

Implementation of the youth employment initiative in the Member States

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The Committee on Employment and Social Affairs adopted the own-initiative report by Romana TOMC (EPP, SL) on the implementation of the Youth Employment Initiative in the Member States.

The financial and economic crisis that started in 2008 led to a steep rise in people being unemployed, especially young people. The youth unemployment rate rose from 15 % in 2008 to a peak of 24 % in early 2013, with this average rate masking huge divergences across Member States and regions. Besides, the crisis increased youth disengagement from the labour market, with the number of young people not in employment, education or training (NEETs) reaching 7.3 million in 2013.

As a reminder, in 2013, the Council, by means of a Council Recommendation, established the Youth Guarantee (YG), by which the Member States commit themselves to offering young people 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.

Also in 2013, the Council agreed to create the Youth Employment Initiative (YEI), which was launched as the **main EU budgetary instrument** – linked to the ESF – to help Member State regions experiencing particularly high levels of youth unemployment, in particular by introducing YG schemes.

The YG is financed through the ESF, national budgets and the YEI, while the YEI can finance the direct provision of jobs, apprenticeships, traineeships or continued education for the YEI target group in the eligible regions. YEI intervention has no predefined duration, while the YG requires an offer to be made within four months.

Objective: one main ambition of the YEI and YG is to reach out to those young people Not in Employment, Education or Training (NEETs), who are at the highest risk of exclusion, while taking into account that the term ‘NEETs’ covers various subgroups of young people with diverse needs.

Members deplored the fact that the Member States have chosen to commit themselves only through the non-binding instrument of the Council Recommendation and pointed out that the aim of the YG is far from being achieved in many Member States.

Education and training: Members stated that only education and training can solve the problem of youth unemployment. A quality traineeship contract must respect a quality framework offering the following guarantees: a written contract; a mentor or supervisor to assess the trainee’s performance at the end of the traineeship; the contract should have clear provisions on coverage in social security systems and remuneration.

Improving the YEI: Member States are encouraged to:

- update and revise their YEI operational programmes with the involvement of social partners and youth organisations in order to fine-tune their action based on the actual needs of young people and the labour market;

- improve **monitoring, reporting** and the quality of data as a matter of urgency and to guarantee that **reliable and comparable data** and figures on current YEI implementation are gathered and made available in a timely manner and more frequently than is required under their annual reporting obligation of the European Social Fund (ESF) Regulation.

Concerned about reports of the inappropriate use of YEI-funded measures, Members expressed their willingness to combat such practices.

Underlining the important role of youth organisations as intermediaries between young people and the public employment services (PES), Member States are encouraged to work closely with youth organisations at national, regional and local level when communicating, planning, implementing and evaluating the YEI.

Further synergies between public and private employment providers, businesses and education systems should be encouraged as well as the widespread use of e-government to reduce red tape.

The report highlighted the need for a strategy to **transform the YEI from an anti-crisis instrument into a more stable EU financing instrument** for tackling youth unemployment in the post-2020 period, while ensuring the **quick and uncomplicated deployment of funds**.

Further efforts and continued political and financial commitments to tackle youth unemployment are absolutely necessary. The YEI should provide financial support for measures that foster the integration of NEETs into the labour market, including paid internships, traineeships and apprenticeships, but should not become a substitute for actual gainful employment.

Members suggested the establishment of an **EU hotline** against the violation of the rights of young people, so that young people can report any negative experience of participation in YEI and YG measures to the Commission directly, enabling the collection of information and the investigation of reports of abusive practices in the deployment of EU-funded policies.

Members noted that EU budget investments through the YEI have made an impact and have accelerated the expansion of the labour market for young people. The YEI represents **clear EU added value** as many youth employment schemes could not have been implemented without an EU commitment.

Financing: the report noted with concern that there is an actual risk that EU funding is simply replacing national funding rather than creating added value. Members welcomed the fact that at Parliament's urging, the result of the conciliation process on the 2018 EU budget was to increase the specific allocation originally proposed for the YEI by EUR 116.7 million in fresh appropriations, bringing its total to EUR 350 million in 2018. They considered that the overall YEI budget is not sufficient to cover actual demand and the resources required to ensure that the programme reaches its targets.

The report stressed that as of now the YEI is the **best performing of all the ESI Funds** in terms of financial implementation.