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**NOTE**

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from: The Presidency  
to Permanent Representatives Committee (Part I) / Council (ESPCO)  
Subject: Investing in Youth Employment: Youth guarantee, Education and Skills  
- Exchange of views

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Delegations will find attached a Presidency note on the above subject with a view to the exchange of views at the EPSCO Council on 11 December 2014.

## INVESTING in YOUTH EMPLOYMENT

### Presidency note

Economic performance in the EU has been stagnant over the past years, with a significant fall in investment and unemployment, which remains dramatically high: 24,5 million of people in EU member states, of which 18,3 million in the Eurozone, were still unemployed in September 2014. Such levels of unemployment are unacceptable. This has severe implications for the increase of poverty, risking to hamper social cohesion in the member states and to fuel a strong distrust in the EU and in the functioning of EU institutions.

Young generations were particularly hit by the crisis. Despite modest signs of improvement, youth unemployment remains a priority concern for the EU as a whole. Therefore, it is necessary both at the national and at the EU level to boost investment with a view to economic and employment recovery, favouring the integration of young unemployed into the labour market.

Investing in education and skills for employment is key for the EU to increase its competitiveness within a global dimension, while safeguarding its model of economic development and social cohesion. It is also crucial to build a stronger relationship between the institutions in charge of education and training (in particular schools and universities) and companies. This is crucial not only to better train youth and facilitate their school-to-work transition, but also to ensure greater employability with the right skills, enabling them to be more mobile and flexible. Social partners have a special responsibility in this context.

A number of initiatives in this field have already been taken and are ongoing both at national and EU levels.

## Youth Guarantee (YG)

Following the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee<sup>1</sup>, all 28 Member States have submitted their Youth Guarantee Implementation Plans (YGIPs). The planning phase for the YG is now largely complete. Implementation is underway and already showing some positive initial results, as highlighted by the EMCO multilateral surveillance work.

Effective delivery of the YG requires strategic reforms to achieve more successful school to work transitions: inter alia, reforming education/training systems, increasing opportunities to validate skills acquired outside the formal system, strengthening the capacity of employment services, reinforcing partnerships for reaching out to inactive young people as well as increasing quality offers. The key challenge is thus to pay full attention to the fundamental structural reforms that support the YG and to accelerate its implementation.

### EU financial support to the Youth Guarantee

Adequate financial resources are essential for the success. Two main sources of EU financial support are at the disposal of Member States for implementing the YG: the dedicated *Youth Employment Initiative (YEI)*, with a budget of EUR 6.4 billion to be committed in 2014-15, and the *European Social Fund (ESF)* with an estimated amount of over EUR 4 billion to be allocated to measures directly supporting the sustainable integration of young people into the labour market. For the period 2016 - 2020, there is the possibility of scaling up resources for the YEI in accordance with the MFF Regulation.

Substantial additional ESF investments support also indirectly the YG, such as those for modernising employment, social and education services, which have an impact on young persons. For instance, the total allocation by Member States to education measures, including higher education, amounts to over EUR 26 billion, with young people likely to be the main beneficiaries of this funding.

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<sup>1</sup> OJ C, 120/1, of 26.4.2013

The informal meeting of Heads of State and Government at the Employment Conference in Milan on 8 October 2014 called for a significant increase of the amount of pre-financing of the funds dedicated to it (now limited to 1%), to simplify administrative procedures and to revise the definition of NEETs.

### **Labour mobility for youth**

Work opportunities available in other Member States should be regarded as important career choices for young people, providing educational and professional experience. Both YEI and ESF funding support the possibility to explore career opportunities in another Member State. As demonstrated by the targeted mobility scheme "*Your first EURES Job*", mobility can contribute to recruitments and work experiences beyond national borders.

### **European Alliance for Apprenticeships (EAfA): update on Member State commitments.**

Following the launch of the EAfA in July 2013, the Council (EPSCO) adopted a Declaration in October 2013 to increase the supply, quality and attractiveness of apprenticeships. A quite significant number of Member States have submitted commitments in this area, mainly linked to recently started and on-going VET (Vocational education and training) reforms. Only through a larger involvement of the private sector can a sufficient number of apprenticeships be offered to young people.

### **VET systems reforms**

Despite significant efforts by Member States focusing on overall system reforms, quality assurance, work-based learning and labour market relevance, evidence shows that VET systems are not yet up to the task of providing a rapid response to swift changes in the economy.

Only through reinforced efforts, mobilising national authorities, social partners and notably employers in its governance, can VET become an attractive learning pathway. The quality and labour market orientation should be the central objective of reforms. To deliver skills which can be used immediately in an employed or self-employed role, reforms should focus on strengthening the intensity and quality of work based learning in its different forms

*Against this background, Ministers are invited to address the following issues:*

1. What measures do you envisage to ensure the maximum possible coherence between education, training and employment and to promote a smooth transition from school to work?
2. What have been the most challenging aspects in rolling out the Implementation Plans for the Youth Guarantee? What are the envisaged solutions when labour demand is weak?
3. Have you implemented policies and measures to strengthen quality, attractiveness and labour market relevance for VET systems?

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