



European Economic and Social Committee

SOC/450
Youth Opportunities
Initiative

Brussels, 12 July 2012

OPINION

of the

European Economic and Social Committee

on the

**Communication from the Commission to the European Parliament, the Council, the European
Economic and Social Committee and the Committee of the Regions -**

Youth Opportunities Initiative

COM(2011) 933 final

Rapporteur: **Mr Jasiński**

On 20 December 2011 the Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union, on the

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Youth Opportunities Initiative
COM(2011) 933 final.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 27 June 2012.

At its 482nd plenary session, held on 11 to 12 July 2012 (meeting of 12 July), the European Economic and Social Committee adopted the following opinion by 212 votes to one with two abstentions.

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1. **Summary of recommendations**

- 1.1 The EESC stresses the usefulness of the *Youth Opportunities* initiative which not only draws attention to current problems but also highlights the objectives of the *Youth on the move* communication. The EESC is ready to get involved in implementing the initiative by cooperating with the social partners and civil society organisations and through joint action with stakeholders to promote it.
- 1.2 The EESC notes that the EU's austerity policy and the lack of a clear and generally recognised growth policy could jeopardise the success of the *Youth Opportunities* initiative. This key initiative can represent a source of new opportunities for young people but – if considered in isolation, outside the wider economic context – will not, in itself, create a single new job. Accordingly, if we are to ensure the appropriate implementation of this initiative, it is vital to create an appropriate economic and financial environment.
- 1.3 The EESC recognises that there is a need to continue action to prevent early school leaving. It is important to maintain or, where possible, to increase the resources available to the Member States for preventing early school leaving.
- 1.4 Taking into account the different situations of young men and women, the EESC emphasises the importance of appropriate education, training and careers advice, which should support young people in their efforts to gain a better education, qualifications and skills and help them

to choose schools, including centres of higher education or training, that are able to guarantee them an appropriate job.

- 1.5 The EESC supports the development of skills that are relevant to the labour market, through the active cooperation of the world of employment and institutes of education. The EESC welcomes the Commission's additional financial support for the *Your first EURES job* and *Erasmus for entrepreneurs* programmes and for boosting the mobility of young people.
- 1.6 The EESC believes it is appropriate to support first work experience and on-the-job training. The EESC agrees that apprenticeships, placements in enterprises and traineeships as well as voluntary service programmes are an important means for young people to acquire skills and work experience. However, apprenticeships, placements in enterprises, traineeships and voluntary service programmes should in no way be considered to be a substitute for regular forms of employment. In this sense, we should stress the importance of all initiatives aimed at improving the quality of placements and traineeships, such as the *European Quality Charter on Internships and Apprenticeships*.
- 1.7 The EESC stresses the importance of necessary quality standards for apprenticeships, work placements and traineeships. In this sense, the EESC welcomes the Commission's initiative to adopt a quality framework in 2012 supporting the provision and take-up of high-quality traineeships.
- 1.8 The EESC emphasises the role that involving the social partners can play in the process of sharing best practices and in designing, implementing and monitoring the work experience system.
- 1.9 The EESC believes it is appropriate to increase the Commission's budget allocation for the European Voluntary Service. It also welcomes the setting-up of a new European Voluntary Humanitarian Aid Corps. However, it is concerned by the lack of an appropriate assessment of the current pilot phase and of information on whether this initiative is to be genuinely voluntary in nature.
- 1.10 The first job should guarantee a set of minimum employment standards, which must not differ from those offered to more senior workers. A ban on any form of age discrimination is of key importance. The EESC once again stresses the critical importance of measures that help ensure young people have stable, high-quality and appropriately paid employment, with a guarantee of social security, from the very beginning of their careers.
- 1.11 The EESC emphasises that the *Youth Guarantee* initiative should be supported by an active labour market policy which helps close the gap between the education and training system and the labour market, on an equal level for both young men and young women.

- 1.12 The EESC reiterates the proposals in its recent opinion on the employment policy guidelines for addressing the catastrophic deterioration in young people's labour market prospects triggered by the crisis in many Member States:
- set ambitious EU objectives for youth employment;
 - consistently implement the Youth Guarantee in all EU countries;
 - deploy increased EU funding and make access easier, especially in strongly affected countries;
 - set aside increased funding in the new EU budget for tackling youth unemployment;
 - improve young people's access to unemployment benefits;
 - deal with insecure and unregulated work in training and internships;
 - promote the dual education system more strongly as a model for the EU¹.
- 1.13 The EESC notes that particular attention should be paid to ensuring the availability of resources for young people under the European Social Fund when drawing up the financial perspective for the years 2014-2020.
- 1.14 The creation of new high-quality jobs must remain a priority. The EESC proposes that the adoption of a European Youth Employment Strategy should be considered in the next financial perspective.
- 1.15 The Commission's readiness to provide funds for technical assistance to help Member States make use of EU funds that are still available should be seen as particularly important. This primarily concerns the European Social Fund, under which some EUR 30 billion is still available to Member States for projects within the framework of the 2007-2013 financial perspective.

2. **Summary of the Commission initiative. Background to the problem.**

- 2.1 The problems experienced by young people on the labour market are structural in nature and have been apparent for many years, even before the onset of the current crisis. The economic crisis, which we have been experiencing since 2008, has exacerbated the problems of young people. Unemployment in the 15-24 age group is more than twice as high as for the economically active population as a whole and nearly three times as high as among economically active adults. The number of young Europeans out of work grew by one million between 2008 and 2010 and there are now over five million unemployed young people in the EU. The fact that one in five people is currently unable to find a job in the EU is indeed cause for alarm. Moreover, the growth of long-term unemployment among young people is a particular cause for alarm. On average, 28% of young unemployed people under the age of 25 remain out of work for over 12 months.

¹ See the specific recommendations in EESC opinion 479/2012, Chap.5, not yet published.

- 2.2 The *Europe 2020 strategy* set out a number of ambitious objectives which should help bring about smart, inclusive and sustainable economic growth in the EU. Young people have a key role to play in achieving these objectives. The *Youth on the move* initiative published in September 2010 notes that quality education and training for all, successful and sustained labour market integration, decent and adequately paid work and opportunities for greater mobility are essential elements in "unleashing the potential of all young people" and thus achieving the objectives of the Europe 2020 strategy. However, the implementation of the model adopted under the strategy remains key.
- 2.3 The economic crisis has proved to be so serious that it is no longer possible to achieve the objectives outlined in the *Youth on the move* initiative. Worse still, the situation of young people on the labour market is steadily deteriorating. The European Union needs to invest in its young people and take immediate effective action to prevent and tackle the high unemployment rate, including the long-term unemployment rate, among young people. The funds available for stimulating economic growth are vital for creating new jobs but are not in themselves sufficient for solving the unemployment problem among young people.
- 2.4 Following the first European semester of economic governance in 2011, the Commission, in the 2012 Annual Growth Survey, draws attention to the first indications that Member States are not reacting effectively enough to the recommendations made.
- 2.5 In the light of the deteriorating employment situation for young people, the Commission is undertaking a renewed effort to remedy the situation by proposing the *Youth Opportunities Initiative*, which focuses specifically on young people who are not in employment, education or training. Its aim is to combine the specific measures of the Member States with those of the EU, whose priorities are set out in the Europe 2020 strategy, in the June 2011 Council conclusions on youth employment and in the Council Recommendation on policies to reduce early school leaving.
- 2.6 Given the gravity of the situation described above the Commission considers that, without waiting for the 2012 country-specific recommendations, Member States, in particular those with the highest youth unemployment rates, should take decisive measures in the following four main areas:
- Preventing early school leaving;
 - Developing skills that are relevant to the labour market;
 - Supporting a first work experience and on-the-job training;
 - Access to the labour market: getting a (first) job.
- 2.7 The Commission will provide funds for technical assistance to help Member States to use the EU funds still available, particularly the European Social Fund, which still has some EUR 30 billion available for projects within the framework of the 2007-2013 financial perspective.

2.8 The *Youth Opportunities* initiative builds on a strong partnership between Member States and the Commission and encourages concerted action to ensure that all interested parties make full use of the EU financial support and instruments available.

3. **General comments on the Commission's communication**

3.1 The *Youth Opportunities* communication should be assessed with close reference to the Commission's recommendations set out in the initiatives under the Europe 2020 strategy i.e. *Youth on the move*, *Agenda for new skills and jobs*, as well as in the June 2011 Council conclusions on youth employment and in the Council Recommendation on policies to reduce early school leaving.

3.2 The Committee regrets that – as in the case of the *Youth on the move* initiative – the Commission has this time also overlooked those measures that strengthen and develop the social and civil dimension of Europe's youth issues. The initiative should act as a means of cooperating with young people and not just be about providing information about them or implementing action for their own good. The Committee therefore once again calls on the Commission to include the necessary action under this initiative. The EESC emphasises the need to get young people involved in bringing this initiative to life at every level.

3.3 Not only has there been no improvement in the situation of young people on the EU labour market since the launch of the *Youth on the move* initiative, it has actually got worse. The EESC notes that the Member States' macroeconomic austerity policy, which is being implemented against the background of the EU's new economic governance, as well as the lack of a clear and generally recognised growth policy, could jeopardise the success of the *Youth Opportunities* initiative. The measures being implemented as part of the Member States' strict budgetary policy must take into consideration the impact they are having on the situation of young people on the labour market. The EESC is therefore of the opinion that this key initiative can represent a source of new opportunities for young people but – if considered in isolation, outside the wider economic context – will not, in itself, create a single new job. Accordingly, if we are to ensure the appropriate implementation of this initiative, it is vital to create an appropriate economic and financial environment. Care should be taken to ensure that the measures taken in response to the crisis and public debt do not counteract the objective of stimulating demand and employment during and after the crisis and of cushioning social impacts. It is especially important to secure public investment in an active labour market policy and in training and education.

3.4 The EESC notes that the lack of any immediate and effective action to improve the situation on the EU's labour market will only exacerbate phenomena such as brain waste and brain drain connected to labour migration. This entails not only the – often irretrievable – loss of public funds invested in education but also the loss of human capital at Member State level and throughout the whole EU.

- 3.5 The EESC nonetheless welcomes the Commission's new initiative, which both draws attention to current problems and highlights the objectives of the *Youth on the move* initiative. The added value of the *Youth Opportunities* initiative lies in the fact that it focuses on specific measures by Member States and identifies opportunities for financial support which the EESC believes could significantly help to improve the situation of young people on the education and labour market front.
- 3.6 The aim of the Commission's communication is to encourage the Member States to take immediate, specific corrective measures in the area of employment and to link the issue of the employment of young people (especially those who are not in employment, education or training – NEET) with systems of education and training, and to improve and strengthen the law, given that there is often a close link between the NEET phenomenon and the shadow economy.
- 3.7 *Preventing early school leaving*
- 3.7.1 The EESC welcomes this new initiative which aims to prevent early school leaving and confirms that it is particularly important to reduce the proportion of early school leavers, particularly in the case of certain Member States. This is also one of the key objectives of the Europe 2020 strategy². The EESC believes that these measures should be continued by maintaining or, where possible, increasing the resources available to the Member States for preventing early school leaving and by taking action to make the educational services available more attractive. The EESC also stresses the need to make education systems more inclusive.
- 3.7.2 The EESC agrees with the Commission that immediate action should be taken in the form of re-integration through training and therefore calls on the Member States to take immediate and effective action to reduce the proportion of early school leavers to 10%. The average level in the EU Member States is currently 14%.
- 3.8 *Developing skills that are relevant to the labour market. Mobility.*
- 3.8.1 The EESC agrees that the development of skills that are relevant to the labour market is key for integrating young people onto the labour market; above all, it is vital to bring together the worlds of employment, education and training more closely, and to place a particular emphasis on the role of a dual education system. The EESC notes the importance of supporting entrepreneurship and cooperation between business, in the agricultural, industrial as well as service sectors, and the education system at all levels of schooling. The EESC also emphasises the role of education for the broader needs of society beyond the economy. In this sense, it is important that school curricula take account of labour law issues and ensure that

² EESC opinion (SOC/395) on the Commission communication on *Youth on the move*.

students are aware of the opportunities offered by the EU in this area. This can have an important effect on raising the awareness of young people before they seek their first job as well as strengthening their European sense of identity.

- 3.8.2 The EESC draws attention to the guidelines set out in the Bruges Communiqué on enhanced European cooperation in vocational education and training for the period 2011-2020. Europe needs flexible and high-quality vocational education and training systems which can meet the needs of today and tomorrow. Lifelong advice and guidance in the area of education, training and employment can be a useful instrument for making this initiative more effective. This is particularly important in the context of the problem of the brain drain.
- 3.8.3 The Committee recommends boosting the instruments for youth mobility. The EESC supports the Commission's initiative to set up, with the support of the European Parliament, a targeted job mobility scheme to help young people find a job in another EU Member State and to help businesses fill their bottleneck vacancies. The EESC considers it important to support foreign language learning and the acquisition of ICT skills.
- 3.8.4 The EESC supports the Commission's initiative to provide financial support under the "Your first EURES job" scheme. This programme aims to help some 5000 young people to fill vacancies in other Member States during 2012-2013. The EESC will be monitoring the programme during its pilot phase, in view of its further development.
- 3.8.5 The EESC welcomes the Commission's measures which aim to use EUR 3 million of ESF technical assistance to help Member States set up support schemes for young business starters and social entrepreneurs. The financing of around 600 further exchanges in 2012 under the Erasmus for entrepreneurs programme is also a significant development.
- 3.8.6 On the other hand, however, the EESC considers that the Commission Communication pays insufficient attention to the problem of financing direct grants to young people seeking to set up a business (shortage of resources and limited access to them). This concerns financial resources both from European funds and from the budgets of the Member States. The Committee considers that assistance to young entrepreneurs who have decided to set up a business could be a key instrument in reducing youth unemployment.
- 3.9 *Supporting a first work experience and on-the-job training*
- 3.9.1 The EESC agrees that apprenticeships, placements in enterprises and traineeships are an important means for young people to acquire skills and work experience and should form a part of corporate social responsibility strategies. If a company invests in young workers and treats them as a valuable resource, this can significantly increase their level of commitment to the company's operations.

- 3.9.2 The EESC notes the role that an active labour market policy and improved job-matching services can play in this area. Young people should be provided with careers advice covering all sectors: agricultural, industrial and services, while they are still at school.
- 3.9.3 The EESC believes it is important that the Commission is allocating EUR 1.5 million in 2012 to a campaign addressed to enterprises to help raise business awareness of Erasmus and Leonardo da Vinci placements.
- 3.9.4 The EESC also stresses the importance of necessary quality standards for apprenticeships, work placements and traineeships. A European framework should be established for regulating traineeships. In this sense, the EESC welcomes the Commission's initiative to present a quality framework in 2012 supporting the provision and take-up of high quality traineeships, including an EU panorama on traineeships increasing transparency on the conditions for trainees throughout the EU.
- 3.9.5 Work placements must not be a substitute for regular forms of employment. They should offer trainees the opportunity to acquire the skills needed to enable easy access onto the labour market. Trainees should receive decent pay for carrying out actual work-related tasks at the workplace. Low or no remuneration leads to the segmentation of the labour market. If work placements are to be effective and tailored to the needs of the labour market, the social partners need to be involved in their design, organisation, implementation and financing.
- 3.9.6 The EESC will be closely monitoring and supporting all initiatives for improving the quality of work placements and traineeships, such as the European Quality Charter on Internships and Apprenticeships put forward by the European Youth Forum, in order to strengthen the civil dialogue for establishing appropriate rules in this area.
- 3.9.7 The EESC welcomes the adoption by the European social partners of the framework agreement on inclusive labour markets in 2010. The EESC highlights the importance of the factors listed in the framework agreement which have an impact on labour market participation: a) contextual factors (linked to the economic and labour market environment, which have hampered integration in the past), b) work-related factors, c) individual factors (such as skills, qualification and education levels, motivation, language knowledge, health status including disability and frequent or long unemployment periods). The EESC calls on the social partners in the Member States to implement the agreement as a matter of urgency, particularly the objective to raise the number of high-quality apprenticeships and traineeships.
- 3.9.8 The EESC confirms the need to create a single European skills passport, which brings together in one place all the qualifications and skills that have been acquired as part of formal, informal and non-formal education.

- 3.9.9 The EESC stresses the importance of sharing best practices on apprenticeships for young people and welcomes the news that the Commission will directly allocate EUR 1.3 million from the European Social Fund to help set up apprenticeship schemes.
- 3.9.10 The experiences of those countries that have introduced a dual education system is particularly important in this context. Its advantage is that it combines traditional school education and the practical application of this knowledge in the workplace. This allows students to develop the skills and competences needed on the labour market. The EESC emphasises the role that involving the social partners can play in the process of sharing best practices and in designing, implementing and monitoring the work experience system. The Committee welcomes the Commission's guidelines in this area. The dual system of apprenticeships, with its mix of general education and training, should be studied with a view to its application elsewhere.
- 3.9.11 The EESC believes it is appropriate to increase the Commission's budget allocation for the European Voluntary Service in order to provide at least 10 000 places for volunteers in 2012. It welcomes the setting up of a new European Voluntary Humanitarian Aid Corps. However, it is concerned by the lack of an appropriate assessment of the current pilot phase and of information on whether this initiative is to be genuinely voluntary in nature. As in the case of work placements and traineeships, the need to ensure high-quality volunteer work should be highlighted.
- 3.9.12 The EESC will support the exchange and dissemination of experience and information in connection with national long-term voluntary service programmes, used as a means of career orientation and acquisition of initial work experience, which have been implemented successfully in a number of Member States.
- 3.10 *Access to the labour market: Getting a (first) job*
- 3.10.1 The importance of a person's first job cannot be overestimated, not only in terms of future income but also for their future career path and pension. A set of minimum working standards should be guaranteed as soon as a person gets his or her first job. These standards must not differ from those offered to more senior workers. A ban on any form of age discrimination is of key importance. The significance of measures that help to guarantee young people stable, high-quality and appropriately paid employment from the outset cannot be underestimated³. Incentive programmes should be considered for those small and medium-sized enterprises which offer young workers a permanent first job.
- 3.10.2 The Commission's recommendations on reducing the excessive rigidities of permanent contracts should also consider the risks relating to such forms of action. Temporary contracts, which are now commonplace for young people – particularly at the start of their careers –

³ EESC opinion (SOC/395) on the Commission communication on *Youth on the move*.

have led to a dual labour market, which is divided into segments. Temporary workers live in uncertainty, are at risk of losing their jobs and have poor career prospects. This dual labour market is starting to become a particularly serious problem for young people and can lead them to perform an endless balancing act as workers who are continuously uncertain about their future. This can have a negative impact on their future career development. The segmentation of the labour market – which effectively makes young people second-class workers – also means worse working conditions and poorer career prospects. The EESC warns against impermanent solutions offering few long-term prospects when it comes to integration in the job market: instead of settling for precarious employment, measures should be taken to guarantee that fixed-term employment and poorly-paid positions with little social security do not become the norm for young people.

3.10.3 Stability and security on the labour market are not only important for employees but also in the interest of their employers, as they foster the competitiveness of companies, sectors and branches of industry by ensuring increased productivity. It is therefore important for people to be aware that – given the issue of job security – a fixed term employment contract is actually more costly for an employer than an open-ended contract.

3.10.4 The EESC reiterates the proposals in its recent opinion on the employment policy guidelines for addressing the catastrophic deterioration in young people's labour market prospects triggered by the crisis in many Member States:

- set ambitious EU objectives for youth employment;
- consistently implement the Youth Guarantee in all EU countries;
- deploy increased EU funding and make access easier, especially in strongly affected countries;
- set aside increased funding in the new EU budget for tackling youth unemployment;
- improve young people's access to unemployment benefits;
- deal with insecure and unregulated work in training and internships;
- promote the dual education system more strongly as a model for the EU.

3.11 The Member States and labour market actors need to demonstrate much more initiative if they are to implement the Youth Guarantee and ensure that young people are either in a job, education or (re-) training within four months of leaving school, especially for early leavers from education and training and other vulnerable young people. The European Commission should take action to ensure that the Member States implement this initiative without delay.

3.12 The action of the Member States and labour market actors thus far has not led to any improvement in the situation of young people. This is clearly visible as regards the implementation of the Youth Guarantee. Accordingly, the EESC welcomes the Commission's initiative to allocate EUR 4 million to Member States to help them set up Youth Guarantee schemes. Here the EESC reiterates its call on the Member States to promptly identify all

barriers in order to safeguard the Youth Guarantee and set tangible objectives and measures as part of national reform plans.

- 3.13 The EESC emphasises that the *Youth Guarantee* initiative should be supported by an active labour market policy which helps close the gap between the education and training system and the labour market, on an equal level for both young men and young women. It must also take account of the situation of migrants, national and ethnic minorities and people with disabilities. It should also take into account the knowledge, competences, skills and experience of older workers, including retired people.
- 3.14 There is still a lack of concrete targets for youth employment in the current EU employment policy guidelines. The EESC reiterates its demand for quantifiable European targets, especially in terms of significantly reducing youth unemployment and with regard to the Youth Guarantee.
- 3.15 The Commission's readiness to provide funds for technical assistance to help Member States make use of EU funds that are still available should be seen as particularly important. This primarily concerns the European Social Fund, under which some EUR 30 billion is still available to Member States for projects within the framework of the 2007-2013 financial perspective. The European Commission should take action to ensure that the Member States make full use of these funds without delay.
- 3.16 The EESC urges the Commission to make it clear to the Member States that these funds should be used primarily for projects for young people. The European Commission should draw the Member States' attention to the need to ensure that the process of distributing these funds and their appropriate allocation takes place with the full involvement of the social partners, their youth organisations (where such organisations exist) and NGOs representing young people.
- 3.17 The EESC notes that particular attention should be paid to ensuring resources for young people under the European Social Fund when drawing up the financial perspective for the years 2014-2020, particularly for young people who are not in employment, education or training (NEET). It is worth highlighting the fact that there is often a close link between the NEET phenomenon and the shadow economy. The EESC stresses that there is a need both now and in the future for a long-term, permanent and systematic financing formula which is accessible to a wide cross-section of civil society.

- 3.18 The creation of new high-quality jobs must remain a priority. The EESC proposes that the adoption of the European Youth Employment Strategy should be taken into account in the next financial perspective. The funds available under this strategy should be used to support those enterprises, civil society organisations, public authorities and other employers that create new, high-quality jobs for young people.

Brussels, 12 July 2012.

The president
of the European Economic and Social Committee

Staffan Nilsson
