

The Youth Guarantee

Making It Happen

Why a Guarantee for young people?

While young people often experience difficulty in transitioning from school to work, the recent crisis has hit young people particularly hard. In some countries, the youth unemployment rate is over 50% for 15 to 24 year olds, and the EU-28 average for the same age group was 23.4% in January 2014. In comparison, the unemployment rate for 25–74 year olds across the EU-28 was 9.4% in the same period. The potential for a “scarring” effect on a generation of young people is great: studies show that a period of unemployment when young has a long-term negative impact on income levels and the risk of further unemployment. Beyond this, evidence has shown that young people’s health status, well-being and job satisfaction are also affected by time spent unemployed.

The situation needs youth-targeted action, both to tackle the current crisis-driven high rates of youth unemployment and with a longer term perspective to ease school to work transitions for future generations. This is why the Council calls on all Member States to establish a Youth Guarantee. A Youth Guarantee is an investment for Member States: indeed, the cost of doing nothing has been shown to be great. The International Labour Organisation has estimated the cost of setting up Youth Guarantees in the Eurozone at EUR 21 billion per year¹. However, this should be weighed against the costs currently incurred through benefits paid out and lost output. Based on the current situation in Europe, where 7.5 million young people are out of work, education or training, the European Foundation for Living and Working Conditions has estimated the economic loss caused by youth inactivity at over EUR 150 billion².

What is the Youth Guarantee?

The Council adopted the Recommendation on establishing a Youth Guarantee in April 2013. This calls on Member States to ensure that all young people under 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

The Youth Guarantee is an outcome-focused approach — it is about giving young people a real opportunity to increase their employability with a view to sustainable labour market integration, thus boosting overall youth employment rates. The four month timeframe for providing an offer to the young person is important in order to reduce the potential scarring effects of periods of unemployment: studies have shown that the risk of long-term negative impact increases with time spent unemployed. The good-quality nature of offers under the Youth Guarantee is essential in order for this to happen.

1 ILO report Eurozone Job crisis: Trends and policy responses (www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_184965.pdf)

2 EUROFOUND: European Foundation for Living and Working Conditions: Youth (www.eurofound.europa.eu/spotlight-on/youth)



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A good-quality offer will correspond to the individual young person's needs and skills and identify the individual's pathway to labour market integration. In other words, it might be necessary for a young person to receive support — such as training or guidance — before being ready to take up a Youth Guarantee offer. This consideration forms part of the tailor-made, individualised approach that is at the heart of the Youth Guarantee.



The building blocks of Youth Guarantees

Partnership-based approaches

To deliver a Youth Guarantee requires bringing together various stakeholders in the design and implementation. Strong cooperation between public authorities, public employment services (PES), career guidance providers, education and training institutions, business, employers, trade unions and youth organisations means a comprehensive approach can be delivered to young people according to their needs. This permits more efficient methods of delivery, making use of the different actors' characteristics and avoiding unnecessary duplication of services.

Taking the example of youth organisations, their involvement increases transparency and permits better tailoring of services to the needs of young people. Youth organisations bring an important link with the impact of Youth Guarantees and direct experience that young people have of the labour market. Youth organisations can also provide a vital network for reaching out to young people most distant from the public authorities.

Early intervention and activation

The use of early intervention and activation measures can work as a preventative action to reduce future youth unemployment rates, as well as having an impact on those who are currently unemployed. Such measures would include outreach activities to get young people registered with the PES who otherwise might not be, in order to ensure that the Youth Guarantee can apply to all young people up to the age of 25. Communication tools

are important in this respect. Another important aspect here is data gathering on school leavers: the development of tracking systems permits quick referral to the necessary services when a young person is in need of support. Establishing dedicated Youth Guarantee focal points or 'one-stop shops' providing access to a range of services and information from one place is another way to efficiently help young people find the right support.

Effective activation depends on a tailor-made approach to supporting the individual, and involves acknowledging the different needs and skills of each young person. This should be set out concretely by drawing up an Individual Action Plan guided by the principle of mutual obligation. For some young people facing multiple barriers to labour market integration, it is important to take into account the specific difficulties a young person is facing, meaning that different individuals will need to take different steps on their pathway to sustainable employment.

Supportive measures enabling labour market integration

Action is needed to address mismatches between the skills required by the labour market and those of unemployed or inactive young people. Measures to redress this imbalance should include reform of apprenticeship and Vocational Education and Training (VET) systems. VET systems with a quality work-based learning component have proven particularly effective in easing the transition from school to work. Labour mobility can also go some way towards addressing the EU skills mismatch and high rates of youth unemployment, when young people decide they wish to move in order to work. In this light, EURES and Your first EURES job (YfEJ) are tools at the service of Member States to boost mobility and as a means to offer job opportunities.

Labour market integration can be particularly difficult for Early School Leavers and low-skilled young people. These groups need ways to re-enter education and training to allow them to obtain qualifications that they missed out on, including, for example, ICT skills.

Entrepreneurship and self-employment are areas of great potential for young people, who need access to finance and guidance, including through entrepreneurship courses and start-up support services. This can be done by, for example, boosting cooperation between employment services, business support and providers of (micro)finance.





In addition, carefully designed wage subsidy schemes can be used to permit a helpful first experience of work for young people, and attention must be paid to ensuring that such schemes lead to sustainable labour market integration.

Funding the Youth Guarantee

First, not all measures are expensive. Building up partnership-based approaches for example does not require large budgets, but can significantly contribute towards the success of the Youth Guarantee. National budgets should prioritise youth to avoid higher costs in the future and make a real impact. The Youth Guarantee can also be supported by EU Structural Funds and in particular the European Social Fund, which should include a particular focus on youth employment in its programming. The EUR 6.4 billion Youth Employment Initiative (YEI) agreed by the Council in February 2013 will further boost support measures set out in the Youth Employment Package, in particular the Youth Guarantee. YEI support will be concentrated exclusively in regions with youth unemployment rates for the age group 15–24 above 25% in 2012. In principle, this will target young persons under the age of 25 not in employment, education or training. Member States may extend this target group to include young people up to the age of 30 (within the eligible regions) on a voluntary basis. The June 2013 European Council agreed to frontload the YEI by allowing all funds to be committed in 2014–2015. Additionally, the European Investment Bank Group has made EUR 6 billion available through various instruments in support of youth employment.

For further detail on funding possibilities, please see the separate factsheet on Funding the Youth Guarantee.

Continuous assessment and evaluation

Ongoing assessment of measures under the Youth Guarantee is crucial to ensure that funds are invested wisely and measures are implemented in ways that will make a real difference for young people. Assessment and monitoring mechanisms should be built into the design of Youth Guarantee measures from the beginning. This is the basis for effective, evidence-based policy making.

Monitoring requires the setting of objectives and targets that can be worked towards by all partners. Evaluation should take place

on two levels: firstly, on a national level, monitoring the impact of the Youth Guarantee itself, meaning progress towards the overarching objectives set out in the Council Recommendation. Secondly, monitoring effectiveness of the individual component measures of the Youth Guarantee helps to determine what works, where and why.

The Commission is providing assistance on this topic, for example through the recent learning seminar on evaluation methods of apprenticeship programmes held on 4–5 February 2014.

Progress towards implementation

Many Member States started the roll-out of new Youth Guarantee measures from early 2014. In some Member States, it is clear that the Youth Guarantee design process has been a catalyst for re-thinking the approach to youth unemployment, leading to new partnerships for more efficient delivery, and early intervention and activation strategies. There is real added value brought about by comprehensive, long-term Youth Guarantee strategy with a clearly formulated national Youth Guarantee and commitment to making quality offers to young people within a four-month timeframe.

The scale of the youth unemployment crisis in Member States with the most severe budgetary constraints will affect the scope of implementation in the early years. The existing level of provision of services within a Member State and the capacity of key actors to deliver will also impact on how quickly and comprehensively the Youth Guarantee can be implemented. In such circumstances, implementing the Youth Guarantee gradually is a way to start to make changes for the most disadvantaged young people while ensuring a long-term strategic approach to full implementation.

Assessment of the Member States' Youth Guarantees will be fed into the ongoing European Semester process. The Commission remains available to provide technical support, and assists further through the Mutual Learning Programme. Under this programme, events are organised to facilitate the exchange of best practices and allow the sharing of experiences and resulting policy or programme directions.

Ongoing Commission support

The Commission is available to provide guidance in a variety of ways. For example, to support the Member States in developing their YGIPs, the Commission organised a working seminar on 17/18 October 2013. The practical seminar was attended by the National Youth Guarantee Coordinators, public employment services, education authorities, ESF Managing Authorities, youth representatives and international organisations. The Commission also circulated FAQs on the Youth Guarantee. When requested, the Commission will organise technical meetings to provide detailed feedback on the Youth Guarantees. Additionally, the Commission can support Member States in learning from each other through a twinning programme if desired. A dedicated Youth Guarantee hotline provides information and guidance to Member States, and the Youth Guarantee website explains the concept to a wider audience.

Useful links

Youth Employment

<http://ec.europa.eu/social/youthemployment>

Youth Guarantee

<http://ec.europa.eu/social/youthguarantee>

Council Recommendation on Establishing a Youth Guarantee

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>

Youth Employment Package

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1731&furtherNews=yes>

European Alliance for Apprenticeships

<http://ec.europa.eu/apprenticeships-alliance>

Consultancy on apprenticeships and traineeships

<http://ec.europa.eu/social/main.jsp?catId=1045&langId=en>

The Mutual Learning Programme

<http://ec.europa.eu/social/main.jsp?catId=1047>

La Hulpe Mutual Learning Programme Thematic Event

<http://ec.europa.eu/social/main.jsp?langId=en&catId=1072&eventsId=931&furtherEvents=yes>



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