czech Republic, Greece, Hungary, Italy, Malta and Poland), where young women present a higher share of annual NEET rate and always NEET in the 2006-2009 period and lower exit rates than men³. However, once women exit the NEET status, recurrence is less likely in some countries. The higher persistence for young women is probably due to the fact that women NEET are more likely to be inactive rather than unemployed. When designing and implementing a Youth Guarantee scheme Member States should pay attention to the gender dimension of the challenges. Currently the coverage rates of Active Labour Market Policies (i.e. the number of young participants in % of the NEET population 15-24) are lower for young women compared to men in all countries. The average coverage rate for young women is 26.3% relative to 33.9% for young males when considering ALMPs. Gender differences on coverage rates in Training reach 8.5 percentage points (13% for young women relative to 21.5% for men)⁴.

Eurofound⁵ identified eight different key determinants that increase probability of young to enter NEET category: i) having a disability; ii) immigration background; iii) low education; iv) living in remote areas; v) coming from a low household income; vi) having parents who experienced unemployment; vii) having parents with a low level of education and viii) coming from divorced families. These determinants, especially when combined, can lead to low performance and sometimes also discrimination, both at school and on the labour market, making the next steps particularly hard for these young people.

As a result, the schemes should tackle the situation of those young people currently furthest away from the labour market who may not yet be ready for a real job offer when they become unemployed or leave school and may require specific training offers and intensive coaching. Indeed, Eurofound⁶ has argued that experiences from Sweden show that placing young people in a job over a relatively short

³ Calculation from the European Network of Experts on Gender Equality.

⁴ European Network of Experts on Gender Equality report on *Starting fragile: gender differences in the youth labour market*, 2012.

⁵ Eurofound (2011) *Young people and NEETs in Europe: First findings*.

⁶ Eurofound (2012) *Youth Guarantee: Experiences from Finland and Sweden*.

period of time may not offer long-term solutions. Structural concerns, such as skills and qualifications, need to be taken into account when providing a Youth Guarantee offer to a young person.

Second, **principles of mutual obligation**, such as those applying to adults and their participation in active labour market policies, could be considered when designing a Youth Guarantee scheme. Indeed, it could be conceivable that the condition to receive an offer under the Youth Guarantee would be to register with an employment service. However, in this case, it would be important to tackle issues such as stigmatisation of registering in the first place and increased awareness of the benefits of registering with the employment service.

Furthermore, in many countries payment of benefits (and sometimes also social assistance benefits) is linked to the participation in an activation programme. Sanctioning benefits if young people do not participate in the Youth Guarantee would be a means by which to ensure that young unemployed people do take up the offers made to them, therefore limiting the impact of unemployment scarring⁷.

There are however also caveats to such an approach as particularly vulnerable young people might then take a further step away from employment services and be even more difficult to reach. Thoroughly tailored individual action planning and placements can prevent dropouts from occurring in the first place.

In case dropout from activation (and loss of benefits) has occurred, mechanisms have to be in place to ensure that these young are not left alone, but that there are services to reach out to them and to keep contact with them to find out where the problems are and how to get them back on the pathway to further education, vocational training and any other labour market integration measures (e.g. traineeship, apprenticeship, etc.).

Third, when designing the schemes, the potential of **cycles of inactivity** should be addressed. How should the scheme tackle early abandoners or those who make use of a guaranteed offer but then end up having to resort to another guaranteed offer? The scheme should include mechanisms or action plans to break and avoid cycles of inactivity for young people, as these can lead to further demotivation and destruction of their human capital.

Fourth, a Youth Guarantee scheme could carry the potential of **moral hazard** if young people rely on an external organisation, such as an employment service, to deliver an offer to them. Such situations can be avoided in the design of the scheme, for example through introducing active and individualised guidance at the start of the process, helping the young person to find vacancies or study places that appeal to them and supporting their application to enhance their probability of success.

Fifth, Member States will need to decide at which level to implement and manage the Youth Guarantee. For Member States where the implementation of education, training and employment policies is decentralised, the **regional or even the local level** can be the relevant one in terms of implementation while it would be important to ensure a mechanism of national coordination with a national ministry, body or organisation to take the lead. This can help address the regional disparities or the local circumstances of e.g. suburbs, rural or remote areas existing inside a same country, whilst working as close as possible to the young people targeted.

⁷ Described below under sub-section 2.2.

Finally, in order to avoid the scarring effects of unemployment (see also section 2.2.) it is recommended to include **rules on timing as part of a Youth Guarantee scheme**⁸. The Commission proposes that Member States should offer the Youth Guarantee to all young people within four months of unemployment or leaving education. Rules on timing of interventions are already foreseen in many PES⁹. Beyond this, in many countries young unemployed people are already a priority group for early PES intervention¹⁰.

1.3. Country-specific examples

A guarantee that comes closest to the one outlined in the Commission proposal for a Council recommendation in the sense of young people being offered a job, an apprenticeship, a traineeship and further studies can be found in **Finland**. Building on a long experience of youth guarantees the Finnish government aims to make the new guarantee more comprehensive and preventive and to combine employment and education elements. This guarantee¹¹ will be implemented from early 2013 onwards and in a nutshell reads like this:

"Each young person under 25 and recently graduated under 30 will be offered a job, a traineeship, on-the-job training, a study place, or a period in a workshop or rehabilitation within 3 months of becoming unemployed."

"Every school-leaver will be guaranteed a place in upper secondary school, in vocational education and training, in apprenticeship training, in a youth workshop, in rehabilitation or by other means"¹².

Besides the Finnish case, a variety of initiatives exist in other Member States¹³ that would support the success of a fully implemented Youth Guarantee (e.g. Czech Republic, Denmark and France). These are for example programmes for the development of career management skills and for vocational orientation at schools, career guidance, coaching of disadvantaged young people to prevent dropout and to facilitate the transition, assistance for job search, individual guidance, matching, subsidies to employers, schemes for apprenticeships and vocational training. These are offered, to a different extent in different Member States, to students, young unemployed, drop-outs, NEETs and disabled young people. Especially apprenticeships and/or traineeships are frequently used to support young unemployed people.

⁸ Most countries include all young people searching for a job or training, see European Commission (2011) *Comparative paper on youth integration*, page 14ff.

⁹ AT (guarantee for training within 3 months), BE - FOREM (within 4 weeks of registering need to be in linked with labour market), BE - VDAB (within 4 months of registering - Youth Action Plan), DK (interview within 3 months for young people under 30; everyone entitled to ALMP within 3 months), DE (legal provision <25 immediately placed), FI (all young people under 30 are provided with guarantee), PL (within 6 months offer for activation), ES (there is a guarantee for either training or experience), SE (90 days after registering offered a range of activities), NL and LT have relevant guidelines in place, SI, BG, CZ, EE, MT and FR offer supportive measures with youth as a priority group (European Commission (Mobility Laboratory), 2012: *PES Crisis response questionnaire 2012*, page 16).

¹⁰ European Commission (2011) *Youth Guarantees: PES approaches and measures for low-skilled young people*, Thematic Synthesis Paper, chapter 4; Eurofound (2012) *Recent policy developments related to those not in employment, education and training (NEETs)*, Dublin.

¹¹ Finnish Ministry of Employment and Economy, *Youth Guarantee 2013*: http://www.tem.fi/files/34025/Social_guarantee_for_youth_2013.pdf

¹² The development plan *Education and Research 2011-2016* calls this an 'educational guarantee', a part of the Youth Guarantee.

¹³ An overview of these measures is compiled in annex 1 of this document.

Typically, schemes are scheduled to start within a certain number of days or months after registration as being unemployed – although generally without a promise that it will result in a job offer, apprenticeship, traineeship or vocational training. All the initiatives are usually carried out through a Public Employment Service (PES) or another body within the public administration.

Some of the measures to activate young people and reduce levels of unemployment are financed by the European Social Fund (such as in Bulgaria, the Czech Republic and Latvia).

In **Austria**¹⁴, a "Training Guarantee" for young people up to the age of 18 was put in place in 2008, giving young people who cannot find a company-based apprenticeship the opportunity to learn an apprenticeship trade at a supra-company training institution financed by the PES. Within this measure apprentices with special needs can benefit from an integrated training scheme involving partial or prolonged apprenticeships. A "Job and Training Guarantee" for young people aged between 19 to 24 under the action programme "Future for Youth" ensures that unemployed young people are offered employment, targeted training or subsidised employment within the first six months of their registration with the PES. Alongside basic needs-oriented subsidies and pay rates as agreed under collective agreements, quality-related and labour market-related incentives are offered to encourage employers to establish additional training places and improve the quality of training. Hence, employers will be supported if their apprentices earn excellent or good grades in the final apprenticeship examination.

In **Sweden**, the approach is to stimulate the young unemployed to be active in job-seeking. This scheme starts with an initial period of three months of intensified support and follow-up of the individual's job seeking efforts. After this initial period, an active matching process begins, combined with enhanced action, which may be an apprenticeship or further education.

1.4. EU level action towards establishing the Youth Guarantee

The political drive at EU-level to support young people in their transition from school into employment has also been very strong over the past years.

Already in 2005, the Council agreed, in the context of the Employment policy guidelines¹⁵ (2005-2008), that "every unemployed person is offered a new start before reaching 6 months of unemployment in the case of young people". In 2008¹⁶, the Council reduced the time period to "no more than 4 months" for young people having left school.

As by 2010 implementation of such a measure across the EU had not yet taken place, both the European Parliament (EP) and the European Youth Forum were strongly advocating for Youth Guarantees to be set up at EU level.

In the "Youth on the Move" flagship initiative¹⁷ of September 2010, the Commission presented a framework of policy priorities to reduce youth unemployment, with a particular focus on facilitating the transition from education to work and reducing labour market segmentation. The Commission

¹⁴ Youth and work in Austria:

<https://broschuerenservice.bmask.gv.at/PubAttachments/ArbeitsJugend2012engl.pdf?db=-1>

¹⁵ Council Decision 2005/600/EC - OJ L 205/21 of 6 August 2005.

¹⁶ Employment policy guidelines (2008-2010), Council Decision 2008/618/EC - OJ L 198/51 of 26 July 2008.

¹⁷ COM(2010) 1047 of 15 September 2010, presented in the framework of the Europe 2020 and the European Employment Strategies.

called in particular upon Member States to ensure that all young people are in a job, further education or activation measure within four months of leaving school and to provide this as a 'Youth Guarantee'.

The years 2011 and 2012 have seen repeated calls for this, in particular from the European Council, the European Parliament and the European Youth Forum, but without much success on the ground. The Commission announced the implementation of the €4 million EP preparatory action on Youth Guarantees in the Youth Opportunities Initiative Communication¹⁸ of December 2011 and reiterated its commitment to Youth Guarantees in the Employment Package¹⁹ of April 2012 by announcing a proposal for a Council recommendation.

The Danish Presidency organised a workshop on ways to fulfil a Youth Guarantee in the framework of the Informal Meeting of Employment and Social Affairs Ministers held in Horsens in April 2012.

On their part, an EP resolution²⁰ of 24 May 2012 and an opinion²¹ of 12 July 2012 from the European Economic and Social Committee (EESC) have commented on the "Youth Opportunities Initiative" communication. Both included specific points on Youth Guarantees.

As part of the yearly questionnaire sent to the PES Network on their adjustment capacity to the crisis, the 2012 edition, launched in January, included a module on actions taken to address youth unemployment. In June 2012, in the context of the meeting of the Heads of PES (HoPES), members of this network were asked to report on developments since January 2012, specifically targeting young people.

As a follow-up to the Employment Package, a discussion took place with social partners on the prospect of an initiative on Youth Guarantees in June 2012, and representatives of the European Youth Forum and of cross-sectoral social partner organisations were met in September 2012. The Youth Guarantee initiative was discussed once more Social Partners at the Social Dialogue Committee on 23 October 2012.

Finally, on 29 June 2012, the European Council urged Member States to step up efforts to increase youth employment, with "the objective that within a few months of leaving school, young people receive a good quality offer of employment, continued education, apprenticeship or a traineeship". It further concluded that these measures can be supported by the European Social Fund (ESF) and that Member States should use the possibilities of financing temporary recruitment subsidies from the Fund.

1.5. Rationale of the proposal

The Commission, along with all Member States, is very concerned about the current labour market situation for young people and its persistent deterioration. The dramatic levels of youth unemployment affect the whole of Europe: their costs are high now and in the future. The savings achieved through the Youth Guarantee go beyond the pure social protection expenditure savings achieved. Avoiding unemployment and the deterioration of skills would lead to longer-term benefits for young people and for the economy through lower

¹⁸ COM(2011) 933 of 20 December 2011.

¹⁹ *Towards a job-rich recovery*, COM (2012) 173 of 18 April 2012.

²⁰ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0224+0+DOC+XML+V0//EN>

²¹ CESE 1579/2012 - SOC/450 at: <http://www.eesc.europa.eu/?i=portal.en.soc-opinions.21992>

unemployment over the course of the lifecycle, higher incomes (and therefore also higher tax incomes and social security contributions) and through fewer social and health problems. Further information can be found in section 2.

Following the lack of implementation of a number of political calls from both the Council and the European Parliament to set up Youth Guarantee schemes, it is now necessary to issue this recommendation to Member States. Indeed, so far only a limited number of Member States have taken measures towards implementing comprehensive Youth Guarantee schemes.

Offering guidelines at EU level on tools that contribute towards effective Youth Guarantee schemes will enable Member States to make best use of Cohesion Funds, and in particular of the European Social Fund, in order to address youth unemployment and inactivity.

The proposal recognises that different situations in individual Member States (or at regional or local level) could lead to differences in how the schemes will be set up and further implemented.

2. AN INVESTMENT APPROACH: COSTS VERSUS BENEFITS

Youth unemployment and inactivity are expensive. They are expensive now (in terms of benefits being paid out and also in terms of foregone earnings), but they are also expensive in the future (as they lead to a number of scarring effects). Preventing unemployment and inactivity therefore has the potential to outweigh these costs and as such represents an opportunity for smart investment in the future of Europe, its youth.

2.1. The immediate cost of NEETs

The cost of young people's unemployment or inactivity (i.e. the costs of young people being considered to be NEET) had been estimated by Eurofound to be around €100 billion or 1% of the aggregated GDP of EU21 countries in 2008²².

In October 2012, Eurofound presented updated estimates, now including 26 Member States (all except Malta)²³. The definition of a NEET was a young (15-29 year old) person who had remained outside employment, education or training for 6 months or more during the previous 12 months. The 6 months did not need to be consecutive.

On that basis, the economic costs of NEETs were deemed to stand at €119.2 billion per year, approximately 1% of the aggregated GDP in 2008. These figures correspond to the sum of "public finance income", i.e. all public finance transfers and benefits from welfare to the individual, as well as

²² Eurofound (2012) *Young people and NEETs in Europe: First findings*. Denmark, Greece, Finland, France, Malta and Sweden were excluded due to missing variables. The estimation is restricted to the current cost of foregone earnings (€94billion) and public finance costs in terms of excess transfer (€7billion). The analysis used the 2008 European Union Statistics on Income and Living Conditions (EU-SILC) for the age group 16–29. The NEET group was defined as those who have been unemployed or inactive for a period of six months or more during the reference period of the survey.

²³ Eurofound (2012) *Young people not in employment, education or training: Characteristics, costs and policy responses in Europe*, Publications Office of the European Union, Luxembourg.

"resource income", i.e. the missing contribution of the individual to society (in terms of foregone earnings, unpaid taxes and unpaid social security contributions). Costs were calculated on the basis of a propensity score matching in order to ensure that the different characteristics of NEETs were taken into account²⁴ and these costs were substantially higher than public finance costs (€8.8 billion public finance costs versus €111.3 billion resource costs)

Eurofound also included an estimate of the costs of NEETs in 2011²⁵. **The annual loss now stands at €153 billion per year**, a staggering €34 billion higher cost than in 2008, representing a relative increase of almost 28 percentage points in 3 years. As a share of GDP, the costs are now 1.21% of GDP.

At country level, the absolute costs are highest in Italy (€32.6 billion), followed by France, UK and Spain (€22 billion, €18 billion and €15.7 billion respectively). The costs proportionate to GDP are highest in Bulgaria and Greece (3.3% and 3.28% respectively), whilst Cyprus, Hungary, Ireland, Italy, Latvia and Poland all report annual losses of more than 2% of GDP.

It should be noted that these findings do not consider the indirect costs of the deterioration of human capital and employability nor any increase in certain crime and health costs.

Some caution should also be used when interpreting these calculations: as some NEETs will undoubtedly be activated through education or training measures (rather than through paid employment), the total cost, as calculated by Eurofound, would not be recovered through a successful Youth Guarantee. Furthermore, some young NEETs may not participate in the programme at all (for example very young mothers): here also this implies that not all of these costs would be recovered.

In terms of inclusion and poverty, the fragile and instable labour market position of young people may intensify current and future social risks. 29.1% young people aged 16-24 in the EU were classified as living in poverty or social exclusion in 2010, an increase of 1.3 percentage points (pps) on 2009, and 0.8 pps on 2008. However, when analysing these figures and undertaking country comparisons it has to be borne in mind that current indicators of poverty and social exclusion do not fully reflect the situation of young people. Indeed, statistically, a young person living with his/her parents for financial reasons will not necessarily be considered as poor, even if he/she is not able to live on his/her own earnings.

2.2. The longer-term effects of having been NEET

For the individual, being unemployed at a young age also carries risks of "scarring". A growing amount of literature is showing that an experience of unemployment at a young age has a long-lasting negative impact on both future income levels and future risk of unemployment. The corresponding positive is also true: the experience of employment also increases the probability of future

²⁴ "All the individuals who are NEET are compared with their statistical twins, that is, non-NEET subjects who have similar propensity score values, and therefore similar characteristics. The comparison of their income and welfare transfer is performed and the average difference in earnings and welfare transfer is computed and considered as the individual cost of a NEET."

²⁵ On the basis of assumptions on the increase of NEETs using LFS data and discounting to present values.

employment²⁶. Beyond this, young people's health status, well-being and job satisfaction are also impacted negatively through spells of unemployment²⁷.

Following a spell of unemployment, the probability of a future spell of unemployment has been estimated to be increased by 13-16%²⁸. There is a higher risk of further unemployment through to age 33²⁹.

At the same time, young people affected by unemployment are also likely to experience a wage penalty: six months of unemployment at age 22 leads to an 8% lower wage at 23 and a 2-3% lower wage at ages 30 and 31³⁰. The wage penalty also applies to young people who graduate from university during a "bad economy": the initial wage loss immediately after graduation is 6-7% for each 1 percentage point increase in the unemployment rate³¹. Even 15 years later, the wage loss stands at 2.5%. Some estimates are gloomier, suggesting a scar of 13-21% at age 42, though reduced to 9-11% if repeated spells of unemployment are avoided³².

In terms of duration of unemployment, the longer the spell of unemployment at a young age, the larger its negative impact³³. Other findings show that it is the mere fact of being employed that matters (and conversely the mere fact of being unemployed has a negative impact): *"young people who hold jobs can more easily find jobs in the future. This could be interpreted as benefits accruing from networking, or other skills in finding employment. Alternatively, employers could be more willing to hire people who have held previous jobs regardless, of the length of the employment spells"*³⁴. This would mean that even a short employment spell would be beneficial for future employment probability.

Macroeconomic conditions (through witnessing increased unemployment) also have an effect on the young generation: young people who are aged between 17 and 25 during a recession have less confidence in public institutions and believe that success depends more on luck than on effort³⁵.

Beyond this, the impact of unemployment or inactivity on young people can also lead to societal consequences: if independent housing is not affordable for this group, they are likely to remain living with their family and delay founding their own family, thereby worsening demographic trends and prospects. Furthermore, if the lack of opportunities to enter the labour market leads to young people leaving the EU to find jobs elsewhere, a phenomenon often affecting the highly qualified and therefore leading to a potential brain drain, this can also be costly to Europe's future competitiveness.

Setting up the Youth Guarantee will cost money, but putting these costs into perspective with the costs of doing nothing means that we can apply a rational investment approach when considering young

²⁶ Doiron, D. and Gorgens, T. (2008), 'State dependence in youth labour market experiences, and the evaluation of policy interventions', *Journal of Econometrics*, 145, 81-97.

²⁷ Bell, D.N.F. and Blanchflower, D.G. (2011), 'Young People and the Great Recession', *IZA Discussion Paper* No. 5674.

²⁸ Doiron and Gorgens (2008), op. cit.

²⁹ Gregg, P. and Tominey, E. (2005), 'The wage scar from male youth unemployment', *Labour Economics* 12, 487-509.

³⁰ Mroz, T.A. and Savage, T.H. (2006), 'The long-term effects of youth unemployment', *Journal of Human Resources*, Spring, 41(2), 259-293.

³¹ Kahn, L.B. (2010), 'The long-term labor market consequences of graduating from college in a bad economy' *Labour Economics* 17, 303-316.

³² Gregg and Tominey (2005), op.cit.

³³ Bell and Blanchflower (2011), op.cit.

³⁴ Doiron and Gorgens (2008), op.cit.

³⁵ Giuliano, P. and Spilimbergo, A. (2009), 'Growing up in a recession: beliefs and the macroeconomy', *NBER Working Paper* No. 15321.

people's transitions from school to further education and to the labour market. Gregg and Tominey already put forward the underlying rationale for a Youth Guarantee in 2005: *"Interventions to reduce the exposure of young adults to substantive periods of unemployment could, if successful, have substantial returns in terms of the individual's lifetime earnings and represent a good investment. In addition there is evidence that raising educational qualifications after substantial youth unemployment can lead to enhanced wage recovery."*³⁶

2.3. The costs of a Youth Guarantee

Whilst the previous two sub-sections have demonstrated that a successful Youth Guarantee would yield substantial benefits to society and the individuals, this sub-section addresses the potential costs of implementing the guarantee.

It is of course very difficult to estimate the costs of a Youth Guarantee. Nonetheless this has been attempted by a number of stakeholders.

In July 2012, **the International Labour Organisation** (ILO) estimated the costs of implementing a Youth Guarantee scheme in the Eurozone³⁷. Their total cost estimate for the Eurozone stands at 0.45% of the Eurozone's GDP, or 21bn€. Their analysis is based on the Swedish model of "special job-search support", estimated to have an annual cost of **€6,000 per unemployed young person plus administrative costs** (in terms of resources needed for Public Employment Services to serve the programme) at €600 per participant. As the Commission's proposal for a Youth Guarantee goes beyond the Swedish model, this is only an indication of the potential cost of a Youth Guarantee.

In that context, one should consider the **Austrian** example. According to preliminary governmental estimates, in 2011 the Austrian Public Employment Service dedicated approximately €382 million to young people under the age of 25 in terms of active labour market policies. More than one third of this expenditure went towards supra-company apprenticeships³⁸ (approximately €11,000 per year per supra-company apprenticeship place³⁹ for those under 18⁴⁰). Beyond this, the subvention of new jobs for young people costs around €3,600 per job supported. Considering in addition active labour market policies such as further training or career counselling, the costs of the measures for each young unemployed person (between 19 and 24 years) amount to approximately **€5,500**.

A further way of measuring the costs of a Youth Guarantee could be a crude and simplistic calculation on the basis of a pure job guarantee (providing all unemployed young people with a job). Here, the calculation could be based on the existing minimum wage (where relevant), multiplied by the number of hours to be worked and the number of participants. Such a calculation was undertaken in the UK, on the basis of a guarantee that would pay for 6 months of work for 25 hours per week (the business

³⁶ Gregg and Tominey (2005), op.cit.

³⁷ International Labour Organization (2012), 'Eurozone Job Crisis: Trends and Policy Responses', *Studies on Growth with Equity*, July 2012.

³⁸ See section 1.3.

³⁹ One place could accommodate several people over the course of one year if there is a high turnover.

⁴⁰ In December 2011 (2011/12 training year), 10,463 young people participated in a supra-company training scheme, see: BMASK, Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection (2012), 'Youth and Work in Austria':

<https://broschuerenservice.bmask.gv.at/PubAttachments/ArbeitsJugend2012engl.pdf?db=-1>

would cover 10 hours of training a week). On the basis of the current minimum wage in place in the UK, this would cost £4,000 per job (approx. €5,000)⁴¹.

But when budgeting for a Youth Guarantee, more detailed analysis should be undertaken. The **Finnish Government** will introduce its renewed Youth Guarantee in 2013 and has estimated the costs necessary as well as broken these down into various components.

The average annual total per-person cost of the entire guarantee, including a "Skill programme for young adults", would amount to €2,240⁴². This cost is substantially lower than that calculated for Sweden and Austria and this could be due to different characteristics of the target groups and also potentially to different existing infrastructures that could be used to implement the Guarantee (e.g. well-established and trained employment service staff).

As illustrated by the Finnish example, when calculating corresponding costs for young people across other countries, it should be borne in mind that not every young person making use of a Youth Guarantee would be placed in such a government-subsidised apprenticeship and not every young unemployed person would need to make use of a Guarantee either (e.g. if they find a suitable offer by themselves within the first 4 months of unemployment or leaving school).

Indeed, there are large differences in the required expenditure on each individual in order to provide all young people with the Youth Guarantee. For example, the Finnish budgetary costings include costly vocational education (at €33,800 per participant), intended only to suit the needs of a small minority (1,200) of all the young people to be covered by the entire guarantee (50,100).

Of course the real cost of a Youth Guarantee will also depend on the national circumstances and the way in which it is set up and implemented in each Member State. As such, any estimates of the costs of a Youth Guarantee are subject to a number of caveats:

The costs for a Youth Guarantee will be higher in those countries experiencing higher rates of NEETs or of youth unemployment. In these countries, making the most use of additional means of funding (such as through the European Cohesion Policy funds) will be important and gradual implementation could also be considered.

The average duration (and cyclicity) of young people's unemployment will also have an impact on the estimates for establishing a Youth Guarantee within four months of becoming unemployed or leaving school.

Different starting points in terms of existing supporting measures (e.g. well-trained Public Employment Service staff to address young people's needs and circumstances) will also have an impact on the potential up-front costs needed.

⁴¹ In September 2012, the ILO also published estimates of the costs of youth employment guarantee schemes by making reference to on-going minimum wages: *Global Employment Outlook: Bleak Labour Market Prospects for Youth*.

⁴² Finland has allocated €60million a year to the main component of the youth guarantee, to reach 46,100 participants and including a variety of interventions, such as vocational education, training compensation for employers, wage subsidies, support for young immigrants, enhanced public employment services, job-coaching and start-up grants. However, the Finnish Government recognises that these costs are not sufficient to solve all the issues and therefore also suggests including the "Skill programme for young adults" into any total costings for the Youth Guarantee. This particular programme will cost a maximum of €52 million per year for 4,000 participants (and additionally, 5000 a year places will be freed up through efficiency savings). This yields a total maximum annual budgetary expenditure of €112 million for 50,100 participants.

It should be noted that the longer-term costs of a Youth Guarantee will also be influenced by demographic developments: in the future, as a result of lower fertility rates, youth unemployment will structurally be reduced as a problem (as long as labour supply qualitatively matches labour demand).

2.4. Comparing costs and benefits

Bearing in mind all of these caveats, it is nonetheless clear that investment in young people is paramount to avoid immediate and longer-term costs of their inactivity that were described above.

A cost-benefit study of Swedish measures to help young people (between 18 and 30) onto the labour market⁴³ concluded that the average socioeconomic potential (i.e. the potential profitability) over one year is over SEK 600,000, or approximately €70,000, per participant. This is based on the assumption that participants forego their dependence on benefits, reduce their reliance on care and nursing services and become productive and pay taxes instead.

In reality the full potential is not reached. However, with an average cost of SEK 66,400 (€7,809.97) per participant, investments are usually recouped within one year and average profitability within the first year stands at SEK 35,800 (approximately €4,200) per participant. The study further says: "The calculations for subsequent years do not include projects costs and forecast average profitability of SEK 441,000 [€51,870] per participant over five years. In the longer term profitability naturally accumulates over time and, considering that the gains refer to younger people, the total potential gains up to retirement age are enormous".

The savings made through investment in a Youth Guarantee go beyond the pure social protection expenditure savings achieved. As described above, avoiding unemployment and the deterioration of skills would lead to longer-term benefits for young people and for the economy through lower unemployment over the course of the lifecycle, higher incomes (and therefore also higher tax incomes and social security contributions) and through fewer social and health problems.

3. HOW TO MAKE THE YOUTH GUARANTEE A SUCCESS?

3.1. Partnership based approaches

Partnerships matter

Successfully delivering the Youth Guarantee requires the mobilisation of numerous actors and resources towards a common goal. Evidence⁴⁴ from Member States, where initiatives similar to Youth Guarantee schemes are in place, shows that adopting partnership based approaches is often the most suitable way to achieve efficient delivery.

Establishing partnerships to implement the Youth Guarantee requires in a first instance the designation of an **organisation to be in charge** of establishing and managing the scheme and coordinating partner actions. This role could be assigned to the **Public Employment Service (PES)**, which would then be

⁴³ Swedish National Board for Youth Affairs (2011) *It Pays Off*.

⁴⁴ A. Scharle and T. Weber for European Commission (2011) *Youth Guarantees: PES approaches and measures for low skilled young people* Thematic Synthesis paper (PES to PES Dialogue).

in charge of developing the necessary links with the relevant partners, namely: schools, youth organisations, training institutions, private employment services, social partners and employers.

Solid partnerships are characterised by a number of pre-requisites such as the need to establish a clear definition and distribution of roles and tasks; the fact that all actors involved should possess complementary skill sets; a high degree of trust in one another; a willingness to learn and regular reviews to assess progress against objectives.

Where service delivery of employment services is commercially subcontracted to private and/or third sector providers, it is important that the terms, conditions and expected outcomes are clearly specified in any tendering process. Monitoring and evaluation of such initiatives is equally important in order to ensure return on investment and learn from what works with a view to designing more tailored and evidence based future policies.

With its cross-cutting approach to youth issues, the EU Youth Strategy⁴⁵ is a framework that addresses youth transitions from education into work in a wider context and advocates inter-ministerial cooperation. The EU Youth Strategy comprises tri-annual EU youth reports⁴⁶ with data and policy practices which could be useful when designing the Youth Guarantee schemes. The Commission and Member States also developed a multi-disciplinary dashboard of youth indicators, illustrating key aspects around youth in transition⁴⁷.

One example of a partnership-based approach to develop a coordinated policy strategy is displayed in Finland. To establish its Youth Guarantee, Finland developed a comprehensive model where various Ministries (employment, education, social and health), municipalities, education institutions and other service providers, enterprises and other employers, social partners, youth organisations, student organisations and the third sector are involved in this common endeavour.

An example of a coordinated approach to develop strategies for implementation and service delivery corresponding to the needs of the local labour market can be found in Germany. Germany has set up a “Young People and Career Work Alliance” where the Employment Agency, Job Center, municipality, and youth welfare bodies sign a cooperation agreement through which they increase transparency, undertake joint analysis, optimise the availability of the relevant social data on young people and their environment in accordance with data protection legislation, avoid duplication of questions and profiling, create common processes and synchronise offers.

Bridging the gap between schools and employment services

Schools and training bodies play a key role in preventing drop-out by providing targeted support to young people at risk of dropping out, but also offering guidance or access to relevant services to all students. They can also signal early exit from the education system to municipalities, PES or other relevant bodies. Reducing school abandonment can be greatly helped by raising awareness about the world of work and familiarising students with services such as those provided by PES. To achieve this, programmes for vocational orientation should be complemented with quality individual career

⁴⁵ http://ec.europa.eu/youth/policy/eu-youth-strategy_en.htm

⁴⁶ COM(2012) 495, SWD(2012) 256, SWD(2012) 257 of 10 September 2012.

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http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_social_policy_equality/youth_policy/dashboard_youth

guidance⁴⁸. Career guidance counsellors from PES can visit schools, providing general advice on their services available (labour market information, job/apprenticeship vacancy matching, assistance with job search, etc.).

However, school visits can have a relatively high cost for PES. Other, less resource-intensive options include offering personal or on-line training to teachers and trainers in schools to then deliver the information themselves. In Italy, for example, teachers are trained to provide vocational guidance as well as information about relevant PES services. In Hungary, the PES also provide training for schools to make relevant form teachers aware of PES services, to allow them to pass this knowledge on to pupils before they leave school. In the context of more scarce resources, such activities can achieve an important multiplier effect⁴⁹.

Evidence⁵⁰ shows that partnerships between different employment services are slowly becoming more wide-spread across the EU as PES seek to deliver more targeted and individualised services, whilst also pursuing more cost efficient service delivery channels. Equally, a growing number of third sector employment services, municipalities and youth organisations are involved in local level cooperation to remedy youth unemployment. Such an array of actors presents many opportunities to ensure greater outreach to young people, but also challenges in terms of ensuring properly coordinated actions to avoid duplication of efforts.

Civil society organisations (CSOs) can also play an important role in bridging the gap with hard-to-reach young people and society. According to the YOUNEX research project⁵¹ CSOs are essential partners for policy change in the field of unemployment and precariousness, as they have extensive knowledge about unemployment and precariousness.

Engaging with social partners

Equally important to the development of a Youth Guarantee scheme is the establishment of stable and trustful relationships with social partners.

Trade unions can play an important role in ensuring that a Youth Guarantee scheme can be offered in Member States. Employers, particularly the SMEs that have been the main job creators over the past decade, are key to open job opportunities⁵² for young people who would not necessarily be the first choice in a normal process of recruitment. Developing the cooperation between employment services and employers should be seen as a long term investment and as a relationship that grows and matures over time.

The reinforcement of employer oriented services and staff trained to work with young people, in particular the most disadvantaged ones, as well as clear strategies of cooperation through company specific agreements, frameworks for cooperation, sector level pacts, as well as networking, recruitment and information events and sessions are among the tools that PES most commonly use

⁴⁸ See *Council Resolution on Better Integrating lifelong guidance into lifelong learning strategies* of 21 November 2008 and its implementation by the European Lifelong Guidance Policy Network (www.elgpn.eu).

⁴⁹ A. Scharle and T. Weber for European Commission (2011), op.cit.

⁵⁰ *PES crisis adjustment capacity 2012 Questionnaire* issued by the European Commission to the European Network of Public Employment Services.

⁵¹ YOUNEX: Youth, Unemployment, and Exclusion in Europe (FP7 – SSH, 2009-2011):

http://www.younex.unige.ch/Products/Reports/WP2_INTEGRATEDREPORT_D7.pdf

⁵² *PES and effective services for employers*, Peer Review January 2012 (PES to PES Dialogue), <http://ec.europa.eu/social/main.jsp?catId=1004&langId=en>

when engaging with employers. These tools and services are well suited also to the development of Youth Guarantee schemes. Finally, servicing employers' labour needs also requires the strengthening of skills policies and labour market intelligence gathering tools with a view to better profile and match candidates to jobs and/or traineeships and apprenticeship places available. Successful matching is ultimately the best guarantee for establishing win-win situations, positive employer relations and further fruitful partnerships, ultimately resulting in stable and durable employment offers for young people.

Involving youth organisations

Involving youth organisations and associations in the design and conceptual phase of public programmes can ensure that interventions are tailored to the exact needs of young people.

When reaching out to young people facing more complex challenges (such as no or low qualifications, disabilities, addictions, etc.), it is vital to establish well-functioning partnerships between employment services and other youth support services. Youth work organisations can reach out to young people through leisure activities and, due to their often informal approaches, instil the necessary amount of trust in young people that will enable them to get in touch with authorities and to register with employment services. In March 2011, the **European Network of Public Employment Services** carried out a Peer Review⁵³ on how to design and implement Youth Guarantee schemes that revealed the importance of reaching out to young people in an environment in which they feel at ease and in their own language. Furthermore, the private and public sector may not be able to fully cater for all young people, especially those harder to place, in terms of providing them with jobs or traineeships. Youth organisations and NGOs with a youth focus could therefore be involved in providing places, through paid or unpaid traineeship or voluntary work experiences.

In Finland the voice of young people was conveyed at an early stage by a working group led by the Finnish Youth Co-operation Association. The working group also organised an online public consultation "Giving young people a voice" with young active forces and entrepreneurs, which prompted responses from 6,366 young people in autumn 2011.

The UK has introduced MYPLACE, a £279 million⁵⁴ programme aimed to create youth facilities across England, including in some of the most disadvantaged areas across the country. The programme provides capital grants of between £1 and 5 million⁵⁵.

3.2. Early intervention and activation

Reaching out to young people

Evidence from Member States shows that many young people, who experience difficulties to get a foothold on the labour market, only access PES or other responsible public services once they are unemployed, or indeed not at all, particularly if they are not entitled to benefits. While partnerships and cooperation between public employment services and schools can help to pave the way,

⁵³ *Youth Guarantees: PES approaches and measures for low skilled young people*, Vienna, Austria – 22-23 March 2011:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=105&newsId=1009&furtherNews=yes>

⁵⁴ Equivalent to approx. €350 million.

⁵⁵ Equivalent to approx. between €1.25 and 6.3 million.

additional targeted outreach activities are needed to ensure that young people not enrolled in education or without a job register with PES or other responsible services do not get lost / end up in NEET status/inactivity when leaving school. The range of activities includes distributing printed material at places frequented by the target group (e.g. youth centres or youth events) and the use of modern media which "speak" the language of young people (e.g. attractive web-pages, media-campaigns via YouTube, special websites for young people offering tailored information and vocational orientation). Further developing the use of social media such as Facebook, like in Germany, the Netherlands or Sweden, is also a promising way forward given the communication habits of young people.

One step to ensure that young people receive an offer soon after leaving school is to improve **data gathering systems** and school records, as well as the **transfer** of at risk young people and/or recent drop-out to PES or other responsible services. A national commitment, such as in Norway where it is implemented at county-level, to stay in contact with school leavers and refer them where necessary to the PES, greatly facilitates rapid contact with early school leavers. However, many countries have to cope with data protection regulations regarding the transfer of individual data between institutions.

In Finland, the Youth Act lays down provisions on the disclosure of information for the purposes of youth outreach work. Primarily, the personal information of a young person can be disclosed with his/her specific consent. If the young person cannot be reached to obtain the consent, his/her contact and personal information is to be disclosed by an education provider if a young person has completed basic education, but has not found placement in post basic-education; or if a young person under 25 drops out of vocational education or general upper secondary school.

Tracking or "catch up" services such as in Denmark, Finland, Luxembourg, the Netherlands and Norway monitor participation in education and training, contact early school leavers after they have dropped out and seek to find a pathway to education, training or employment. For example the Regional Registration and Coordination institutes (RRC) in the Netherlands monitor and keep records of young people who do not have basic qualifications and ensure that those who are inactive are contacted and supported. In Finland, municipalities or groups of municipalities have been obliged since 2011 to recruit youth outreach workers, who contact and follow up young early school leavers at risk of becoming NEET.⁵⁶

Hard to reach young people usually require special outreach activities to make sure that they access the relevant services. This is especially relevant for those who have already dropped out from school and for those **facing multiple barriers**, often coming from diverse/non mainstream backgrounds that put them at risk of discrimination both to access training and enter the labour market. Such measures include the **cooperation with youth centres and other relevant organisations and NGOs** working with youth or disadvantaged groups (e.g. migrants, drug addicts, orphans, disabled people). Campaigns with actors of ethnic and religious communities and welfare organisations can be particularly useful as can an age and culturally diverse profile of staff within the PES services themselves. In Austria, for example, visits to mosques and to cultural clubs, cooperation agreements with Turkish and Serbian newspapers and DVDs in foreign languages have helped to get into contact with those hardest to reach.

As the experience from a number of countries shows **establishing special "focal points"** for young people can not only contribute to lower the threshold, but also to make interventions and activation

⁵⁶ Eurofound (2012) *Recent policy developments related to those not in employment, education and training (NEETs)*.

more effective by facilitating a coordinated service delivery. Structures vary from specialised youth services as part of the PES, independent local or regional institutions up to contracted private providers. In Austria, Denmark and Germany, Job centres for young people are part of the PES. Other institutions help disadvantaged people, such as the "Missions locales" in France which aim to prevent young people from becoming NEET and offer opportunities for those who have dropped out from school. By contrast, the Local Employment Services in Ireland are an example for outsourcing to private providers: "Youth reach centres" provide intensive mediation and guidance services to young school-leavers. Such youth centres are particularly effective as a "focal point" when other relevant services such as career guidance, municipal youth or family services, debt advice services, services for disabled, addicted or ex-convicts are either integrated in the form of a one-stop shop or on the basis of cooperation agreements for referral between the institutions.

In order to cope with the problem that many young people in the NEET group are not known to the PES, a few countries have created ad hoc agencies. These "**youth agencies**" are designed to support young people specifically in their study and career orientation like the "Youth Employment Centers" in Lithuania or the "Navigator Centers" in Sweden. The latter are a national network of one-stop shop services for young people seeking (re)integration into education, training and employment, rather than being directed to contact several different public agencies.

Tailoring the support

Once young people have registered with the PES or with another responsible service (e.g. municipal employment service, private provider), the key to early intervention and activation are **binding regulations** to entitle young people to use PES services and obliging PES to offer young registered unemployed an education, training or a job based upon an Individual Action Plan (IAP). Individual support schemes include support for job search, referral to education or training, and active labour market measures for those in need.

In times of budget constraints it is more important than ever to well target resource-intensive interventions such as education, training or more comprehensive support to those in need. **Tailor made IAPs** are the main precondition to make activation work⁵⁷. Both preparation and follow-up require professionalism and adequately trained staff. Digitalisation means making use of all channels, applying the right mix of online, self-help tools and face-to face services. However, those young people faced with **more complex problems need a "whole-person" approach** to detect and address the full range of barriers and issues the young person is facing and to identify their skills and competences. Holistic guidance and case management, including a deepened assessment of the personal situation taking into account the whole life situation, comprising also a detailed follow-up if needed. As such services cannot be provided by PES alone, often partners are contracted. According to results from evaluation such an approach has proven successful in Austria, Germany and Slovenia.⁵⁸

Although emphasis in IAPs is on more enabling approaches, it is important that IAPs reflect the **principle of mutual obligation** (carrots and sticks-approach). This is best achieved by a document signed by both sides. A reasonable balance has to be struck between support and monitoring, while at

⁵⁷ European Commission (2012) *Activation and Integration: Working with Individual Action Plans. Toolkit for Public Employment Services*; OECD (2007) *Activating the Unemployed: What Countries Do*, in: OECD (ed.), *OECD Employment Outlook* (pp. 207-242) Paris; see also European Commission (2012) *Activation and Integration: Working with Individual Action Plans. Toolkit for Public Employment Services*.

⁵⁸ Eurofound (2012) *Recent policy developments related to those not in employment, education and training (NEETs)*; European Commission (2011) *Peer Review PES Young*.

the same time ensuring the compliance to rules for activation and imposing sanctions with implications for the entitlement for benefits and services if needed. According to qualitative expert judgment sanctions have a higher impact if they are clear, graduated, immediate and fair. There is also a need to couple eligibility with social assistance for youth at high risk of marginalisation with a rigorous mutual obligation approach.⁵⁹ In case of drop-out from activation schemes, mechanisms for further supporting young people have to be enhanced, in order to avoid social exclusion.

3.3. Supportive measures enabling labour market integration

Early school leaving

54.2% of early leavers from education and training in the EU are not employed. Reducing early school leaving (ESL) is one important measure against youth unemployment; it is also one of the headline targets of the Europe 2020 strategy. Member States agreed to reduce the average European rate of early school leaving to less than 10% by 2020. The Council Recommendation “*on policies to reduce early school leaving*”⁶⁰ highlights the need to implement comprehensive and cross-sectoral policies against early school leaving, to address both general education and vocational education, to provide guidance to young people and to increase their employability.

Such comprehensive policies against ESL need to include compensation measures to address the consequences of early school leaving and enable renewed access to education and training in order to support young people to acquire relevant qualifications. In this context, second chance programmes, as well as additional language support for those who do not fully master the language spoken in the country of residence are of high relevance. More gender sensitive programmes might also be relevant in a context where young men are more at risk of early-school leaving (15.3 % of 18-24 years old men and 11.6 % of women are early leavers from education and training).

Furthermore, work-based learning, in particular dual vocational training equip young people with relevant skills needed on the labour market. In addition, gaining an understanding of how theory is applied in practice can motivate them more for further theoretical learning. Finally, such approaches create entry points and contacts which can facilitate the transition to a first job. They should provide successful students with recognised accreditation and allowing them to continue education and training within mainstream education and training systems.

Improving the long-term perspectives on the labour market of early school leavers will contribute to the success of the Youth Guarantee.

Skills mismatches

The current economic situation, characterised by high levels of unemployment and in parallel persistent job vacancies in specific occupations, highlights the major skills challenge Europe is facing.

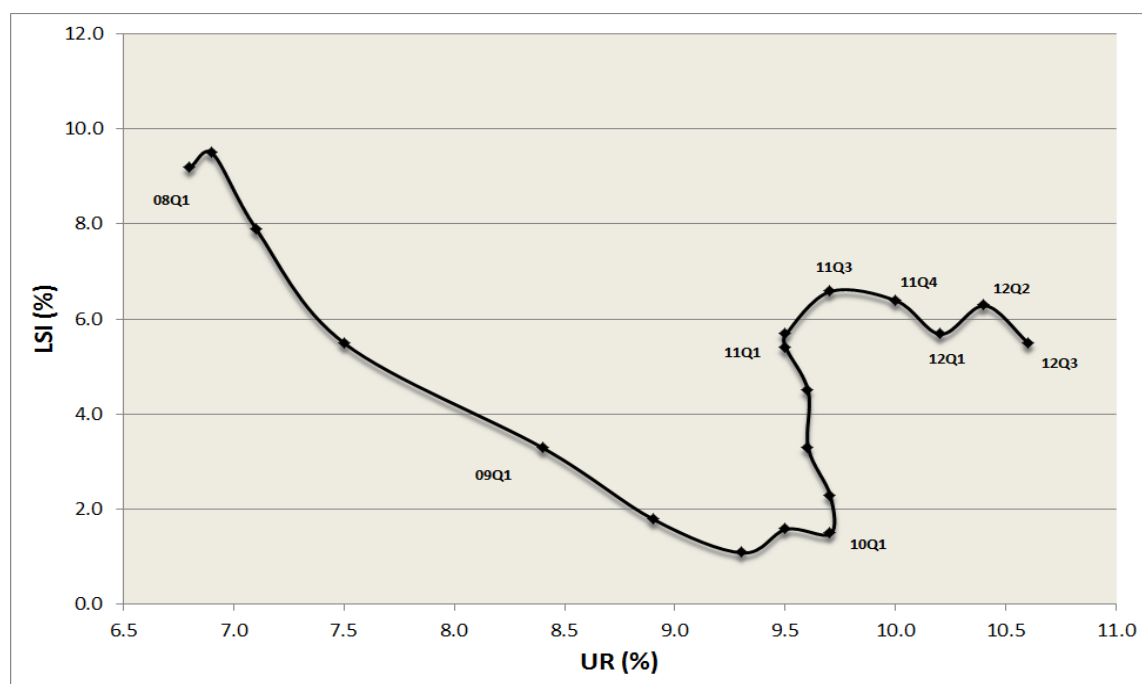
Before the crisis, the European Union as a whole and most of the Member States showed increasingly efficient job matching processes. However, over the last two years unemployment rates and job vacancy rates both increased. These figures are well described by the so-called Beveridge curve, which relates unemployment rates to job vacancies. When the job matching process is functioning

⁵⁹ OECD (2010) *Off to a good start? Jobs for Youth*, Paris.

⁶⁰ OJ C191/01 of 1 July 2011.

well the Beveridge curve shows a negative relationship between unemployment rate and job vacancies. This has been the case for the EU-27 till the first quarter of 2010. Since then the increase in vacancies did not have an effect on unemployment⁶¹.

Figure 1: Beveridge curve, EU-27, 2008Q1-2012Q3



Source: Eurostat

Short description: The data used are: (i) the unemployment rate (UR, %), variable "une_rt_q" and (ii) the labour shortage indicator (LSI, %), variable "ei_bsin_q_r2", derived from EU business survey results (% of manufacturing firms pointing to labour shortage as a factor limiting production).

The problems in the job matching process – as reflected by the Beveridge curve's movement – may be related to mismatches in skills⁶² and educational qualifications⁶³ required for a certain job. In addition, high disparities between regions and between industries may indicate a potential problem of regional and sectoral mismatch since the new jobs might be found in regions other than those where people with the proper skills and educational qualifications required by the market are available.

The European Labour Force Survey shows that the average incidence of skills and qualification mismatch during the period 2001-2011 varied significantly across European Member States⁶⁴. As

⁶¹ Only recently the Beveridge curve seems to show again a negative trend, but this is not enough to say that the job matching process is improving across Member States.

⁶² The skills mismatch regards the gap between the skills (i.e. generic, technical and soft skills) held by workers and those required by their jobs. Skills mismatch involves both the "skill deficit" – where a worker's skills are not up to the requirements of the job – and the "overskilling" – which arises when skills exceed those required by the job.

⁶³ The qualification mismatch regards the gap between educational qualifications (i.e. formal academic skills) held by workers and those required by their jobs. It encompasses both the "over-education" – when a worker has more educational qualifications than those required – and the "under-education" – when a worker has fewer educational qualifications than those required.

⁶⁴ Estimations of Cedefop (see Employment and Social Developments in Europe 2012 Review, forthcoming).

regards the qualification mismatch, on average, nearly 15% of European employees are over-educated, while 21% are under-educated⁶⁵.

The mismatch between labour demand and the skills and location of potential employees is extremely serious since it may imply that unemployment will become increasingly of a structural nature. The comparison between pre-crisis and actual data clearly shows a consistent increase of the structural and long-lasting unemployment. In particular the structural unemployment for the EU-27 raised by more than one percentage point, shifting from 8.2% in 2007 to 9.3% in 2012 and the European Commission's projections⁶⁶ for 2013 show an even higher rate of structural unemployment (9.6%).

The number of ICT graduates is insufficient in order to fill all the vacancies in the ICT sector, where, even in times of recent economic turmoil, the demand for ICT practitioners has been growing at a rate of 3% per year. In addition, there will be up to 700,000 unfilled ICT practitioners' vacancies in the EU by 2015⁶⁷.

Non-formal and informal learning experiences

In the current situation of rising unemployment and lack of economic growth, validation of non-formal and informal learning can help the young unemployed that are looking for their first job or those with very little professional experience to create a market value for their skills and competences acquired in different contexts. Furthermore, from an individual perspective, validation of non-formal and informal learning enhances the prospects of employability, higher wages and faster career moves, and offers second chances for those who have dropped out of school prematurely, as well as improved access to formal education and training, greater motivation and increased self-confidence.

Non-formal learning occurs in a formal learning environment but does not generally lead to a qualification or diploma. It typically involves courses, workshops, conferences or seminars. Informal learning takes place in a variety of places, such as at home, work, in an association and through daily interaction between people; it includes language learning, cultural norms and manners.

Four Member States currently have comprehensive systems in place for the validation of non-formal and informal learning:

In France all qualifications, except regulated professions such as medical doctors, dentists, veterinarians and architects, can be obtained through validation of non-formal and informal learning. Individuals submit details of their learning experiences and the skills/competences gained. An expert jury appointed by the relevant ministry may then grant a full or partial qualification. A similar system exists in Luxembourg.

In the Netherlands people can submit a description of their experiences to a recognised provider of "experience certificates" for the purpose of job applications or formal recognition

⁶⁵ Cedefop's own calculations based on EULF data (see Employment and Social Developments in Europe 2012 Review, forthcoming).

⁶⁶ Annual macro-economic database of the European Commission's Directorate General for Economic and Financial Affairs, available at:

http://ec.europa.eu/economy_finance/ameco/user/serie/ResultSerie.cfm

⁶⁷ Report for the European Commission *Anticipating the Evolution of the Supply and Demand of e-Skills in Europe (2010-2015)*, Empirica and IDC Europe, December 2009. Updated forecast presented at the European e-Skills Conference on 13 December 2011 in Brussels.

by an examination board. In Finland education laws allow for the validation of experiences in many education fields and levels.

On 26 November 2012, the Council reached a political agreement on the Council recommendation on the validation of non-formal and informal learning according to which Member States should have in place, no later than 2012 – in accordance with national circumstances and specificities, and as they deem appropriate - arrangements for the validation of non-formal and informal learning.

Youth entrepreneurship: creating jobs and competences

Entrepreneurship is not always seen as a conventional route to promote employment. However, entrepreneurship clearly represents an opportunity to foster employment and lower youth unemployment⁶⁸. But more than that, having ideas and turning them into actions is one of the key competencies in lifelong learning in the 2006 Commission's recommendation on key competences⁶⁹, representing a transversal skill and fostering (self-)employability.

Young people need to be familiarised with the meaning of entrepreneurship and becoming an entrepreneur should be an attractive option for a young person. Successful entrepreneurs, role models, are important in fostering entrepreneurial spirit in young people.

In early 2012, OECD published a Policy brief on youth entrepreneurship⁷⁰ highlighting that although young people may not seem like a likely group for entrepreneurship (due to their inexperience and lack of finances), they do have an interest in entrepreneurship and many of them believe that self-employment is feasible. The results of the 2009 Eurobarometer⁷¹ suggest that the two youngest age cohorts (ages 15 to 24 and 25 to 39) have the highest level of interest in self-employment with 40% and 42% of people, respectively, responding that self-employment in the next five years was either "very feasible" or "quite feasible", much higher than the figures for the 40 to 54 and more-than-55 cohorts (29% and 13%, respectively).

Young people can face specific barriers, preventing some from turning ideas into projects. These barriers include lack of entrepreneurial skills, lack of prior work experience and easy access to finance. The European Commission already supports youth entrepreneurship through promoting education for entrepreneurship at school and university, through the European exchange programme "Erasmus for Entrepreneurs"⁷², allowing new entrepreneurs to be hosted by more experienced ones.

⁶⁸ Self-employment is important in terms of job creation. 85% of newly established enterprises are micro-enterprises with less than 10 employees. In the European Union, newly established enterprises create on average 2 jobs. Yet, a Eurobarometer survey from 2009 states that in the EU, 28 % of people indicated that self-employment would either be 'very feasible' or 'quite feasible' within the next five years. This figure is nonetheless lower than in the United States of America (US) and China, where 36 % and 49 % of people saw self-employment as 'very' or 'quite feasible' in the next five years.

⁶⁹ The Commission's recommendations on key competences for lifelong learning (2006/962/EC) underlined that a "sense of initiative and entrepreneurship is the ability to turn ideas into action" was important (Official Journal L 394 of 30 December 2006):

⁷⁰ http://europa.eu/legislation_summaries/education_training_youth/lifelong_learning/c11090_en.htm

⁷¹ Published in the framework of a study work for a "Panorama on Entrepreneurial Activities in Europe" carried out on behalf of the Commission:
<http://www.oecd.org/regional/leedprogrammeloaleconomicandemploymentdevelopment/Youth%20Policy%20Brief.pdf>

⁷² European Commission (2009), *Eurobarometer*, "Entrepreneurship in the European Union and Beyond"

<http://www.erasmus-entrepreneurs.eu>

Through the European Progress Microfinance Facility⁷³, the Commission is aiming to increase the availability of microcredit for those willing to become self-employed or to start a micro-enterprise and experiencing (as is the case for young people) difficulty in getting conventional credits, including those entering the labour market. The future European Programme for Social Change and Innovation⁷⁴ (2014-2020) will continue to promote access to finance for micro- and social entrepreneurs.

Wage subsidies and non-wage labour costs⁷⁵

Too high **non-wage labour costs** – such as employer social security contribution – can have detrimental effects on labour demand, especially for relatively lower productivity groups such as young people who are starting their career, as they face very elastic (sensitive) labour demand. Therefore, reducing the tax wedge (especially non-wage labour costs) on labour in a budgetary neutral way by **shifting** towards environmental, consumption or property taxes can have positive effects on labour demand and therefore also be a tool to ensure the success of a Youth Guarantee scheme. **Targeting** reduction at those groups who have sensitive labour demand is expected to have positive impacts on their employment. Nevertheless, design and implementation needs to be carefully prepared so as not to have an adverse effect on the employment prospects of groups that are (narrowly) ineligible.

Wage subsidies (hiring credits) offer payments to employers for hiring from particular groups of workers by subsidising their wages. They can also be used to secure the success of a Youth Guarantee scheme as they have the potential to boost employment. A hiring credit reduces the labour costs incurred by employers, raising their willingness to hire other workers and ultimately creating new jobs.

Employers should target hiring subsidies to **new hiring**. This way they can motivate employers to engage in net new recruitment, thus creating jobs that would otherwise not be created. Targeting vulnerable groups such as young people can have positive effects particularly where hiring subsidies are combined with additional efforts to help the target population. Subsidies are more effective when there is a good match, thorough preparation of the placement by the employment service and also the possibility for young people and employers for follow-up advice where required.

State aid rules should be taken into account as regards the above mentioned measures. In that respect it should be noted that general measures to facilitate the recruitment of young people, open to all companies in all sectors of the economy, would not qualify as State aid. By contrast, selective measures, e.g. limited to certain types of companies or certain sectors, or involving discretion of the authorities, may constitute State aid if the other conditions of Article 107(1) TFEU are met.

Labour mobility

Recent estimates (1st quarter 2012) based on the EU-Labour force survey⁷⁶ point to a share in the (working-age, 15-64) EU citizens residing in another Member state around 3.0%. This represents around 9.5 million persons. Compared to 2005 it is a strong increase (+50% as it was exactly 2.0% at that time or 6.2 million persons).

⁷³ <http://ec.europa.eu/epmf>

⁷⁴ COM (2011) 609 of 6 October 2011

⁷⁵ The issues of wage subsidies and non-wage labour costs have been addressed in the “Employment Package” (*Towards a job-rich recovery*, COM(2012) 173 of 18 April 2012) and by the 2011 EMCO thematic report “Reaching the Employment Target” (Brussels, 22 November 2011, 17239/11)

⁷⁶ Eurostat, EU-Labour force survey, (lfsq_pganws).

Whilst unemployment in the EU remains high, paradoxically, there are also over 2 million unfilled vacancies in the EU, according to the European Vacancy Monitor. These are mostly due to mismatches between labour supply and demand, and to insufficient labour mobility at regional, national and European level.

Young people are one of the groups with the highest propensity for being mobile. Work experience abroad can add value to their life-long learning and career path⁷⁷ and provide them with more job opportunities.

Labour mobility could therefore be promoted to address the issue of youth unemployment, to help employers find the skills they are looking for, but cannot find in their local labour market, and to enable Member States to offer every young person a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education.

The Employment Package calls for more performing, dynamic and frictionless labour markets and the Commission's 2013 Annual Growth Survey⁷⁸ stressed that with certain region and sectors lacking employees who fit their needs, these skills bottlenecks and mismatches need to be addressed through increased labour market participation, improved skill levels and facilitated mobility. In order to improve the situation, employment policies need to facilitate employment transitions that enhance productivity and job quality; workers must possess the right skills, and people have to be mobile enough to respond to job vacancies in other Member States and regions.

Investment in skills and reskilling will play a crucial role in supporting future mobility and productivity gains. Indeed, much of the loss of competitiveness in many Member States can be explained by poor productivity growth due to insufficient investment in skills policies and tools. Reinforcing skills policies is also crucial for tackling existing supply-side shortages and mismatches on the labour market and subsequently enabling mobility.

Furthermore, a genuine EU-wide labour market with sufficient fluidity levels will only be created once the remaining legal and practical obstacles to mobility for firms and workers are removed.

To this end, the European Commission is currently in the process of repositioning EURES, the European Network of Employment Services⁷⁹. The reform will turn EURES into an EU-wide matching, placement and recruitment tool and include the roll out of targeted mobility schemes for certain occupations, sectors and cohorts (such as youth). This approach will follow the logic of the pilot action⁸⁰ "Your first EURES job" conceived to help young Europeans aged 18-30 find work in other EU countries. The scheme is based on support from national employment services – information, job search, recruitment and funding – for both young jobseekers and businesses confronted with bottleneck vacancies and interested in recruiting from outside their home country.

3.4. THE EUROPEAN PERSPECTIVE

Use of EU structural funds

⁷⁷ This means that a lifetime employment path can include circular mobility, i.e. included as many in-country as abroad working periods.

⁷⁸ COM(2012) 750 of 28 November 2012.

⁷⁹ C(2012) 8548 of 26 November 2012.

⁸⁰ <http://ec.europa.eu/social/yourfirsteuresjob>

As evidenced by the Member States' replies received by the Commission to a questionnaire on youth policies and reporting results of the Youth Opportunities Initiative, this initiative has played an important role as a driving factor behind further reallocation of vast EU funding resources, in particular from the ESF and European Regional Development Fund (ERDF), towards youth unemployment measures. A notable example is Italy, which under its Cohesion Action Plan has so far reallocated EUR 6 billion in two phases, of which a significant share is dedicated to employment and education actions.

The European Social Fund in the current 2007-2013 programming period supports a range of actions aimed to enhance access to employment and the sustainable inclusion into the labour market of job seekers with a particular focus on preventing long-term and youth unemployment. Member States have dedicated significant resources towards improving school-to-work transitions for young people, and additional labour market integration measures such as targeted activation policies, wage subsidies, measures to encourage youth entrepreneurship and business start-up. Temporary recruitment subsidies are an instrument already implemented by Member States in the context of the economic crisis and can be supported by the ESF. ESF support to temporary recruitment subsidies should also respect certain requirements related to state aid rules and national co-financing. For examples of Youth Guarantee activities/interventions that can be supported by the ESF see Annex II.

The Proposal for ESF Regulation for the next programming period 2014-2020 includes a dedicated ESF investment priority targeting the sustainable labour market integration of young people not in employment, education or training. Member States facing high youth unemployment rates are thus expected to identify young unemployed persons as a specific target group for ESF funding. The latter represent the results achieved through EU Funds support. EU Funds can also be used to support job creation for youth through SME start-ups and self-employment measures.

Relevant measures under the European Regional Development Fund (ERDF) to support youth employment and labour mobility include notably support for SMEs, development of business incubators, investing in education and social infrastructure, as well as infrastructure for public employment services. Moreover, under cross-border cooperation programmes, ERDF promotes integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives and joint training courses.

Youth employment will also be stimulated and supported under the European Agricultural Fund for Rural Development (EAFRD) in the field of agriculture and rural business development. Young people in rural areas will have the opportunity to set up their own farms, start a rural business or take part in various co-operation activities that could be supported under the EAFRD. They can also receive relevant training and professional advice on how to manage and run their businesses. They can also be involved in the local development of their area of living through the LEADER initiative⁸¹.

The upcoming Partnership Contracts and Operational Programmes are therefore expected to dedicate significant focus on the issue of school-to-work transitions and labour market integration of young people. Moreover, in the next programming period, Member States are encouraged to identify possibilities for closer cooperation and integrated approaches among the five Common Strategic Framework Funds⁸² (CSF) with a view to providing comprehensive solutions. In this context, youth

⁸¹ http://enrd.ec.europa.eu/leader/en/leader_en.cfm

⁸² ESF, ERDF/Cohesion Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund.

integration cuts across a number of inter-related policy areas such as education, employment, social inclusion and social entrepreneurship, housing and business environment, which would involve investment support from multiple CSF funds. From the EU Funds perspective, a "Youth Guarantee" could in particular provide an effective policy instrument, demonstrating the added value of EU investments in measures with lasting effects.

During the 2007-2013 programming period, the Commission assisted Member States with regard to mutual learning and preparing joint proposals on youth employment policies through the European Network on Youth Employment, co-financed from ESF technical assistance⁸³. In the run-up to the adoption of the EU CSF Funds Regulations for the next programming period, the Commission will discuss with Member States their preliminary views on the main country-specific challenges.

In order to speed up Structural Funds absorption in the current programming period, Member States should more actively seek to fully implement the youth activity measures already in place (in particular following reallocation of funds). Managing Authorities, in partnership with the social partners and when elaborating calls for ESF project proposals, could identify the measures for which implementation can most rapidly and effectively provide a guarantee for youth employment or training. For example, training vouchers and entrepreneurship grants could be such instruments. The Commission also encourages the application of simplified costs options, namely fixed flat rates for certain costs items by applying standard scales of unit costs and lump sums, to facilitate project accounting and implementation. Simplification and results-based management are taken further in the Commission's regulatory proposals for the 2014-2020 programming period, through the introduction of Joint Action Plans. These large-scale sets of projects, driven by pre-defined and agreed policy outcomes and results, could provide a flexible and effective instrument to ensure that EU funds support policy objectives. Some Member States, already implement similar measures during the current period.

European semester

The Commission is committing itself to monitoring the implementation of Youth Guarantee schemes as well as their impact in the Member States. It will in particular do so in the framework of the European Semester and the country-specific recommendations.

In order to increase competitiveness and ensure that the targets of the Europe 2020 strategy of smart, sustainable and inclusive growth are achieved, the European Commission has set up a yearly cycle of economic policy coordination, the European Semester.

The European semester starts when the Commission adopts the Annual Growth Survey (AGS) at the end of the year, which sets out the short and medium term EU priorities to boost growth and job creation. In April, Member States submit their Stability or Convergence Programmes and National Reform Programmes. During the course of May and June the Commission analyses these documents with a view to the priorities set out in the AGS and assesses progress on previous recommendations. Finally, the Commission issues country-specific recommendations that are formally adopted by the Council at the end of June.

As one of the groups hardest hit by the crisis, youth unemployment has figured prominently during the first two European Semesters. The 2011 AGS package pointed to the importance of targeting young people with appropriate measures to avoid a 'lost generation' and this message was reinforced in the

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www.youthemploymentnet.eu

2012 AGS. A large number of Member States have received country specific recommendations linked to the improvement of the situation of the youth in the labour market⁸⁴. This framework will be used to monitor the steps taken by Member States (and their impacts) towards implementing Youth Guarantee schemes.

In the 2013 Annual Growth Survey⁸⁵, the Commission stressed that Member States should secure school-to-work transitions for young people and develop and implement Youth Guarantee schemes whereby every young person under 25 receives an offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. Such schemes can be co-financed by the European Social Fund.

Learning from one another

Mutual learning will be a vital tool in order for Member States to be able to achieve a successful Youth Guarantee.

Mutual learning programmes and initiatives can help to share knowledge and expertise between actors confronted with similar problems. Learning from one another and drawing lessons, which can be applied to one's own national/regional/local situation, is a cost effective way of acquiring new skills and competences to deal with new labour market challenges.

The outcomes resulting from this kind of exercise can allow for certain elements and aspects to be transferred from one country to another and applied in a local / national context. Replicating this kind of exercise at Member State level can help to disseminate knowledge among relevant partners and empower them to be more efficient in their own work. It is also a means of reducing risk in the implementation of new schemes and ensuring greater return on investment on the basis of previously tried and tested policy options.

At European level, the objective of the **Mutual Learning Programme** (MLP) in the employment field is to encourage mutual learning at all levels of governance and to enhance the transferability of the most effective policies⁸⁶.

In 2013 and the following years, the MLP programme could focus on the transferability of knowledge on Youth Guarantee schemes among Member States having similar patterns of NEETs or meeting specific situations with groups facing multiple barriers. It would thus ensure that the most effective policies and measures are known by all concerned stakeholders across the Member States and would help improving the design and the delivery of future Youth Guarantee schemes.

The European Commission will also continue to monitor the uptake and implementation of Youth Guarantee schemes through the European PES Network and draw lessons from national programmes.

⁸⁴ In this framework, Member States should further focus on skills development (FI, ES), adapt education and training systems and young people's skills to the labour market needs and/or increase availability of apprenticeships (DK, EE, FR, ES, LT, LV, LU, MT, PL, SK, SI, UK). They should promote incentives for companies to hire young people (IT) and promote self-employment and business start-ups (CY, IT). They are invited to reduce drop-out rates and early school leaving (AT, DK, HU, ES, IT, LV, MT, UK) and improve access to education and training for vulnerable groups (BG, DE, HU, SK). Furthermore, they are called upon to address asymmetries of employment protection legislation between different types of contracts and reduce segmentation of the labour market (FR, IT, LT, PL, SE, SI).

⁸⁵ COM(2012) 750 of 28 November 2012.

⁸⁶ In 2011 and 2012 the MLP for example considered ways to provide rapid transitions for young people from education/training to the labour market, also for instance for highly qualified young people and for young people having completed a dual training scheme.

Furthermore, in the future, there will be a closer coordination with the Mutual Learning Programme in the social Open Method of Coordination, PES to PES dialogue and, where relevant, other exchanges supported by the Commission, in order to avoid overlaps, both in terms of contents and timing.

The mutual learning process will also take account of experiences from outside the EU which could be useful. Further, the process will seek to enhance and extend the involvement of other stakeholders, especially social partners, but also NGOs, academic institutions, international organisations, etc. in order to ensure a wider dissemination of the outcomes.

On 20 August 2012, the Commission launched a call for proposals in the framework of a **European Parliament preparatory action** on Youth Guarantee schemes, funded with € 4 million. The purpose of this call is to support partnerships for activation measures targeting young people through projects in the context of Youth Guarantee schemes at national, regional or local level.

The experience gained from the projects selected under this call will provide Member States with various schemes, patterns and practical recommendations for establishing the Youth Guarantee with a view to the future Union funding schemes relevant to young people and labour market integration, paving the way for future ESF action. The Commission will organise a valorisation conference involving all Member States (in particular ESF managing authorities) to present the various schemes, patterns and practical recommendations resulting from this call to all Member States and expects them to make full use of the results of the funded projects.

European socio-economic research has already focused for a long time on youth unemployment and on aspects of their social exclusion (and potential for inclusion). Findings from this range of projects have recently been summarised in policy reviews⁸⁷, which include research findings and policy recommendations on employment, education & training, youth and social policies.

For the final year of FP7 the Social Sciences and Humanities programme has called for a large scale integrated research project “Overcoming youth unemployment in Europe”⁸⁸. The objective is to develop a comprehensive understanding of the causes of the very high unemployment rates among young people and to assess the effectiveness of labour market policies designed to mitigate this phenomenon.

Assessment and continuous improvement of the Youth Guarantee schemes

Assessing and evaluating all actions and programmes contributing towards the setting up of Youth Guarantee schemes are necessary both at national and EU-level. They will indeed allow continuous improvement of the existing schemes and further feed the policies to be implemented to reduce youth unemployment in Europe.

So far, few exercises of the kind have been carried out. The PES of the 12 participating Member States⁸⁹ stated that a number of country cases (such as Austria or France) demonstrated the possibilities of monitoring beneficiaries before and after entry into a measure, allowing not only an assessment of the outcomes of measures, but also helping to identify the most cost effective initiatives.

⁸⁷ Policy Reviews *New skills and jobs in Europe: Pathways towards full employment and Social inclusion of youth on the margins of society* (European Commission, 2012)
http://ec.europa.eu/research/social-sciences/pdf/new-skills-and-jobs-in-europe_en.pdf
http://ec.europa.eu/research/social-sciences/pdf/social-inclusion-of-youth_en.pdf

⁸⁸ SSH.2013.1.2-1. “Overcoming youth unemployment in Europe” (EU funding: Min.: 4.000.000 € - Max.: 5.000.000 €)

⁸⁹ AT, BE, DE, DK, EL, FR, HU, IT, LT, LU, NL, PL and Norway (see footnote 46)

However, the collection of data on this scale was considered to be impossible in many countries in light of data protection requirements, thus highlighting the need for more targeted evaluation studies or controlled trials.

In addition, even in countries with existing evaluation systems, a stronger link is still to be made between the evidence base and how to use the findings for organisational learning and (future) policy design.

In the UK, the Centre for the Analysis of Youth Transitions (CAYT) has been set up to provide evidence on transitions made by young people and help inform key government policies such as the raising of the education and training participation age to age 18. The CAYT is a mechanism by which the UK seeks to improve understanding of the bridging period between childhood and adulthood and how it is changing over time, with a particular focus on what this can tell about the likely effectiveness of a range of policy interventions.

Eurofound recently published a short report⁹⁰ assessing the Swedish and Finnish experiences as regards Youth Guarantee schemes which highlights how strengths and weaknesses of schemes can be assessed.

The Commission will also work together with relevant partner organisations such as Eurofound, ILO and OECD to provide further evaluation of actions and programmes contributing towards the setting up of the Youth Guarantee so that more evidence based policies and interventions can be developed on the basis of what works, where, why, and for whom, paying special attention to gender and the diversity of young people, thus ensuring efficient use of resources and positive returns on investment.

Awareness raising

To ensure the rapid take-up of the Youth Guarantee by all young people across Member States, the visibility of the schemes must be ensured. Raising awareness activities will be needed to promote the existence of the schemes, the ways they function and the ways young people can access these schemes.

Youth organisations, youth information services, PES, trade unions and other relevant stakeholders, both at EU and national level, will be the natural multipliers of Youth Guarantee-related information.

Using social media (e.g. Facebook) is obviously a natural avenue to reach out to young people. However, information campaigns using more traditional media (TV and for instance youth specialised channels, radio, written press, youth press, etc.) can be envisaged as they can also target parents who can support their children when it comes for example to registering with an employment service.

In order to make people aware of its renewed Guarantee and to commit the relevant actors (public officials, entrepreneurs, labour market unions, young people, parents, etc.) to its implementation, the Finnish Ministry of Employment and Economy launched a road show visiting 15 cities during September and October. This tour was also meant to be a platform from which local authorities could build a network in order to coordinate the implementation of the Youth Guarantee at local level. Around €100,000 had been earmarked for this activity, which included a handbook of best practices, a website⁹¹ (in Finnish, Swedish and soon in English) and a short video.

⁹⁰ Eurofound (2012), *Youth Guarantees: Experiences from Finland and Sweden*.

⁹¹ www.youthguarantee.fi

The Commission on its side will use the European Youth Portal and will liaise with its existing information campaigns such as “Youth on the Move⁹²”, “For Diversity. Against Discrimination⁹³” and “We Mean Business⁹⁴” to promote the Youth Guarantee across the EU.

⁹² <http://europa.eu/youthonthemove>
⁹³ www.stop-discrimination
⁹⁴ <http://we-mean-business.europa.eu/>

ANNEX 1

Youth-related measures currently in place in Member States and Croatia

C/try	Vocational training, Apprenticeship Traineeship measures	Early intervention and activation measures	Labour market integration measures, including subsidies to employers
AT	“<i>Training Guarantee</i>” for apprentices: young people until the age of 18, who cannot find a company-based apprenticeship, are given the opportunity to learn an apprenticeship trade in a supra-company training institution. “<i>Production Schools</i>”: reintegrating young people having dropped out from school or from an apprenticeship into the education and training system and the world of work. “<i>Apprentice Coaching</i>”, pilot project starting in Upper Austria, Styria, Tyrol and Vienna: additional support to apprentices and to companies offering apprenticeship places incl. legal advice services, mediation and crisis intervention; training manuals for some important sectors with best practice examples about ways of designing training within a company; central clearing office for final apprenticeship exams and a certificate for examiners are being developed. PES supports the integration of disadvantaged groups and young women who take up apprenticeships in male-dominated professions.	“<i>Youth Coaching</i>”: early intervention against school drop-out and supporting young people (in their last year of compulsory education, NEETs until 19 and those with special educational needs or disabilities) in their transition from school to work - 2012 pilot project in Vienna and Styria, to be extended to the rest of Austria in 2013.	“<i>Youth Placement Foundations</i>” Companies having trouble to find adequate staff for certain posts cooperate with PES in finding the best suitable participants among unemployed (19-24) in order to subsequently provide them with closely job-related qualification measures (enrolment has only just started). Alongside basic subsidies, quality-related and labour market-related incentives are offered to encourage employers to establish additional apprenticeship places and improve the quality of training for the about 130,000 apprentices per year.
BE	End of July 2012, the <i>Federal government</i> budgeted the means to create 10,000 subsidised traineeships as of 2013 for youngsters exiting the education system without a secondary education degree, to be implemented in close cooperation with the regions.	<i>Brussels-Capital region</i>: funded actions targeting young people. <i>Flanders</i>: ESF funded “<i>Work@telier</i>” targeted at long-term unemployed youth, and measures for work	The <i>Federal government</i> has also committed the resources necessary to increase the existing reductions of social security contributions for low-qualified young job seekers as of 2013. A new social security contribution reduction will be

	Support for apprenticeships in all regions and communities, notably through various schemes of subsidised “<i>Individual Vocational Traineeships</i>”. <i>Flanders</i>: renewed “<i>Career Agreement</i>” (2012-2014) provides for closer follow-up of low-skilled youth. As of January 1, 2013, young people with no degree, who did not manage to build up any significant work experience, will be guided towards existing vocational training, in-company training and/or apprenticeship schemes. The ambition is to have the entire target group participate in an intensive activation trajectory (work experience or vocational training) by June 2013.	placement and traineeships to early school leavers. <i>German-speaking Community</i>: ESF programme includes 15 different initiatives focused on young job seekers. <i>Walloon Region</i>: ESF funded support to young people, in particular through individualised guidance (former Job Tonic initiative).	introduced for medium qualified youngsters. Regional governments subsidise the apprentice's wages and social contributions provided certain conditions with regard to training and ulterior employment are met (concrete modalities and support vary by region and target group).
BG	Under the ESF-supported Human Resources Development Operational Programme (HRD OP) there are four on-going operations promoting youth traineeships (targeting secondary school and university students), including for disadvantaged groups.	An Agreement on exchange of information between the Ministry of Education, Youth and Science (MEYS) and the Ministry of Labour and Social Policy (MLSP) was signed in July 2012 to facilitate the implementation of the “European Youth Guarantee”. Within four months of leaving school, young people will be offered employment mediation services, training and subsequent employment.	A recently signed (June 2012) national agreement “First job” has united the efforts of the government and the social partners towards increasing youth employment by promoting opportunities for a first professional experience.
CY	Under the ESF co-financed Operational Programme, post-secondary Institutes of Vocational Education and Training are to be established (Ministry of Education and Culture). A subsidy scheme co-financed by the ESF and implemented by the Cyprus Productivity Centre (CPC) to promote the employment and in-company training of apprenticeship students. “<i>Scheme for the Job Placement and Training of Tertiary Education Graduates</i>”: consolidated programme operated by Human Resource Development Authority (HRDA) for the integration of highly qualified young people into the labour market by providing on-the-job experience in a company for a period of 12 months. Training programmes for the unemployed:		HRDA subsidises wages paid by employers to apprentices who attend classes in technical schools; also funds the practical training of final year students who follow the practical direction of technical schools; and subsidises enterprise-based practical training of students of the Higher Hotel Institute of Cyprus.

	- Under accelerated initial training programmes for newcomers and other unemployed people in occupations currently in demand, priority is given to those up to age 25; - Under scheme for improving the employability of the unemployed through training and work experience programmes (with ESF support), at least 30% of participants should be under 30.		
CZ	“<i>Traineeships in Companies - education through practice</i>”, a new ESF-funded project (09/2012-10/ 2014) providing internships in companies for several months, in sectors of the future, involving mainly graduates, but also other groups who lack work experience to complete their skills profiles. If successful, the internships might become a 'standard' offer of assistance to the unemployed.	The “Individual Action Plan” defines the procedure and timetable for implementation of measures to increase job opportunities. It is elaborated and signed if a job applicant is registered as unemployed continuously for more than 5 months.	
DE	The “<i>National Training Pact</i>” aims at increasing the educational attainment of young people. It aims at offering a training or apprenticeship option to every young person who is interested in vocational training and who fulfils necessary requirements. “<i>Entry-level qualifications</i>” offer 6 to 12 months of company-based pre-training courses in order to qualify individuals for apprenticeships and to improve the matching between applicants and companies.	Some 2,000 schools can now profit from the assistance of career start coaches under the “<i>Career Entry Support</i>” programme to help their students successfully complete the transition to career training. Public Employment Services (PES) support young people in preparing and obtaining qualifications needed on the labour market, including those with disabilities. “<i>Initiative to Support Structural Change</i>”: low-skilled to acquire vocational qualifications or learn employable skills via modular courses, if full vocational programme is not completed in one go. The “<i>Abschluss und Anschluss – Bildungsketten bis zum Ausbildungsabschluss</i>” initiative aims to support young people entering the workforce and to prevent long transition periods from school to work.	Companies participating in the “Entry-level qualifications” receive up to EUR 216 per month to cover the social security contributions for trainees.
DK	Since 2009, the Danish Parliament has agreed upon five agreements focusing on increasing training places in companies. The latest agreement from November 2011 (‘Increased efforts for more company training places in	Young people under 30 are entitled to a first interview at a jobcentre within one month of unemployment. Everyone has a right – and duty – to receive active labour market measures within three months of unemployment. Young	Bonus of up to EUR 9,333 to private and public employers who enter into a training agreement with a trainee.

	2012') entails the creation of 7,400 internships and 3,000 school-based training positions in 2012 (a 25% increase compared to 2009). The 2013 draft budget agreement, proposed by the Danish Government, provides that an "education and apprenticeship guarantee" should be offered within the vocational youth education system.	people under 25 receive lower benefits in order to create an incentive to take up education or find a job. The August 2012 proposal for a "Youth Package", to be implemented in 2013, includes help for more young people (18-30) to be in education, internship or work, including inter alia: - bridging education programmes for uneducated young people; - placing internship consultants in schools to help young people find an internship; - allocating funds for long-term unemployed skilled and un-skilled young people; - developing graduate job partnerships. In order to increase the employability of young people and lower the drop-out rates, the Danish Government proposed to better target vocational youth education towards the needs on the labour market.	
EE	An apprenticeship training scheme offers unemployed people practical work experience and improve their professional skills and knowledge. Nine pilot projects are running for youth (16-29) without any professional education. Career counselling services and work practice schemes provided by the PES for young job-seekers.	Under the EuroPlus Pact 2012, programmes will be developed to offer formal education to young people aged 16-29 who lack specialised education, as well as for outreach to at-risk youth and their inclusion in active labour market measures and education. ESF-funded KUTSE programme invites students who have dropped out from vocational education back to school to finish their studies. ESF-funded TULE programme allows university drop-outs to finish their higher education studies free of charge.	Wage subsidy is the main incentive measure for employers to recruit long-term unemployed people; more favourable conditions for young unemployed (16-24).
EL	Various schemes largely co-financed by ESF: - career guidance services offered by vocational training	Job search assistance to unemployed youth through the Greek Manpower Organisation (OAED).	Preparation of an action plan consisting of targeted interventions to boost employment and entrepreneurship among young people, to be mainly supported with funds under the Greek

	and tertiary education institutions; - acquisition of first work experience for vocational education and training graduates. On-going ESF co-funded operation offering work-based training opportunities for students in upper secondary, post-secondary and tertiary education. The Ministry of Education, Religious Affairs, Sport and Culture operates work-based training schemes for tertiary education, as well as for vocational training students. An ESF co-financed scheme for post-secondary maritime education students is also running.		National Strategic Reference Framework 2007 – 2013. Employment subsidy schemes: OAED provides incentives to employers to accept students for internships (where the employer pays 80% of the wage of an unskilled worker to the trainee and OAED reimburses the employer up to 50% of the total amount/wage paid).
ES	The Spanish system provides for concrete measures regarding apprenticeship and training, such as the "on the job training contract" and a new "training account" for each young unemployed. Since 2011, law introduced traineeships in enterprises without the obligation of subsequent job offer, for 3-9 months, aimed at young unemployed (18-25) with a specific academic degree or a professional accreditation certificate. Participants receive a grant for at least 80% of the current minimum wage (EUR 641/ month). The labour market reform of February 2012 introduced a "<i>training and learning contract</i>" (1-3 years) which foresees a system of alternating remunerated work and vocational training activity, for young workers 6-25) lacking professional qualification and seeking for an internship. Royal Decree implementing a contract for training and learning and providing the basis of dual vocational training.	ESF co-finances specific measures for disadvantaged young people, mainly through the national OP Fight against Discrimination. <i>Envisaged:</i> reallocation of ESF financing towards actions to support the employability of young people; to support public employment services to reinforce the measures to combat early school leaving and promote vocational training; to explore the possibility of pilot projects for dual vocational training.	The labour market reform of February 2012 established a new individual right to professional training (20 hours per year).
FI	More study places in vocational education, regional re-distribution of the study places according to changes in age groups, changes of the acceptance criteria for vocational education & training. The "<i>Education Guarantee</i>" includes	A revamped "<i>Youth Guarantee</i>" in 2013: each person younger than 25 and each recent graduate under 30 will be offered work, a traineeship, or a study, workshop or labour market rehabilitation place, within 3 months of	The apprenticeship training pilot project supports both the training organiser and the employer (EUR 800/month) by providing additional

	an apprenticeship training pilot project's aiming to develop apprenticeship training into a suitable form of training for young basic education graduates.	becoming unemployed. The Guarantee also includes an “<i>Education Guarantee</i>”: each comprehensive school graduate will be guaranteed a place in further education, workshop activity, rehabilitation or similar. A temporary “<i>Skills programme for young adults</i>” (2013-2016): additional places will be targeted to those (20-29) who have only attended comprehensive school. Youth outreach work as early as possible towards those under 29 at risk of exclusion directing them to low-threshold services that promote their growth and independence as well as access to education and work. “<i>Youth workshops</i>” provide young people with the opportunity to work under guidance and support as well as a tailored pathway to education, help towards completing one’s education by working together with the education provider, or support finding employment through the open labour market. More training, language courses and counselling will be provided to reduce the NEET risk among young immigrants. Additional resources and more career counselling for young job seekers in the employment offices, increased municipal responsibility in counselling comprehensive school graduates.	resources.
FR	“<i>Contrat d'apprentissage</i>” (apprenticeship contract) for young people from ages 16 to 25. “<i>Contrat de professionnalisation</i>” for young people of 26 or more.	The “<i>Ecoles de la deuxième chance</i>” (“second-chance schools”) target young people under 26 who left the education system without a diploma or professional skills. 20 Centres “<i>Défense deuxième chance</i>” offer guidance and training to young people with no skills or diploma, managed by the “<i>Etablissement public d’insertion de la Défense</i>” and placed under the authority of the Ministry of Defence. Since February 2012, extended to young,	New measures in 2011 to foster apprenticeships and work-training combinations (“<i>alternance</i>”) for young people, mostly consisting of financial incentives to enterprises and more flexibility. Apprenticeships in enterprises are based on a system of quotas: in case of an insufficient number of apprentices, the company has to pay a fee. Since

		underage offenders. Existing schemes targeting low-skilled young people with personalised support: - "<i>Contrat d'insertion dans la vie sociale</i>" (CIVIS) is a contract between a young person and a local authority ("<i>mission locale</i>"), responsible for integrating young people both professionally and socially. - "<i>Contrat d'autonomie</i>", consisting in guidance towards employment, a training leading to qualifications or entrepreneurship, within six months, is present in 11 French "<i>départements</i>" where young people face major difficulties in accessing employment.	March 2011, this quota has been raised. Two major reforms of the new government target unemployed and disadvantaged young people: - 150,000 full-time "<i>Emplois d'avenir</i>" (in 2013-2014) for young people (16-25) with no or low qualification, living in urban or rural deprived areas with highest youth unemployment rates. The State will pay for 75% of the young person's gross remuneration for three years - "<i>Contrat de génération</i>", to promote both young and older workers' employment, by providing training for young people (under 30) delivered by senior colleagues.
HU	The "Traineeship programme" gives opportunities to young career starters to gain work experience as trainees in SMEs.	Advisory system and career services will be provided to students and pupils in order for them to better plan their education path and prevent early drop-outs. Job-seekers receive a tailor made support including training, employment subsidies and job-search assistance. According to recent plans, housing subsidy will be introduced in order to promote mobility among others of young people. Young job-seekers will represent 23% of the participants.	
IE	A number of apprenticeships are up running. Traineeship programmes provide entry-level occupation-specific training and integrate formal training from the Irish National Training and Employment Authority (FÁS) and workplace coaching with a host employer. All programmes are fully certified. Traineeships are open to all unemployed people, including young job seekers. The national "<i>JobBridge</i>" programme provides work	Young people, who are unemployed, once they have been on the Live Register for three months, are referred to the employment service for a guidance interview and additional support in order to identify and address specific difficulties they face in securing employment. The aim is to profile newly unemployed people when they enter the Live Register, as a basis for immediate referral of those most needing assistance.	"<i>Pathways to Work</i>" is to provide those who are unemployed with the appropriate training and skills to avail of the job opportunities, which will arise as the economy recovers. "<i>Action Plan for Jobs</i>" will support the creation of 100,000 net new jobs by 2016)

	experience placements for 6-9 months	Young people leaving education with Leaving Certificate or higher qualifications who face difficulty in finding work can register with the employment service for assistance with job search. For early school leavers (under 18 years and with no Leaving Certificate) who seek to register with the employment service, the emphasis is on encouraging them to stay on at school and complete it. If this is not possible, they can register and may be referred to specific training programmes, such as Community Training Centres or “Youthreach”. More education and training places will be provided in the higher education, further education and training sectors. These places will include provision for school leavers.	
IT	Education and apprenticeship guarantee to young people within the vocational education system. 2011 national reform on apprenticeships: - ESF funded AMVA programme (“<i>Apprendistato e Mestieri a Vocazione Artigianale</i>”): support to employment services, identification of skills requirements, promotion of apprenticeships; - FIXO programme (“<i>Formazione e Innovazione per l'Occupazione</i>”) to facilitate school-to-work transition by providing guidance services and other active labour market policies. Labour Market Reform includes promotion of apprenticeships as the main route to employment and better regulation of traineeships. Several regions have also taken measures to promote apprenticeships.	After June 2012 Labour Market Reform, public employment services must provide people, within 3 three months after losing their job, with a set of basic services (including vocational training). Labour Market Reform includes new provisions to combat early-school leaving and improve the situation of NEETs. Almost all regions address the situation of NEETs: providing orientation and guidance to promoting transition to work (e.g. by increasing participation to apprenticeship-like vocational training), and fostering self-employment.	Incentives to hire young people in almost all regions. Incentives for apprenticeship places to companies under AMVA. Companies can receive support to hire apprentices in higher education or research.

	Additional budget for work placements of up to 6 months for young people (24-35) in the four convergence regions (Campania, Puglia, Calabria and Sicily).		
LV	Three ESF co-funded projects to facilitate traineeships and apprenticeships: - “<i>Training and practice for State Employment Agency assistants</i>”: within which young unemployed participate in 5-day theoretical training and then have an 18 month internship at the SEA. - “<i>Support to volunteer work</i>”: young people participating in voluntary work activities thus improving their competences and competitiveness. - “<i>Workplace for young people</i>”: young unemployed people get employed for a trial period of up to 9 months in order to acquire work experience and to continue in permanent employment after the trial; priority to young people who have been unemployed for more than 6 months, who are trying to return to the labour market after a break for childcare reasons or who are disabled. Employment is based on a work contract remunerated at no less than the national minimum wage, while the employer should pay social contributions. “<i>Youth workshops</i>”: allowing to try three different vocational fields (for maximum 3 weeks each), will be introduced at the end of 2012. Latvian students in Valga Vocational education centre (to obtain professional qualification beginning from 2012-2013) supported via cooperation agreement between Latvian Ministry of Education and Science and Estonian Ministry of Education.	ESF supports improvement and implementation of vocational education programme; promotion of primary vocational education; support measures for reducing social exclusion of youth and integration of disabled youth into education. National measures to improve education programmes for primary schools (introduction of new education content is planned starting with 2013/2014 academic year); development of general education programmes for distance learning; promotion of career consulting in 11 vocational schools to reduce number of early school leavers; informative measures on creative and innovative youth initiatives and youth work; general training measures for youth. Swiss Financing Instrument cooperation project “<i>Support for Development of Youth Initiatives in Peripheral or Disadvantaged Regions</i>”: 10 seminars organised in 2012 for young people (incl. unemployed) on stimulation of youth initiative and activity.	Under “ <i>Workplace for young people</i> ” employers receive a subsidy to cover payment of the young person and a contribution to the costs of a trainer.
LT	In April 2012, ESF project “ <i>Integration into Labour Market</i> ” was refocused on young people, offering vocational training programmes to about 6,000 young		

	people. Reallocation of ERDF towards actions dedicated to young entrepreneurs and various business services for young people. Several ESF projects, implemented by Ministry of Education and Science, to create modern traineeship organisation models (systems) for undergraduate students and students of integrated studies in companies and (or) non-profit organisations; also including preparation of students' supervisors (tutors). Several ESF projects to improve study programmes and traineeships: e.g. for postgraduate students to go through a complementary traineeship in educational institutions, in Lithuanian or European companies or foreign universities. Several ESF projects to improve the qualification of scientists and other researchers, offering additional scientific practices, scientific research projects and traineeships for doctoral students in foreign scientific centres.		
LU	Specific contracts to help young people acquire practical experience (i.e. <i>"Initial Employment Contract-Practice"</i>).	In the frame of future action plan for youth employment, a Youth Guarantee (<i>"Garantie Jeune"</i>): a job, an apprenticeship or a tailor-made training scheme in the first four months after unemployment registration. The <i>"Action locale pour les jeunes"</i> (Ministry of Education) is in charge of <i>"Second Chance School"</i> which opened in 2011 for school leavers (16-24) who face difficulties to return to the education system; education individualised and support reinforced between 1 and 4 semesters according to individual needs. Envisaged measures: - <i>"Social"</i> training of two months followed for the (very) unqualified young job seekers (18-25): by either returning to education, doing practical experiences in employment	New temporary financial incentives for employers in order to increase the number of apprenticeships (from 27% to 40%), applying only to apprentices studying for a "Certificate of professional capacity" (<i>"Certificat de capacité professionnelle"</i>).

		(like an apprenticeship), or other outcomes according to individual needs; - Orientation and professional initiation courses for the under 18 years old who cannot access directly the professional education system, as well as promotion of language courses organised by associations and communes; - Creation of a “<i>Maison de l’Orientation</i>” (Counselling House); regrouping key public orientation services in a same place and thus allowing better coordination and creating synergies.	
MT	The <i>Employment and Training Corporation</i> (ETC) manages the “<i>Extended Skills Training Scheme</i>” (ESTS) and the “<i>Technician Apprenticeship Scheme</i>”(TAS): apprenticeship format is a combination of on-the-job and off-the-job training. Traineeships are also organised under the ESF funded “<i>Employability Programme</i>”.	ETC manages: - “<i>Youth Employment Advisors</i>” who offer individualised career guidance and personalised action plans for employment; - <i>Work Trial Scheme</i>: targeting young jobseekers (16-24); - <i>Bridging the Gap Scheme</i> offering registered disabled people, including young ones, a period of work exposure with an employer to enable them to demonstrate the skills needed for a particular job. ESF funded <i>Youth Employment Programme</i> to increase the employability of young people and facilitate their labour market integration.	
NL	Apprenticeships or traineeships are mandatory in secondary vocational education; not mandatory, but recommended in higher education. Education and business are brought together in the Foundation for cooperation on vocational education, training and the labour market (SBB), aiming to optimise connection between the education system and the labour market.	The Dutch government has implemented a range of general measures with a special focus on improving the transition from education to work and to prevent early school leaving. Recently adopted: an integrated regional approach in which municipalities, educational institutions, companies (the labour market) and youth care institutions work together in order to help vulnerable youth in their transition from school to work and to prevent early school	

	In order to ensure quality, it is required by law that the institutions providing apprenticeships/traineeships are accredited for offering a good and safe working and learning environment.	leaving. Municipalities are made increasingly responsible in the process of combating youth unemployment given their ability to adapt to local labour markets and regional conditions. Youth care and outreaching programmes are available especially for vulnerable youth, for example from families facing multiple risks.	
PL	Traineeships and apprenticeships are financed from national resources for unemployed people up to the age of 25 or for unemployed graduates up to age 27. Apprenticeship voucher (through programme “<i>Youth on the labour market</i>”) for young unemployed, who will find an apprenticeship place. The employer, who accepts an apprentice, has to employ this person for the next 6 months. ESF also supports traineeship and apprenticeship schemes.	Public Employment Services (PES) offered various vocational activation instruments to unemployed young people. “<i>Youth on the labour market</i>” to prevent and combat youth unemployment (05/ 2012 - 11/2014): includes a number of activation measures for young people up to age 30 and registered in the PES. Support to young people at risk of social exclusion is delivered by the “<i>Voluntary Labour Corps</i>” operating within the structure of the PES. ESF Operational Programme includes the improvement of young people’s situation on the labour market, but no specific measures for NEETs; however priority given to inactive young people (15-24) or those at risk of social exclusion.	
PT	“<i>Impulso Jovem</i>” includes under ESF: - “<i>Employment Passports</i>”: professional traineeships for young people (18-30; up to 40 if in agriculture sector), registered at PES for at least 4 months; in key areas of the economy and which can promote territorial cohesion (ESF) and in the areas of industrialisation and innovation (ERDF); duration of 6 months with compulsory provision of vocational training and the attribution of an integration bonus in case a subsequent employment contract is signed.	“<i>Impulso Jovem</i>”, strategic programme to foster the employability of young people, launched in August 2012 and co-financed by ESF and ERDF that includes in particular measures to foster entrepreneurship and to support a national microcredit programme for young people.	

	- Professional traineeship programme in public administration; - Support to contracting via reimbursement of employer's social security contributions.		
RO	Young people can get a job opportunity for 1 to 3 years through an apprenticeship contract and the employer has the obligation to provide theoretical and/or practical training. ESF projects finance smoother transition from school to work through developing work skills of apprentices, students and young graduates in their first job.	National Employment Agency provides personalised services through solidarity contracts for young people (16-25) at risk of social exclusion. ESF HRD OP includes measures to prevent and reduce early school leaving of young people (15-24).	Employers, who agree to hire youth at risk, can receive grants of maximum amount of 75% of the average wage for a period of up to 2 years. They can also receive a monthly grant equal to 50% of the unemployment benefit if they hire young employees under an open-ended contract.
SK	Training can also be offered to young unemployed, with costs for accommodation and travel covered. <i>“Graduate’s practice”</i>: offering young graduates (up to 26) a possibility of getting a first job experience for up to 6 months for 20 hours per week. Vocational Education and Training (VET) in Slovakia formally does not foresee apprenticeships. The vocational part of VET is provided through schools and practical training centres. Apprenticeships in companies are exceptional since the legislative framework provides few incentives to employers to accept apprentices.	The <i>Act on Employment Services</i> covers active labour market measures for vulnerable groups, including young people (school leavers up to 25 who have completed education within the last two years). PES offer individual consultation services and prepare action plans for young people. For most vulnerable people living under the minimum income level, an activation allowance (63 EUR/month) is available; social assistance tool to help them to continue education or to maintain their employability by offering participation in small communal public works.	
SI	<i>“First challenge”</i> launched in August 2012: to encourage employment of the unemployed and of first job seekers under 30. <i>“On-the-job training”</i> is to obtain and strengthen the competences, knowledge, skills and aptitude of young unemployed (up to 30) who cannot find a job on the basis	<i>“Learning for young adults”</i> project: for young unemployed up to 26, who left school, includes a number of activities to improve participants’ general and practical knowledge necessary for successful reintegration in school environment and everyday life.	

	of their existing work experience. Another project assists first-time job seekers with degree in social assistance in traineeships for a maximum period of 12 months in social welfare entities (humanitarian organisations, geriatric care centres and working with the disabled).		
SE	In autumn 2011, following adoption of the new Education Act, in vocational upper secondary education more time is devoted to vocational subjects in the curriculum. A ‘Vocational Diploma’ can be attained either through school-based vocational programmes, where at least 15 per cent is work-based training, or alternatively through apprenticeship programmes, where at least 50 per cent is work-based training. ‘Extra’ budget in 2013 to combat youth unemployment, of which 80% should be used for funding additional student places in various regular education institutions to balance the weak economy and demand for labour. To be continued in 2014-16.	A “Job guarantee” aiming to provide young people up to 25 (registered at PES) with a job or training within 100 days of unemployment. Since the scheme has not achieved the activity and quality levels intended, the Swedish government has provided the PES, in 2012, with additional resources in order to increase the staff in charge of implementing the guarantee and already each staff member of PES has received less youth cases to handle in 2012 than in 2011.	State grants of up to EUR 2,750 per pupil/year, have been introduced to stimulate the provision of apprenticeship positions in more work places.
UK	Access to apprenticeships started in 2011 providing extra support and skills development open to NEETs. The “<i>Youth Contract</i>” provides: - additional work experience or sector-based work academy places; - additional apprenticeship grants; - voluntary work experience places. In <i>Northern Ireland</i>, Programme-led apprenticeships give school leavers of 16 and 17 (and up to 24 for those requiring additional support) the opportunity to gain a full apprenticeship qualification in a chosen skill area.	The “<i>Youth Contract</i>”, launched in April 2012, to help young people to prepare for and find long-term sustainable employment. It provides: - additional support for Jobcentre Plus and for advisor time; - national Careers Services providing advice, guidance on careers, skills and labour market prospects. In <i>Northern Ireland</i>, strategy towards NEETs of 16-18 and then of 18-24. “<i>Training for Success</i>” addresses personal and development needs and helps young people to gain skills and a vocationally related qualification at Level 1 in order to be able to gain employment or to progress to pre-apprenticeship or apprenticeship.	Employers benefit from the lower minimum wage rate for apprentices, which, at GBP 2,50 (+/- EUR 3,11) per hour, is much lower than that for other UK workers. The “<i>Youth Contract</i>” includes wage incentives to employers to recruit young people of 18-24. It also offers funding for private providers (paid by results) to target disengaged young people aged 16-17. In <i>Northern Ireland</i>, “employer-led” apprenticeships programme is partially financed by the European Social Fund.

HR	Occupational training for people with no work-experience is conducted, in which the participant receives financial aid from the CES. Planned: raising awareness of employment possibilities after secondary school education and improving the link between the labour market and the education system through apprenticeships and probationary employment.	The Croatian Employment Service (CES) pays special attention to career guidance for people with disabilities and other hard-to-reach groups as well as to vocational guidance of students with disabilities. As a measure to prevent long-term unemployment, CES is taking “early intervention” activities among which a set of vocational guidance services, such as information and counselling, aimed at students in their final years of school, VET or tertiary education.	In the occupational training scheme, the employer provides a mentor for the participant and is reimbursed on the obligatory monthly pension insurance contributions. Planned: development of incentives, tax reliefs and other incentives for recruiting young people (by introducing special credit lines and incentives for young entrepreneurs).
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ANNEX II:

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

Measures	Specific examples of activities/interventions that can be supported by the ESF
Outreach strategies and focal points [YG rec 8-9]	➤ School visits by PES ➤ Training sessions for teachers by PES ➤ Development of specialised youth services as part of PES or contracted private providers ➤ Distribution of printed material at youth centres or youth events ➤ Use of internet and social media ➤ Data gathering systems ➤ Road-shows
Provide individual action planning [YG rec 10]	➤ PES staff training ➤ Contract with specialised partners
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]	➤ Training and second chance programmes ➤ Language training provision ➤ Counselling and extra teaching support to keep or bring youth back into education or training ➤ Support to at-risk youth in acquisition of relevant qualifications and the completion of upper secondary qualification ➤ Work-based learning and apprenticeships ➤ Provide digital skills training ➤ Training vouchers
Encourage schools and employment services to promote and provide continued guidance on entrepreneurship and self-employment for young people. [YG rec 14]	➤ Training sessions of employment services' staff and teachers ➤ Development and implementation of entrepreneurship courses in secondary education ➤ Training sessions for unemployed young people
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]	➤ 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.)
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 [YG rec 18]	➤ Operation of EURES points (ESF support to EURES focuses on recruitment and related information, advice and guidance services at national and cross border level) ➤ Awareness-raising campaigns ➤ Support to voluntary organisations providing mentors ➤ Support to youth organisations reaching out to migrant young workers

Ensure greater availability of start-up support services [YG rec 19]	➤ Cooperation between employment services, business support and finance providers (e.g. regional employment fairs and networking events) ➤ SME start-up support ➤ Self-employment support ➤ Training in business skills for e.g. for unemployed persons, accompanied by entrepreneurship grants
Enhance mechanisms for supporting young people who drop out from activation schemes and no longer access benefits [YG rec 20]	➤ Support to youth organisations and youth services ➤ Cooperate with other organisations that are in contact with the young persons ➤ Establish tracking systems ➤ Support to employment and school career support services
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]	➤ Identify cost-effective initiatives ➤ Use controlled trials ➤ Set up centres for analysis ➤ Developing policy models, pilot actions, testing and mainstreaming of policies (social innovation and experimentation)
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]	➤ 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)
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]	➤ Provide training and workshops ➤ Establish exchange programmes and secondments between organisations through transnational cooperation activities.