COUNCIL OF THE EUROPEAN UNION

Brussels, 22 February 2013

6463/13

Interinstitutional File: 2012/0351 (NLE)

SOC 104
ECOFIN 116
EDUC 49
JEUN 15
REGIO 21

NOTE

from:	Permanent Representatives Committee (Part I)
to:	Council (EPSCO)
No. prev. doc.:	6197/13 SOC 88 ECOFIN 97 EDUC 43 JEUN 13 REGIO 17
No. Cion prop.:	17585/12 - COM(2012) 729 final + ADD1
Subject:	Proposal for a Council Recommendation on Establishing a Youth Guarantee

The Social Questions Working Party has examined the above proposal with a view to reaching political agreement at the EPSCO Council on 28 February 2013.

On 20 February 2013 the Permanent Representatives Committee (Part I) agreed to submit the present text to the Council EPSCO of 28 February 2013, with a minor technical change in paragraphs 27 and 28.

UK maintains a parliamentary scrutiny reservation.

CZ and UK maintain a general scrutiny reservation.

The following specific scrutiny reservations remain:

- CY, CZ, ES, NL and UK on recommendation 1;

- BG, PT and ES on recommendation 28.

The Permanent Representatives Committee invites the Council EPSCO to reach political agreement on this proposal.

Subject to such agreement, and following legal-linguistic finalisation, the text will then be submitted for adoption as an "A" item at a forthcoming Council meeting.

Proposal for a

COUNCIL RECOMMENDATION

On Establishing a Youth Guarantee

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Investing now in the human capital of young Europeans will deliver long-term benefits and contribute to sustainable and inclusive economic growth. Europe will be able to reap the full benefits of an active, innovative and skilled workforce while avoiding the very high costs of having young people neither in employment, education or training ('NEETs'), currently put at 1.2% of GDP[1].

(2) Young people have been hit particularly hard during the crisis. They are vulnerable because of the transitionary life periods they are going through, their lack of professional experience, their sometimes inadequate education or training, their often limited social protection coverage, restricted access to financial resources, and precarious work conditions. Young women are more likely to be affected by low pay and precarious employment, while young parents, primarily young mothers, lack adequate work-life balance measures. Furthermore, some young people are at a particular disadvantage or at risk of discrimination. Appropriate supportive measures are therefore required, whilst recognising young people's individual responsibility in finding a route into economic activity.

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

(3) There are 7.5 million NEETs across Europe, representing 12.9% of young Europeans (15-24)[2]. Many have not more than a lower secondary education level, are early leavers from education and training, and are often migrants or from a disadvantaged background. The term 'NEETs' covers various sub-groups of young people with diverse needs.

(4) 30.1 % of unemployed people under 25 have been unemployed for more than twelve months[3]. Furthermore, an increasing number of young people do not actively seek employment, which may leave them without structural support in terms of getting back into the labour market. Research shows that youth unemployment can result in permanent scars, such as an increased risk of future unemployment, reduced levels of future earnings, loss of human capital, intergenerational transmission of poverty or less motivation to found a family, contributing to negative demographic trends.

(5) The term 'Youth Guarantee' refers here to the fact that young people 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. An offer of continued education could also encompass quality training programmes leading to a recognised vocational qualification.

(6) A Youth Guarantee contributes to three of the Europe 2020 strategy targets, namely that 75% of the age range 20-64 should be employed, that early school-leaving rates should be below 10%, and that at least 20 million people should be lifted out of poverty and social exclusion.

(7) The guidelines for the employment policies of the Member States[4], in particular guidelines 7 and 8, call on Member States to promote the integration of young people in the labour market and to help them, and in particular NEETs, in cooperation with the social partners, to find initial employment, job experience, or further education and training opportunities, including apprenticeships, and to intervene rapidly when young people become unemployed.

---

2 Annual data for 2011, source: Eurostat, [edat lfse 18] and [edat lfse 17].
3 Annual data for 2011, source: Eurostat [lfsa upgal].
4 Council Decision 2010/707/EU — OJ L 308/46 of 24 November 2010.

(8) As early as 2005, the Council agreed, in the context of the Employment policy guidelines[5] (2005-2008), that 'every unemployed person [be] offered a new start before reaching six months of unemployment in the case of young people'. In 2008[6], the Council reduced the time period to 'no more than four months' for young school-leavers.

(9) In its 2010 resolution '*Promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status*'[7], the European Parliament called on the European Commission, the Member States, the social partners and other stakeholders to back national labour market, education and training policies by a Youth Guarantee, "securing the right of every young person in the EU to be offered a job, an apprenticeship, additional training or combined work and training after a maximum of four months' unemployment".

(10) In its 2010 Communication 'Youth on the Move', the Commission encouraged Member States to introduce Youth Guarantees, implementation of which has been so far very limited. This recommendation reinforces and reiterates the need for Member States to pursue this goal, whilst also helping with the design, implementation and assessment of these schemes.

(11) The June 2011 Council conclusions on '*Promoting youth employment to achieve the Europe 2020 objectives*' invited Member States to act quickly by offering further education, (re)training or activation measures for young people in neither employment, education nor training, also covering early school-leavers. This would serve the aim of getting these people back into education, training or the labour market within the shortest time possible and reducing the risk of poverty, discrimination and social exclusion. The Council recognised that labour market segmentation may have unfavourable effects on young people, and invited Member states to tackle such segmentation.

---

5 Council Decision 2005/600/EC — OJ L 205/21 of 6 August 2005.

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

7 P7-TA(2010) 0262 of 6 July 2010.

(12) The June 2011 Council Recommendation[8] on '*Policies to reduce early school leaving*' focused on the development of evidence-based, comprehensive and cross-sectoral policies that include measures to re-engage people who have dropped out of education and to strengthen the link between education and training systems and the employment sector.

(13) In preparing the 2012 budget, the European Parliament backed this approach and asked the Commission to implement a preparatory action to support the setting-up of Youth Guarantees in Member States.

(14) In its Employment Package 'Towards a job-rich recovery'[9], the Commission called for the active mobilisation of Member States, social partners and other stakeholders to respond to the current EU employment challenges, and in particular to youth unemployment. The Commission emphasised the major job-creation potential of the green economy, health and social care, and ICT sectors, and to this end issued three accompanying action plans for follow-up. The Commission thereafter also highlighted six promising priority areas for industrial innovation that contribute to the transition to a low-carbon and resource-efficient economy[10]. In the Employment Package the Commission also underlined that fostering entrepreneurial mind-sets, making start-up support services and microfinance more available, and establishing schemes for converting unemployment benefits into start-up grants would play an important role, also for young people. Furthermore, the Package proposed the use of wage subsidies to boost net new hiring and the targeted reduction of the tax wedge (mainly employers' social security contribution) to help boost employment as well as balanced reforms in employment protection legislation that could enable young people to have access to quality employment.

---

8 OJ C 191/01 of 1 July 2011.
9 9309/12.
10 15168/12.

(15) In May 2012, the European Parliament[11] urged Member States to take swift and concrete measures at national level to ensure that young people are in either a decent job, education or (re-)training within four months of leaving school. Parliament stressed that the Youth Guarantee scheme would need to be legally enforceable if it were to really improve the situation of young people neither in employment nor in education or training and to gradually overcome the problem of youth unemployment in the EU.

(16) On 29 June 2012 the European Council urged renewed 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 and that Member States should use the possibilities of financing temporary recruitment subsidies from the Fund.

(17) The Commission Communication of 20 November 2012 on "Rethinking Education"[12] provides the EU contribution to this work from the educational perspective. It elaborates on the key issues for reform and efficiency of education and training systems – to align delivered skills to the current and future needs of the labour market, to stimulate open and flexible ways of learning and to promote a collaborative effort amongst all stakeholders, including funding.

(18) The Council Recommendation of 20 December 2012[13], on the validation of informal and non-formal learning, recommended that Member States should have in place, no later than 2018, in accordance with national circumstances and specificities, and as they deem appropriate, arrangements for the validation of non-formal and informal learning.

---

11 European Parliament resolution on the Youth Opportunities Initiative (2012/2617(RSP)), 24.5.2012.

12 14871/12.

13 OJ C 398/1 of 22 December 2012

(19) In the 2013 Annual Growth Survey (AGS)[14], 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.

(20) On 8 February 2013 the European Council decided to create a Youth Employment Initiative amounting to EUR 6 billion for the period 2014-2020 to support the measures set out in the Youth Employment Package of 5 December 2012 and in particular to support the Youth Guarantee.

(21) The Youth Guarantee should be implemented by a scheme consisting of supportive measures, and should be geared to national, regional and local circumstances. These measures are based on six axes: building up partnership-based approaches, early intervention and activation, supportive measures enabling labour market integration, use of EU Funds, assessment and continuous improvement of the scheme, and its swift implementation. As such, they aim at preventing early-school leaving, fostering employability and removing practical barriers to employment. They can be supported by the EU Funds and should be continuously monitored and improved.

(22) Effective coordination and partnerships across policy fields (employment, education, youth, social affairs, etc.) is crucial in terms of boosting quality employment opportunities, apprenticeships and traineeships.

[14] 16669/19 + ADD1 + ADD2.

(23) Youth Guarantee schemes need to take into account the diversity and different starting points of the Member States as regards the levels of youth unemployment, institutional set-up, and capacity of the various labour market players. They should also take into account different situations as regards public budgets and financial constraints in terms of allocation of resources[15]. In the 2013 AGS the Commission considers that investments in education should be prioritized and strengthened where possible, while ensuring the efficiency of such expenditure. Particular attention should also be paid to maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies, such as training for the unemployed and Youth Guarantee schemes. The establishment of such schemes is of long-term significance, but there is also a need for a short-term response to counter the dramatic effects of the economic crisis on the labour market.

RECOMMENDS THAT MEMBER STATES:

(1) Ensure that all young people under the age of 25 years 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.

When designing such a Youth Guarantee scheme, Member States should consider overarching issues such as the fact that young people are not a homogeneous group facing similar social environments, as well as principles of mutual obligation and the need to address the risk of cycles of inactivity.

The starting point for delivering the Youth Guarantee to a young person should be the registration with an employment service, and for those young "NEETs" who are not registered with an employment service, Member States should define a corresponding starting point to deliver the Youth Guarantee within the same four-month time-frame.

[15] The expenditure on Youth Guarantee does not fall within the category of gross fixed capital formation in national accounts.

Youth Guarantee schemes should be based on the following guidelines**,** according to national, regional and local circumstances and paying attention to the gender and diversity of the young people who are being targeted:

Building up partnership-based approaches

(2) Identify the relevant public authority[16] in charge of establishing and managing the Youth Guarantee scheme and coordinating partnerships across all levels and sectors.

(3) Ensure that young people have full access to information about services and support available by strengthening cooperation between employment services, career guidance providers, education and training institutions and youth support services, and by making full use of all relevant information channels.

(4) Strengthen partnerships between employers and relevant labour market players (employment services, various levels of government, trade unions and youth services) in order to boost employment, apprenticeship and traineeship opportunities for young people.

(5) Develop partnerships between public and private employment services, education and training institutions, career guidance services and with other specialised youth services (NGOs, youth centres and associations) that help smooth the transition from unemployment, inactivity or education into work.

(6) Ensure the active involvement of social partners at all levels in designing and implementing policies targeted at young people; promote synergies under their initiatives to develop apprenticeship and traineeship schemes.

[16] Where it is constitutionally not possible for a Member State to identify one public authority, the relevant public authorities shall be identified, keeping the number of authorities to a minimum and identifying a single point of contact to communicate to the European Commission on the implementation of the Youth Guarantee.

(7) Ensure the consultation or involvement of young people and/or youth organisations in designing and further developing the Youth Guarantee scheme to tailor services to the needs of beneficiaries and to have them act as multipliers in awareness-raising activities.

Early intervention and activation

(8) Develop effective outreach strategies towards young people, including information and awareness campaigns, with a view to catchment and registration with employment services, focusing on young vulnerable people facing multiple barriers (such as social exclusion, poverty or discrimination) and NEETs, and taking into consideration their diverse backgrounds (due in particular to poverty, disability, low educational attainment or ethnic minority/migrant background).

(9) To support young people better and to address the potential lack of awareness of existing offers, consider establishing common 'focal points', i.e. an organisation that would ensure coordination between all institutions and organisations concerned, in particular with the public authority responsible for managing the Youth Guarantee scheme, so that information could be shared about young people leaving school, in particular about those at risk of not securing a job or continued education or training.

(10) Enable employment services, together with other partners supporting young people, to provide personalised guidance and individual action planning, including tailor-made individual support schemes, based on the principle of mutual obligation at an early stage and continued follow-up with a view to preventing drop-out and ensure progression towards education and training or employment.

Supportive measures for labour market integration

Enhancing skills

(11) Offer early school-leavers and low-skilled young people pathways to re-enter education and training or second-chance education programmes which provide learning environments responding to their specific needs and enabling them to gain the qualification they missed.

(12) Ensure that actions delivered in the context of a Youth Guarantee scheme aimed at boosting skills and competences help to address existing mismatches and service labour-demand needs.

(13) Ensure that efforts to boost skills and competences include ICT/digital skills. Promote the status of professional knowledge and competences by ensuring that ICT curricula and certifications conform to standards and are internationally comparable.

(14) Encourage schools, including vocational training centres, and employment services to promote and provide continued guidance on entrepreneurship and self-employment for young people, including through entrepreneurship courses.

(15) Implement the Council Recommendation dated 20 December 2012 on the validation of non-formal and informal learning.

Labour market related measures

(16) Where relevant, reduce non-wage labour costs in order to boost recruitment prospects amongst young people.

(17) Use targeted and well-designed wage and recruitment subsidies to encourage employers to create new opportunities for young people, such as an apprenticeship, traineeship or job placement, particularly for those furthest from the labour market, in line with the applicable State aid rules.

(18) Promote labour mobility by making young people aware of job offers, traineeships and apprenticeships and available support in different areas, regions and countries, e.g. through services and schemes, which encourage people to move and work within the EU. Ensure that adequate support is available to help young people who find work in another area or Member State adapt to their new environment.

(19) Make more start-up support services available, and increase awareness of the possible chances and perspectives connected with self-employment, including through closer cooperation between employment services, business support and (micro)finance providers.

(20) Enhance mechanisms for reactivating young people who drop out from activation schemes and no longer access benefits.

Use of EU Funds

(21) Make full and optimal use of the Cohesion Policy funding instruments, in the next period 2014 – 2020 for supporting the establishment of Youth Guarantee schemes, where appropriate to national circumstances. For this, ensure that the necessary priority is given and corresponding resources are allocated for supporting the conception and the implementation of the above measures, including the possibilities for financing targeted recruitment subsidies from the European Social Fund. Make also maximum use of funding still available from the 2007-2013 programming period.

(22) In the context of the preparation for the period 2014-2020, pay the necessary attention in the Partnership Contract to the specific objectives related to the implementation of Youth Guarantee schemes where appropriate to national circumstances and describe in the operational programmes the actions to be supported under the relevant investment priorities of the European Social Fund, in particular those concerning the sustainable integration of young people "NEETs" into the labour market and support for young entrepreneurs and social enterprises and their respective contribution to the specific objectives.

(23) Where eligible, make full and optimal use of the Youth Employment Initiative in order to implement the Youth Guarantee.

Assessment and continuous improvement of schemes

(24) Monitor and evaluate all Youth Guarantee actions and programmes, so that more evidence-based policies and interventions can be developed on the basis of what works, where and why, thus ensuring efficient use of resources and positive returns on investment. Maintain an up-to-date overview of how much funding has been allocated for the set-up and implementation of the Youth Guarantee, in particular under Cohesion Policy operational programmes.

(25) Promote mutual learning activities at national, regional and local level between all parties involved in combating youth unemployment, in order to improve the design and delivery of future Youth Guarantee schemes. Make, where relevant, full use of the results of projects supported in the course of the preparatory action on Youth Guarantee schemes.

(26) 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.

Implementation of Youth Guarantee schemes

(27) Implement Youth Guarantee schemes as soon as possible. With regard to the Member States experiencing the most severe budgetary difficulties and higher rates of NEETs or of youth unemployment, gradual implementation could also be considered.

(28) Ensure that Youth Guarantee schemes are properly integrated into the future EU co-financed programmes, preferably as from the start of the 2014-2020 Multiannual Financial Framework. When implementing Youth Guarantee schemes, Member States may benefit from the Youth Employment Initiative.

NOTES THAT THE COMMISSION WILL:

Funding

(29) Encourage Member States to make best use of the European Social Fund, in accordance with the relevant investment priorities of the European Social Fund for the 2014-2020 programming period, and the Youth Employment Initiative, where applicable, to support the set-up and implementation of Youth Guarantee schemes as a policy instrument for combating and preventing youth unemployment and social exclusion.

(30) Support programming work under the EU Common Strategic Framework Funds (European Social Fund, European Regional Development Fund, Cohesion Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund), including through peer learning, networking activities and technical assistance.

Good Practices

(31) Make full use of the possibilities of the new Programme on Social Change and Innovation to gather examples of good practice on Youth Guarantee schemes at national, regional and local level.

(32) Use the European Employment Strategy Mutual Learning Programme to encourage Member States to share their experiences and exchange good practices.

Monitoring

(33) Continue to monitor and report regularly on developments concerning the design, implementation and results of Youth Guarantee schemes as part of the annual programme of work of the European Network of Public Employment Services. Ensure that the Employment Committee is informed in this regard.

(34) Monitor the implementation of Youth Guarantee schemes pursuant to this recommendation through the multi-lateral surveillance of the Employment Committee within the framework of the European Semester, and analyse the impact of the policies in place, and address, where appropriate, country-specific recommendations to Member States, on the basis of the Guidelines for the Employment Policies of the Member States.

Awareness-raising

(35) Support awareness-raising activities on the setting-up of the Youth Guarantee across the Member States, using the European Youth Portal and liaising in particular with its information campaigns.

Done at Brussels,

For the Council
The President