



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 27 April 2012

**9309/12
ADD 7**

**SOC 317
ECOFIN 370
EDUC 99
JEUN 37
COMPET 221
MI 272**

COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 20 April 2012

to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No Cion doc.: SWD(2012) 98 final

Subject: Commission Staff Working Document
Implementing the Youth Opportunities Initiative: first steps taken
Accompanying the document
Communication from the Commission to the European Parliament, the
Council, the European Economic and Social Committee and the Committee of
the Regions
Towards a job-rich recovery

Delegations will find attached Commission document SWD(2012) 98 final.

Encl.: SWD(2012) 98 final



EUROPEAN COMMISSION

Strasbourg, 18.4.2012
SWD(2012) 98 final

COMMISSION STAFF WORKING DOCUMENT

Implementing the Youth Opportunities Initiative: first steps taken

Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Towards a job-rich recovery

{COM(2012) 173 final}
{SWD(2012) 90 final}
{SWD(2012) 92 final}
{SWD(2012) 93 final}
{SWD(2012) 95 final}
{SWD(2012) 96 final}
{SWD(2012) 97 final}
{SWD(2012) 99 final}
{SWD(2012) 100 final}

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1. INTRODUCTION

Implementation of the Youth Opportunities Initiative has started...

In response to the dramatic rise of youth unemployment in many Member States, the Commission launched the "Youth Opportunities Initiative" (YOI) in December 2011.¹ Its key objective is to combine concrete action by Member States and the EU implementing the priorities identified in the Europe 2020 strategy, the June 2011 Council conclusions on youth employment², the 2012 Annual Growth Survey and the Joint Employment Report.

This paper presents an interim account of recent measures and policies in the Member States with high youth unemployment, with regard to the YOI priorities, and illustrates first results of the reinforced policy cooperation with the Member States. It will inform the debate at the informal Council of Employment and Social Affairs Ministers on 23-24 April 2012.

...with the strong commitment of the Member States at the highest level...

The Commission President proposed at the informal European Council of 30 January 2012 to strengthen cooperation with the 15 Member States where the situation of young people is most difficult. For the eight Member States with the highest youth unemployment rates³, action teams of EU and national officials have been set up in order to develop specific action plans for tackling youth unemployment. These teams have met in the Member States concerned in February 2012. With the other seven Member States with youth unemployment rates above EU average⁴, bilateral meetings at technical level took place in February 2012 to explore ways of making full use of EU funding for tackling youth unemployment.

... and the support of the European Social Partners....

At the Tripartite Social Summit on 1 March 2012, the European Social Partners have presented their work programme 2012-2014; it includes a framework of actions on youth employment with a focus on the link between education, young people's expectations and labour market needs. The first contributions to this framework have been presented by BusinessEurope and UEAPME; they highlight in particular policy measures supporting skills development, recruitment and entrepreneurship. ETUC established a focus group within its Youth Committee, which will contribute to the framework with analysis and proposals.

The assessment of national policies will continue in the European Semester 2012

Already in the European Semester 2011, ten Member States received country-specific recommendations on youth employment⁵, and eleven in the area of education⁶. Member States are expected to report on these recommendations in their National Reform Programmes (NRP) to be submitted to the Commission by mid-April 2012. The March 2012 European Council invited Member States to develop and implement comprehensive initiatives on

¹ COM(2011) 933 of 20 December 2011.

² Council Conclusions 11838/11 of 20 June 2011 on promoting youth employment.

³ EL, ES, IE, IT, LT, LV, PT, SK.

⁴ BG, CY, FR, HU, PL, RO, SE.

⁵ BG, CZ, EE, ES, FI, LU, SE, SI, SK, UK.

⁶ AT, BG, CY, DK, EE, ES, MT, PL, SI, SK, UK.

employment, education and skills; each Member State will include a specific "National Job Plan" in its NRP. The Commission will provide its NRP assessment in the Staff Working Documents presenting the Commission's proposal for country-specific recommendations in May 2012.

2. EU YOUTH UNEMPLOYMENT REMAINS AT A HISTORIC HIGH

No reversal of the negative trend of 2011 is in sight...

The youth (15-24) unemployment rate jumped rapidly from the beginning of 2008, rising from 15 % in February 2008 to more than 21 % in the beginning of 2010, before easing moderately and stabilising by spring 2011. The labour market recovery for youth did not last long; unemployment began to climb again in May 2011, at a faster rate than for adults. Subsequently, the rate has risen to an unprecedented high level of 22.4% at the beginning of 2012. In total 5.5 million young people are unemployed, an increase by 265 000 compared to early 2011. The strongest increase between 2010 and 2011 occurred in peripheral Member States.⁷ For the age group 25-29 the EU average unemployment increased strongly between 2008 and 2010 from 8.6 to 12.6% and has since remained at that level (12.4% in 2011q3); again the increase was concentrated in some Member States.⁸ Young people are particularly vulnerable since longer unemployment spells in the current context have a more permanent scarring effect in their future adult life, with potential risks of marginalisation, poverty and social exclusion.

... low-skilled young people are most at risk of unemployment, ...

Young people with at most lower secondary education completed (these are the early leavers from education and training) bear the highest risk of unemployment. The most recent figures available for all 27 Member States of September 2011 indicate that while the EU average youth unemployment rate was 21.2%, it reached 27.7% for low skilled youth. In many Member States their unemployment rates are 10pp. higher than for the whole youth population; in some Member States the gap exceeds even 20pp⁹.

.... highly skilled have increasingly difficulties in finding a job

Although the unemployment rate among young people decreases the higher the education levels attained, the unemployment rates for youth with upper secondary and higher education qualifications (18.5% resp. 17.9%) indicate that the employment advantage for better skilled individuals has diminished.

3. IMPLEMENTATION OF THE EU POLICY PRIORITIES IN THE MEMBER STATES

Despite the generally high attention that is given in national policies to the youth employment situation, there is less of a consensus regarding to which extent measures should specifically address young people. Member States with overall strong increase in unemployment stress that only an improvement in the overall economic and labour market situation in their country

⁷ EL +10pp., CY+9pp., PT +9pp., ES +6pp., EE +5pp.

⁸ BG, CZ, DK, EL, ES, IRL, LT, LV, SI, SK.

⁹ BG 45%, IE 50.5%, SK 63%, ES 52%.

would then also accrue to youth, for example in **Greece** and **Spain**. Policy actors in Member States which experienced downturns in whole economic sectors, such as in **Ireland**, underline that young people are not the only group struggling to remain in employment. Other Member States acknowledge that they considered the strong rise in youth unemployment in the first place as cyclical, but now realise that structural problems need to be tackled (**Bulgaria**, **Slovakia**). In this context it is worthwhile underlining that there is no trade-off between different groups of workers in the labour market; well-performing labour markets show high employment rates for youth as well as prime-age and older workers.

Several Member States put in place new comprehensive policy strategies for youth seeking coordinated policy responses involving different policy sectors. The new longer-term youth policy framework in **Hungary** focuses in particular on youth employment. In **Bulgaria**, a national initiative for youth employment has been launched in October 2011. **Portugal** is currently setting up a comprehensive strategic plan for including youth in the labour market with a substantial allocation of € 1bn, of which € 352m would come from Structural Funds re-programming. In **Spain**, the labour market reform of February 2012 includes a wide range of measures such as apprenticeship and training contracts, hiring incentives and measures to promote self-employment among the young. **Italy** is preparing the approval of an overall reform of the labour market in order to improve in particular youth employment. To ensure a faster implementation of measures for youth, the country has transferred ESF funds (€ 311m including national contribution) from the regional to the national level.

The following sections present an overview of the measures¹⁰ recently put in place or under preparation in the Member States with high youth unemployment along the YOI priorities, and informs of the state of play of the corresponding Commission contributions (see boxes).

3.1. Preventing early-school leaving

Under the Council Recommendation of 28 June 2011, Member States have undertaken to put in place comprehensive strategies to combat early school leaving, combining prevention, intervention and compensation measures, by end 2012. Several are developing comprehensive approaches and report increased efforts, especially in preventing students from dropping out. However, a balanced and coherent strategy is often still missing, and the collection, monitoring and analysis of data and information on the incidence and drivers of early school leaving, which is essential for developing more effective and targeted policies, needs to be improved.

Many Member States report efforts to increase participation in good quality early childhood education and care, and to extend compulsory education. More individualised learning approaches and measures such as better targeted support for pupils at risk of dropping out, early warning systems, and extra curricular activities to broaden opportunities for learning and personal development are also being implemented. In **Ireland**, the School Completion Programme aims to retain young people in formal education and improve educational attainment.

¹⁰ The EU funding of these on-going or foreseen actions is in line with the provisions of the multi-annual financial framework 2007-2013 (MFF) and does not generate costs above the ceilings set in the MFF. Furthermore, it applies to all measures listed hereafter in the document that Member States have to ensure they respect the EU legislation on state aid rules.

Measures for preventing early-school leaving will show effects mainly in the medium-to-longer term. However, the recent increase of youth unemployment in some Member States is also due to the fact that many low-skilled jobs have been destroyed in the crisis, so that many young people leaving education early fall into unemployment. In addition, vocational education and training streams at upper secondary level often have high drop-out rates, especially among students belonging to vulnerable groups. Immediate and effective action is needed to reintegrate these young people into education or training measures that fit their needs.

Several countries are increasing opportunities for early school leavers to re-enter into education. **Romania** continues its "second chance" programme which shall reach out to around 29 000 young people, with an ESF envelope of € 100m. In **France**, completion of secondary education can be undertaken in "*micro-lycées*" (secondary schools) and special programmes will support low skilled youth in critical urban areas. **Poland** introduces training vouchers for low skilled unemployed who are not yet in further education or training. **Ireland** implements with the ESF the "Youth reach" programme for young people to complete their education, which will be further stepped up with additional € 25m of reallocated ESF support for continuation of the programme until the end of 2013.

3.2. Developing skills that are relevant to the labour market

Measures focus on curricula reforms...

A major trend in reforming education and training is the development of curricula based on skills and competences that are crucial for working life. In addition to introducing a competences-based approach, Member States are strengthening project-based and work-based learning particularly in the initial vocational education and training (VET) and higher education sectors. Curricular reforms are on-going in a number of Member States, aimed at strengthening competence-based teaching, ensuring high quality teaching and increasing the flexibility and permeability of learning pathways. There is an increasing awareness of the need to foster in higher education programmes work-relevant transversal skills such as problem-solving and team work, alongside the acquisition of specialist subject knowledge. Equally, traineeships and other forms of work experience are increasingly being integrated into curricula (in the form of "sandwich courses" for example) and efforts are being made in some Member States to expand more vocationally oriented higher education provision.

In **Italy** new Higher Technical Institutes (*Istituti Tecnici Superiori*) will start in 2012 with post-secondary level training in key economic sectors of the country. **Poland** will implement a reform of the vocational education and training system in 2012/2013 to focus on learning outcomes and foster cooperation with employers and more practical work based training. At the same time Poland has just started the implementation of Higher Education reform where employers have more possibilities to be involved in the creation of the curricula.

...and increasingly Member States launch specific initiatives...

There are a number of new initiatives for closing skills gaps. **Poland** supports maths, science and technology faculties at universities with ESF projects; so far 45 000 students have benefited from these projects. In Southern **Italy** more foreign-language learning will be supported from the ESF, and in **Spain** the development of linguistic skills among young people is considered for future measures under the ESF. **Ireland** set up a new action plan to

improve higher skills, including the provision of 5 875 free higher education places in ICT, business/management skills and other growth sectors for jobseeker retraining. In **Cyprus**, new post-secondary vocational education and training institutes and an evening technical school are expected to start operations in 2012 with ESF support (€ 7.8m). **Bulgaria** launched a new ESF operation (€ 7.5m) improving the literacy of low-skilled youth.

In **Hungary**, a new scheme for supporting people (18-35) in becoming entrepreneurs will soon be launched under the ESF, promoting the acquisition and development of entrepreneurial knowledge and skills. **Portugal** funds training initiatives for entrepreneurship and innovation with the ESF, and the government's new comprehensive strategic plan for youth in the labour market also aims at supporting entrepreneurship and the enhancement of professional skills.

...however initiatives for filling skills gaps show mixed results...

Member States however also report that despite high youth unemployment in their country it is difficult to attract young people to training in sectors in demand for labour. In **Bulgaria** for example, vocational training places have been offered with support from the ESF, but no candidates were found. Low earning prospects and the lack of esteem for more technical jobs are considered to be reasons why such schemes are not taken up.

There is still a great need for Member States to take initiatives and implement policies aimed at further developing forward-looking labour market tools, to anticipate skills, to enhance the responsiveness of education and training systems, and to disseminate their results in order to develop work opportunities for people and to make easier their possibilities to find or to keep a job.

3.3. Supporting a first work experience and on-the-job training

Recognition of the need for stepping up apprenticeship training...

There is evidence that apprenticeship-type training performs favourably compared to school-based vocational education and training (VET) and tends to increase employment opportunities in early working life. Apprenticeship-type training also has the capacity to be more responsive to changing skills demands than school-based VET.

A new study on the supply of apprenticeships in the Member States, however, finds that apprenticeship-type schemes which formally combine and alternate company-based training with school-based education and lead to a nationally recognised degree exist in some Member States, but that the majority of students in vocational streams have a mainly school-based training complemented by components of in-company training.¹¹ Apprenticeship-type students represent approximately an 85% of total secondary VET students and 40.5% of total secondary students in the EU-27. A stronger emphasis of the importance and use of the workplace training in initial VET is needed to ensure the future skills supply.¹²

...is reflected in a variety of new initiatives...

¹¹ Study on the apprenticeship supply in Member States, European Union 2012 ISBN 978-92-79-23166-7
¹² Cedefop forecast briefing note: <http://www.cedefop.europa.eu/EN/news/19632.aspx>

Setting-up a country- or sector-wide apprenticeship training system is a complex challenge in itself, all the more in a tight economic context, and does not happen overnight. Therefore, some Member States take first steps towards such a system by introducing practical training components in the vocational education stream.

In **Lithuania**, a voucher scheme has recently been introduced with ESF support to promote *inter alia* in-company training. In **Greece** and **Slovakia**, the provision of on-the-job training *after* the theoretical education is offered for graduates from secondary or post-secondary technical colleges. A pilot scheme for a dual VET system is being developed in **Spain**. **Poland** introduces a national voucher scheme for access to vocational training, and the ESF has recently supported 27 000 students of vocational schools for undertaking a practical training spell in a company.

Cyprus invests € 16.7m in setting up a new apprenticeship system with ESF support. **France** is beefing up the existing apprenticeship schemes with the aim of reaching 800 000 places by 2015. In October 2011 a new apprenticeship scheme was launched in **Italy**; in addition, the educational component in apprenticeships has been increased from 40 to 400 hours, co-financed by the ESF.

Some legislative measures are also introduced, such as in **France** (increase of the levy for companies not respecting apprenticeships quotas; progressive increase of the quota for large enterprises), **Romania** (more flexible legal framework for apprenticeship contracts), and **Hungary** (incentives to employers for hiring their apprentices after the training period). In **Spain**, the recent Labour Market Reform includes a reform of the apprenticeship contracts and training contracts to reduce youth unemployment: the extension of the age limit to 30 years to get access to these contracts will be extended beyond 2013 as long as the overall unemployment rate remains at 15% or higher.

Social Partners and enterprises play an active role...

Introducing high-quality apprenticeship-type training requires a close cooperation between national authorities, Social Partners and enterprises, as has been highlighted in several position papers of European and national Social Partners. However, there are also different views among the stakeholders with regard to the ambition of introducing new systems. In **Latvia** for example, the government would like to conclude longer term agreements (4 years) with enterprises for apprenticeships, but agreement with employers and trade unions is still to be reached. Another concern of enterprises, for example in **Lithuania**, is to facilitate the arrangements for concluding contracts with the apprentice without having the education institution involved in the contract.

Professional organisations, in particular chambers of commerce, are in some countries closely involved in the organisation of the apprenticeship system. In **Hungary**, the role of the National Chamber of Commerce and Industry has expanded in vocational education to strengthen dual training elements, curricula development and the quality of the in-company training. In **Slovakia**, there are pleas for a stronger role of the chambers in introducing apprenticeships. In general, more joint initiatives seem essential to overcome the sometimes bad image and low take-up of apprenticeship-training opportunities, which is a problem in some Member States, as for example in **Bulgaria**.

Overall, there is a strong interest in learning from countries with a "dual" or "twin-track" company-based apprenticeship system as in **Austria, Denmark** or **Germany**. In **Slovakia**, there is strong interest from the employers' side to develop cooperation projects with Austria.

The Commission prepares for technical assistance worth €1.3m to **support setting up apprenticeship-type schemes** through the ESF.

Traineeships support skills development and acquiring work experience...

Traineeships and other on-the-job training schemes are introduced in a number of Member States. Some Member States have measures in place for people up to 30 years old in order to help university graduates in acquiring practical experience. In **Cyprus**, a national scheme for job placement and training of tertiary education graduates is being implemented. In **Poland**, the ESF has recently supported nearly 20 000 higher education students to undertake a traineeship in a company. **Poland** introduced in 2010 a national programme for postgraduate traineeships. The **Czech Republic** plans to launch a project under ESF which would provide several months traineeships in companies. In **Ireland**, a traineeship scheme allows companies of different sizes to take on trainees for 6-9 month periods. The trainees retain their previous social security payment and gain an extra € 50 payment per week. Further to this an employer may avail of an 18 month break in payment of employee social security if they engage the trainee as a full time employee. **Romania** intends to introduce further support guidance and professional counselling, as well as practical training in companies for around 300 000 young people, from an ESF envelope of € 116m.

Work placements abroad are a specific form of traineeships. A recently adopted benchmark sets ambitious targets to raise the levels of transnational learning mobility both in higher education and initial vocational education and training.

Certain Member States also have schemes in place for providing a workplace experience to disadvantaged young people as part of active labour market policies. In **Germany** a successful national scheme for transnational work placements ("IDA") has been put in place with ESF support; this scheme is currently expanded to other Member States, starting with **Spain** (Galicia region) in spring 2012.

The Commission will substantially reinforce support to **transnational learning mobility for VET and higher education students** (apprentices included) with a view to an additional 30% of placements targeting **at least 130 000 placements in 2012 under Erasmus and Leonardo da Vinci**.

The Commission has launched in April 2012 the "We Mean Business" campaign to **raise business awareness of Erasmus and Leonardo da Vinci** transnational placements and encourage companies to host European trainees.

... however these need to be of good quality and must not replace regular jobs...

In **Greece**, an ESF funded scheme worth € 54m will provide opportunities to 10 000 unemployed people aged 16-24 for acquiring work experience through subsidising the social security contribution. In **Slovakia**, the ESF-supported scheme for "Graduate Practice" has been implemented over the past years, but evaluations of the scheme point to its limited effectiveness with regard to labour market integration of beneficiaries. Such schemes are

certainly welcome initiatives; however it would be important to shape them clearly with regard to the target groups and distinguish between placements for jobs or on-the-job training.

In **Latvia**, the on-the-job training scheme for unemployed has led to concerns of poor or non-existent learning content and replacement of regular workers by trainees presenting a lower cost for the employer. Similar concerns exist in other Member States, including for transnational placements, and point to the need of ensuring quality and transparency of these types of measures.

The Commission services have launched a consultation on a **quality framework for traineeships** with a view to a proposal for a Council Recommendation to be adopted by the end of 2012. The Commission will soon present the results of a comprehensive study on the legal provisions and practice of traineeships in the EU.

...while there is also a basic need for setting up measures at all levels.

In the absence of any operational apprentice- or traineeship systems, governments plan to introduce other opportunities for young people, for example **Lithuania** introducing a pilot project on volunteering.

The EU budget allocation for the European Voluntary Service will be reinforced in order to provide **at least 10 000 volunteering opportunities** in 2012.

3.4. Improving access to the labour market for getting a first job

Financial incentives for hiring young people are introduced ...

Measures entailing financial incentives for hiring young people, including for the training components within an employment contract, are more and more in use in Member States and often supported by the ESF. In **Lithuania**, the "be active on the labour market" project for young people providing financial support for work experience and hiring has been a successful measure (after 6 months 83% of participants were still employed) that will be prolonged in 2012-13 for around 10 000 beneficiaries. In **Greece**, wage subsidies for hiring higher education graduates worth € 110m will be disbursed. **Latvia** has introduced a wage subsidy scheme targeted at young people with unemployment spell longer than 4 months, young parents after maternity/paternity leave and disabled youth. In **Spain**, the labour reform provides for tax rebates of maximum € 3 600 to firms creating jobs for young and long term unemployed people. In **Italy**, a tax credit scheme worth €142m from ESF has been put in place to encourage the employment of disadvantaged people including youth in the Southern regions. **Cyprus** funds wage subsidies and work experience programmes with ESF support. In **Hungary**, the "Start" programme provides a two years social contribution rebate to employers recruiting career starters.

To promote hiring of candidates from other Member States, the Commission launched "**Your first EURES job**" in 2011 with a budget of € 4m. Implementation in cooperation with selected EU employment services has started in the first quarter 2012. A second wave with a budget of € 3.25m will be launched in Spring 2012 and, most likely, a third one will follow in 2013. The scheme will directly support around **5 000 young people** to take up vacancies in other Member States in 2012-2013.

...but careful consideration should be given to the modalities of such schemes...

Lithuania, for example, considers replacing a social security reduction scheme for first jobholders by wage subsidies in order to provide better social protection to the young beneficiaries. **Romania** plans to make the subsidies for hiring young graduates more flexible.

Adaptations to the legal framework are discussed...

In **Lithuania**, a political discussion is under way whether a liberalisation of the Labour Code could improve access to jobs for the young, whereas in **Portugal** the planned Labour Code reform is expected to ease the labour market access of young people. Labour market segmentation to the disadvantage of young people being trapped in sequences of fixed-term contracts and little progression perspectives is on the policy agenda in **Spain** and **Italy**. The recent labour market reforms in **Spain**, for example, include the introduction of an unlimited contract with a training component, which should help to overcome the reluctance of employers to recruit young jobseekers lacking work experience.

Support to self-employment and business development for young people is increasing...

Youth entrepreneurship is unlikely to be a panacea for solving the youth unemployment problem but it can be a part of the response. To maximise effectiveness and efficiency, policies should target resources on young people with the best chance of success, provide sufficient support to allow them to start businesses and provide integrated packages of complementary support rather than one-shot instruments.

In **Greece**, € 240m are programmed with the ESF for supporting business start-ups for up to 12 000 young professionals. In **Hungary**, a scheme for supporting people aged 18-35 years in becoming entrepreneurs will be launched under ESF in 2012, promoting the development of entrepreneurial knowledge and skills and providing seed capital, as well as counselling and mentoring in order to help business sustainability. In **Spain**, the recent Labour Market reform introduces the so-called "capitalization of unemployment": young people may access 100% of the unemployment insurance in one instalment for becoming self-employed. In **Poland**, the ESF provides grants and loan schemes for start-ups.

...but take-up is uneven and an area for further action.

However, in practice take-up of such schemes is diverse. In **Cyprus**, a € 6m ERDF scheme for youth entrepreneurship is heavily oversubscribed, whereas in **Lithuania** only 10% of loans available in the "Entrepreneurship Promotion Fund" have been disbursed so far. The design of such schemes is a crucial factor for their success, and sometimes additional incentives seem to be necessary to increase take-up.

With a budget of budget € 3m of ESF Technical Assistance the Commission will focus on setting up **support schemes for young business starters** and social entrepreneurs.

Erasmus for entrepreneurs is expected to finance around **600 further exchanges** in 2012.

3.5. Youth Guarantees

Timely support for young people is now recognised to be essential...

In the Youth on the Move flagship initiative, the Commission encouraged Member States to ensure that all young people are in a job, further education or training within four months of leaving school, recalling in fact earlier commitments of the European Council in 2006. Upon

reiterated calls from the Commission, the informal European Council in January 2012 committed to the objective that within a few months of leaving school, young people should receive a good quality offer of employment, continued education, an apprenticeship or a traineeship.¹³

...and there are good examples of youth guarantees in place...

In **Austria**, a *training guarantee* for young people until the age of 18 was put in place in 2008. A *job and training guarantee* for youth aged 19 to 24 under the action programme “Future for Youth” ensures that unemployed young people receive tailor-made skills training within the first six months of their registration with the public employment service (PES) or are integrated into the labour market using special employment subsidies. Production Schools (some co-funded by the ESF) aim at reintegrating young people having dropped out from school or apprenticeship or with specific difficulties requiring special support into the education and training system. In **Denmark**, all people aged 16-17 are supposed to draw up a personal career plan for the period after compulsory education, with specialised local authorities providing support to youngsters and their parents.

...providing inspiration for new initiatives...

In **Finland**, the government is launching in 2012 a *social guarantee* for young people, whereby each person younger than 25 years and each recent graduate under 30 years of age has to be offered work, a traineeship, or a study, workshop or labour market rehabilitation place within three months of becoming unemployed. The budget envelope is € 60m per year.

...however most Member States need to step up outreach to young unemployed.

The coverage rate of active labour market policies for young people is still low in many Member States. The need for capacity-building and increasing service provision for the unemployed is reflected in the 2011 country-specific recommendations to several Member States as regards the PES.

In **Lithuania** for example, only a quarter of the young unemployed benefit from active labour market measures. In **Bulgaria**, outreach to young unemployed will be improved by facilitating the registration procedure at the PES. **Hungary** continues the development of career information and guidance services offered by PES as well as by supporting career services for students in higher education institutions under ESF. In **Portugal**, there has been a recent reinforcement of the role of PES providing career information and guidance, enhancement of effective early interventions, as well as improvement of the cooperation with PES in other countries in order to facilitate international mobility for young people.

<p>The Commission will present by the end of 2012 a proposal for a Council Recommendation on Youth Guarantees and support activation measures targeting young people in the context of Youth Guarantee schemes at national, regional or local level.</p>

¹³ Statement of the Members of the European Council of 30 January 2012.

4. USE OF EUROPEAN FUNDS FOR POLICY IMPLEMENTATION: FIRST LESSONS LEARNT

Enhancing the delivery of measures tackling youth unemployment with greater use of the ESF is a cornerstone of the YOI. During February 2012 joint action teams of Commission and national officials met in the eight Member States with the highest youth unemployment rates. Equally, the Commission held bilateral meetings with seven additional Member States with the purpose of exploring for each individual country how uncommitted ESF funding could be used for specific activities tackling youth unemployment. The possibility of shifting ERDF funding to the ESF was also raised. In general, Member States expressed willingness to strengthen their policies to combat youth unemployment and showed openness to consider the reorientation of structural funds.

Some Member States have demonstrated adequate levels and pace of ESF absorption. They have designed and are implementing appropriate ESF interventions in order to tackle youth unemployment (e.g. Ireland, Lithuania, Portugal).

In several Member States, a constructive discussion has taken place between the Commission and the national authorities on possible orientations for future actions. These exchanges have led to clear commitments from national governments for a proactive management for the remaining ESF period in view of improving the effectiveness and targeting of existing or planned youth measures supported by the ESF (e.g. Cyprus, Greece, Hungary, Italy, Spain).

For some Member States, there is a need to develop a clear strategy to strengthen measures tackling high youth unemployment, including re-allocation of funding between or within Operational Programmes, which should also contribute to a better absorption of the ESF funds available (e.g. Slovakia).

For some Member States, while the ESF absorption rate is high, tackling youth unemployment has not been particularly targeted (Latvia).

5. THE WAY FORWARD

The Commission will continue to help Member States fighting youth unemployment, in particular those where the situation of young people is most difficult, by implementing the measures announced in the YOI and further developed in the accompanied Communication *Towards a job-rich recovery*.

It is now important to keep the momentum, intensify joint efforts among all the different actors in the Member States, swiftly proceed with the changes in the use of the EU funds and ensure a rapid delivery of actions on the ground.

The Commission will assess the take-up of actions aimed at tackling youth unemployment in the upcoming NRPs and present a number of proposals for country-specific recommendations relating to this issue.

Finally, the Commission will report on the actions taken in follow up to the action teams at the European Council meeting in June 2012.