

Position Paper

UEAPME¹ position on a European Commission proposal for a Council Recommendation on establishing a Youth Guarantee

Introduction

On 5 December 2012 the European Commission made a proposal for a Council Recommendation on establishing a Youth Guarantee as part of a broader Youth Package identifying measures aimed at tackling the high levels of youth unemployment in the EU.

General Comments

UEAPME is very concerned about the high level of youth unemployment and in particular about the specific challenge of young people not in employment, education or training (NEETs) diminishing their future employment potential and squandering skills, knowledge and talent, whilst causing substantial economic and societal costs estimated at 1.2% of GDP².

We therefore overall endorse the objective of the Youth Guarantee initiative, which is to ensure that young persons up to the age of 25 years obtain an offer of employment, continued education, an apprenticeship or a traineeship within four months of becoming unemployed or leaving formal education. We also consider the recommendations to Member States on six axes of supporting measures as pertinent.

However, the aim cannot be to “guarantee” employment and/or training measures for all young people limited to this instrument alone. Youth unemployment was already high before the crisis due a combination of factors: the lack of basic skills of young people and large number of early school leavers, alongside structural weaknesses concerning the functioning of labour markets, lack of relevance of education and training systems, as well as inadequate growth and job creation measures. Thus, the Youth Guarantee should go hand in hand with tackling these underlying shortcomings.

Secondly, for the Youth Guarantee to be cost-effective notably the employment enhancing measures should avoid artificial subsidies for unsustainable jobs and sectors over a longer period. Thirdly, despite the labour market challenges in numerous Member States there should be a concrete reference to the individual responsibility of young people, including in searching for a job and/or education and training placement.

Specific comments

1. Recommendations to Member States

The Commission identifies six areas for setting-up a youth guarantee, as set out below.

¹ UEAPME subscribes to the European Commission’s Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](#).

² see Eurofound publication on “NEETs – Young People not in employment, education or training”, 2012
 UNION EUROPEENNE DE L’ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
 EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
 EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
 UNIONE EUROPEA DELL’ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

- **Building-up partnership-based approaches**

UEAPME fully endorses the need for sound cooperation at national, regional, sectoral and local level involving social partners and other actors in order to achieve better and more sustainable outcomes.

SMEs can clearly benefit from the support of public and/or private employment agencies to help them recruit well-qualified young workers and notably tertiary level graduates. Moreover, early contacts between schools and companies are very beneficial to facilitate employment prospects on both sides.

- **Early intervention and activation**

Activation measures are crucial, in addition to early intervention and prevention, to avoid young people becoming long-term unemployed and increasingly difficult to place on the labour market, which in turn requires more substantial resources. However, beyond the concept of “mutual obligation”, UEAPME considers it is important to have a clearer reference not only to the rights, but also responsibilities of young people to strongly encourage individual initiative.

- **Supportive measures for labour market integration**

- **enhancing skills**

A key challenge is the lack of basic skills of young people, as well as the skills mismatch. In various Member States social partners play a decisive role not only in the governance of apprenticeships, but also in work-based learning to adapt curricula according to the needs of companies. This requires further promoting and a specific reference to work-based learning should therefore be added.

Moreover, to address the issue of early school leavers, voluntary initiatives, such as mentoring through experienced older workers, including those retired, to coach young people, who are at risk of dropping out of education and training, have proven to be effective.

UEAPME fully endorses the need to better promote entrepreneurship skills in education and training from an early age, but also underlines the valuable role of intermediary bodies in promoting entrepreneurship, including professional or business organisations, Chambers of Skilled Crafts and Commerce, which has been omitted.

- **labour market related measures**

UEAPME considers that wages should be set at a level, which does not discourage employers from hiring inexperienced and low-skilled young people. Targeted recruitment incentives, such as lower social security contributions are useful for stimulating employers to create new opportunities for young people and in particular for those furthest from the labour market. However, the goal should be to facilitate transitions to work, but not by supporting unsustainable jobs and/or sectors artificially through wage subsidies over a longer period.

Furthermore, UEAPME welcomes the new focus of the EURES tool on young people, which should contribute to increased mobility throughout the EU.

- **Use of EU Structural Funds**

UEAPME believes the role of the ESF for supporting Member States with setting-up and/or improving work-based learning schemes, including apprenticeships, should be highlighted. Setting-up effective systems requires investments, long-term commitment and time, but they have proven highly successful in smoothing transitions from education and training to work.

- **Assessment, continuous improvement of schemes and implementation**

UEAPME emphasises the necessity to ensure cost-effectiveness and concrete outcomes when implementing the youth guarantee schemes. There should be no quick fix solutions to the detriment of broader structural reforms aimed at sustainable and long-term outcomes for young people.

Moreover, the considerable investments made by employers to provide apprenticeships should be fully taken into account. For investments to be worthwhile businesses need the right framework conditions, in particular given the economic uncertainties.

2. Role of the Commission

UEAPME welcomes the Commission's intention to foster an exchange of good practices and peer learning activities between Member States, but recalls that fostering structural reforms and job creation must not be lost out of sight. In this context the European Semester with the Country Specific Recommendations addressed to Member States provides the right framework to make progress.

Conclusion

To conclude, UEAPME supports the Recommendation on a Youth Guarantee based on a partnership approach between different actors, including social partners, to facilitate transitions for young people into employment or education and training. However, some aspects should be further finetuned to ensure sustainable long-term outcomes and cost-effectiveness. Last but not least, structural reforms, growth enhancing measures and a favourable business climate for SMEs are indispensable to help overcome high unemployment levels and kick start job creation in Europe.

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