



**COUNCIL OF
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NOTE

from: The Presidency
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Youth Employment - Current initiatives
- *State of play*

With regard to the exchange of views at the EPSCO Council on 15 October 2013, delegations will find attached a note from the Presidency reflecting the overall state of play on current initiatives regarding youth employment.

Youth Employment - Current initiatives

Presidency note

Youth employment remains high on the political agenda. According to the latest Eurostat figures, 5,5 million young persons are still unemployed in the EU, which represents an overall youth unemployment rate of 23.4 % (July 2013, EU28), compared to 22,9 % in July 2012 (EU27). Eurofound's latest comparative research findings on NEETs (young people who are not in employment, education or training, currently 14 million in the EU¹) show that the annual economic loss to society of not integrating NEETs is estimated at EUR 153 billion. This is in addition to the inestimable costs of their disengagement from society in general.

A number of initiatives and instruments, including financial ones, have been launched at the European level to complement national actions. The joint objective is to mitigate the situation and to revert the danger of losing an entire generation. This requires allocating substantial resources and the Member States are currently in the process of preparing their Operational Programmes with a view to making use of the available European Social Fund (ESF) 2014-2020 allocations to address this challenge, by enhancing and complementing nationally-funded measures.

The June European Council called on Member States benefitting from the Youth Employment Initiative (YEI) to adopt plans to tackle youth unemployment, including through the implementation of the Council Recommendation on a Youth Guarantee of 22 April 2013, by the end of this year. 6 billion EUR of the YEI budget (*3 bn from a special budget line in the MFF, 3 bn from earmarked Member States' allocations under the MFF for the next programming period*) will be destined to support the implementation of the Youth Guarantee Recommendation. The June European Council also supported frontloading the funds in the years 2014 and 2015.

¹ According to Eurostat, 7.5 million young people aged 15–24 and an additional 6.5 million young people aged 25–29 are excluded from labour market and education in Europe.

It furthermore decided that margins left available below the MFF ceilings for the years 2014-2017 could be used to constitute a "global margin for commitments" to fund mainly measures to fight youth unemployment. In particular, Member States with regions experiencing youth unemployment rates above 25% have been asked to submit Youth Guarantee Implementation Plans (YGIPs) by December 2013, while other Member States are encouraged to do so in 2014.

The European Structural and Investment Funds (ESIF), and in particular the European Social Fund (ESF), have a crucial role to play in implementing the Youth Guarantee, and in particular the YEI. Both the future ESF regulation and the future Common Provisions Regulation for the ESIF are at the moment being negotiated by the Council and the EP. The Employment Committee (EMCO) is currently discussing ways to monitor the implementation of the Youth Guarantee and assess its impact, as mandated by the Youth Guarantee Recommendation. The Commission continues to provide technical support and assistance in this process.

High-quality and work-based learning schemes are effective instruments to improve sustainable transitions from school to work. A number of Country Specific Recommendations (CSR) approved at the June EPSCO Council relate to improving education to work transitions and their implementation is closely monitored by the EMCO.

The European Alliance for Apprenticeship (EAfA), launched in July in Leipzig, is a key initiative. It aims to increase the quality, supply and image of apprenticeships across Europe, by pooling the various streams of existing actions in the field under a common umbrella and at strengthening the capacity of all stakeholders at both European and national levels. In July 2013, Ministers already held a first exchange on the EAfA at their informal meeting in Vilnius. As a next step, the Council will adopt a Declaration which constitutes the Council's collective response to the launching of the Alliance. In this Declaration, the Council considers apprenticeship schemes as one of the options to tackle the current problem of youth unemployment.

In order to ease the transition from education to work, another instrument on which there is broad consensus are traineeships. Nevertheless, serious concerns remain over their quality, in particular with regard to learning content and working conditions. In this context, the Commission has indicated it intends to present a proposal on an instrument for a Quality Framework for Traineeships.

Supporting the entrepreneurship of young people is another measure to improve the situation of youth in Europe. In this respect, and taking account of the need of young people to have access to microfinance, the Council and the European Parliament have agreed to make young people a specific target group throughout the Programme for Employment and Social Innovation (EaSI)², including the Microfinance and Social Entrepreneurship and EURES axes. With regard to the entrepreneurship aspect, the programme stresses the importance of small enterprises regarding training, expertise and traditional know-how.

EaSI also supports facilitating voluntary intra EU labour mobility schemes among young workers in Europe, such as Your first EURES Job, launched in 2012. This is in line with the call of the 2013 June European Council on the Member States to use part of their ESF allocations to support intra EU labour mobility schemes in order to enhance better access to jobs for young people across Europe. In more general terms, the scheme further aims at facilitating the exchange of best practices between the Member States while also supporting them in meeting the goals set in the Youth Guarantee³.

² Originally called Programme for Social Change and Innovation, currently being subject to lawyer-linguistic revision preceding the final adoption.

³ Young people under the age of 25 are to receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education.

National activities complement the EU level commitments. EU employment ministers and Heads of State or Government shared their experiences of successful national measures to promote youth employment at the Berlin conference in early July. This conference was based on preparatory work by the Heads of the Public Employment Services (HoPES). The participating ministers and Heads of State or Government invited the HoPES to provide further assessments on specific issues and agreed to evaluate the progress in the identified areas at a follow-up conference in Paris on 12 November 2013.

Against this background, Ministers are invited, should they so wish, to provide additional information on these or other aspects of the various initiatives and programmes and their implementation.
