



Guarantee  
Youth in EUROPE:  
an overview

CONFEDERATION  
SYNDICAT  
EUROPEAEN  
TRADE UNION

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# CONTENTS

<b>SUMMARY</b> .....	3
Employment situation of young people in Europe .....	3
Youth Guarantee .....	3
Trade unions' positions .....	3
<b>INTRODUCTION</b> .....	4
<b>YOUNG ADULTS (25-29): SAFER THAN THEIR YOUNGER SIBLINGS?</b> .....	7
<b>A EUROPEAN YOUTH GUARANTEE – WHAT IS IT AND WHERE DOES IT COME FROM</b> .....	9
<b>THE YOUTH GUARANTEE: WHAT STEPS TAKEN SO FAR?</b> .....	11
1. No reference to the Youth Guarantee or measures similar to that .....	13
2. Countries foreseeing measures vaguely referring to the youth guarantee, denoting a political interest, but without explaining how the youth guarantee will be put into place .....	14
3. Countries that are already designing specific measures meant to be included into a youth guarantee .....	16
4. Countries with some measures and/or pilot projects already approved and/or implemented and explicitly referring to the youth guarantee and including its core features .....	18
5. Countries that already have a youth guarantee but need some improvements .....	20
6. Full implementation or former existence of the youth guarantee .....	23
<b>BIBLIOGRAPHY</b> .....	25



# SUMMARY

## EMPLOYMENT SITUATION OF YOUNG PEOPLE IN EUROPE

In 2012 there were nearly 5.6 million young people unemployed aged 15 to 24 years old in the EU28: an increase of 1.4 million since 2007.

Among young adults (25-29) unemployment reached 3.7 million people in 2012.

Young unemployed (15-24) represented 22.9 % of the young workforce in 2012 while the unemployment rate among young adults (25-29) was 13.9%

In 2012 young people NEETs (15-24) represented 13.2% of the whole EU28 young population, which sums up to more than 7.8 million. For young adults (25-29) the NEETs indicator was even higher with 20.7%, the total number is more than 6.8 million young adults.

NEET rates increased from 2007 to 2012 in all countries except AT, DE and MT with the starker rises taking place in the austerity countries EL, IE, ES and CY as well as HR and IT.

Most of the increase in NEETs rates can be explained by the rise in unemployment.

In the long run, a sluggish labour market recovery may contribute to transform these available job-seekers into discouraged or long-term unemployed or even inactive young people.

## YOUTH GUARANTEE

A Youth Guarantee is not a panacea against youth unemployment. However it encourages immediate actions by public employment agencies and prevents young people from becoming disengaged and inactive in the first place.

Most of the Member States reacted positively to the call for a Youth Guarantee and included it in their 2013 National Reform Programme.

Some countries' proposals for implementing the Youth Guarantee are still not clearly defined (EE, SK, SI).

Austerity measures are an obstacle to the implementation of youth guarantees (CY) or to the potential impact of youth unemployment programme (PT).

Some countries that have already a youth guarantee are planning to reinforce some of its aspects (AT, PL).

Countries with medium to high unemployment rate, such as IT, FR, BE and IE, took clear steps towards the implementation of national Youth Guarantees.

Other countries are designing and implementing several measures to combat high level of youth unemployment and prevent its rise (ES). These measures are often explicitly linked to a future development of national youth guarantees (BG).

## TRADE UNIONS' POSITIONS

Trade Unions are supporting the youth guarantee (FR,IT,LU,HR).

However, in some countries trade unions denounce the lack of involvement of social partners and stakeholders (HR), no transparent consultations with the social partners (ES) and also a lack of political will of tackling youth unemployment.

There are concerns about reallocating ESF funds and its consequences for other existing programmes (BE), and about the sole reliance on European funds for tackling youth unemployment (CZ).

In some countries where measures similar to the youth guarantee are implemented, trade unions warn about the inefficiency of some measures (DE,SE) or suggest changes to its funding (AT) or invite to strengthen some aspects (FI).

Trade unions argue that the lack of real job opportunities is likely to hamper outcomes of labour market programmes for youth (PL), that there should be stronger interventions on the demand side (HR), and that certain programmes are inefficient (UK).

Concerns about the effort asked from welfare institutions is also raised (FR, CZ).

# INTRODUCTION

In 2012 there were nearly 5.6 million young people unemployed aged 15 to 24 years old in the European Union (28 Member States): an increase of 1.4 million since 2007. Among young adults aged between 25 and 29 years old unemployment rose by 1.3 million since 2007 and reached 3.7 million people in 2012 (Eurostat Labour Force Survey, 2013)<sup>1</sup>.

Young unemployed (15-24) represented 22.9 % of the young workforce in 2012 while the unemployment rate among young adults (25-29) was 13.9% (Eurostat Labour Force Survey, 2013).

The youth unemployment indicator does not refer to the whole population of youth (see box below), whose big share is still in education (in several European member states the compulsory schooling age is 18, e.g. Belgium, Poland, the Netherlands, Germany for some schools, Hungary Portugal (EACEA, 2013). This is less true for the young adult population aged between 25 and 29 that one would expect to be mostly in the labour market or looking for a job.

The boxes show how two of the main indicators used by the European Commission in the 2013 Annual Growth Survey (AGS) and related youth initiatives are constructed.

The **Youth Unemployment Rate** (YUR) among 15-24 year olds reflects the proportion of unemployed 15-24 year within the Youth Labour Force, that is all employed and unemployed 15-24 year olds.

$$YUR = \frac{\text{Young unemployed}}{\text{Young Labour Force (young employed + young unemployed)}}$$

Importantly, young people still in education do not count towards the (youth) Labour Force and hence also not to the youth unemployment rate. Accordingly, other things being equal, an increase in the share of young people attending education decreases the size of the Young Labour Force and increases the YUR without a change in the number of young unemployed.

Hence, while this indicator does not reflect the situation of young people in education, it provides a measure for the difficulties 15-24 labour market participants are facing.

The NEET (Not in Employment Education or Training) rate partially overcomes the shortcomings of the youth unemployment indicator. NEETs represent the share of all young people living in a country who are not part of the education/training system nor of the labour market (see box below).

The **NEET-rate** describes the share of young people in a given age range who are neither in education, employment or training.

$$NEET\ rate = \frac{\text{young people neither in education, employment or training}}{\text{young population}}$$

High NEET rates are particularly problematic because NEETs are susceptible to long-term scarring effects which reduce the job market chances as well as lifetime earnings of the affected.

<sup>1</sup> The total numbers of unemployed have been calculated based on the Eurostat indicators 'Active population by sex, age and nationality (1000) [lfsa\_agan]' and the 'Unemployment rates by sex, age and highest educational level attained (%) [lfsa\_urgaed]'. The formula for the calculation of a given age group is thus:  $Total\ number = [lfsa\_agan] * [lfsa\_urgaed] * 10$

Young NEETs are a very heterogeneous group because they include young people who are completely inactive or unemployed but also those young people who withdrew from the labour market because of for example health or family reasons. The NEETs indicator is then more comprehensive than the youth unemployment rate because it can be considered as a social indicator showing how big the share of young people not active in education, training or unemployment is. However it needs to be handled carefully in the design of policies: its heterogeneity could be potentially misleading or overlooked thereby making policies based on this indicator ineffective.

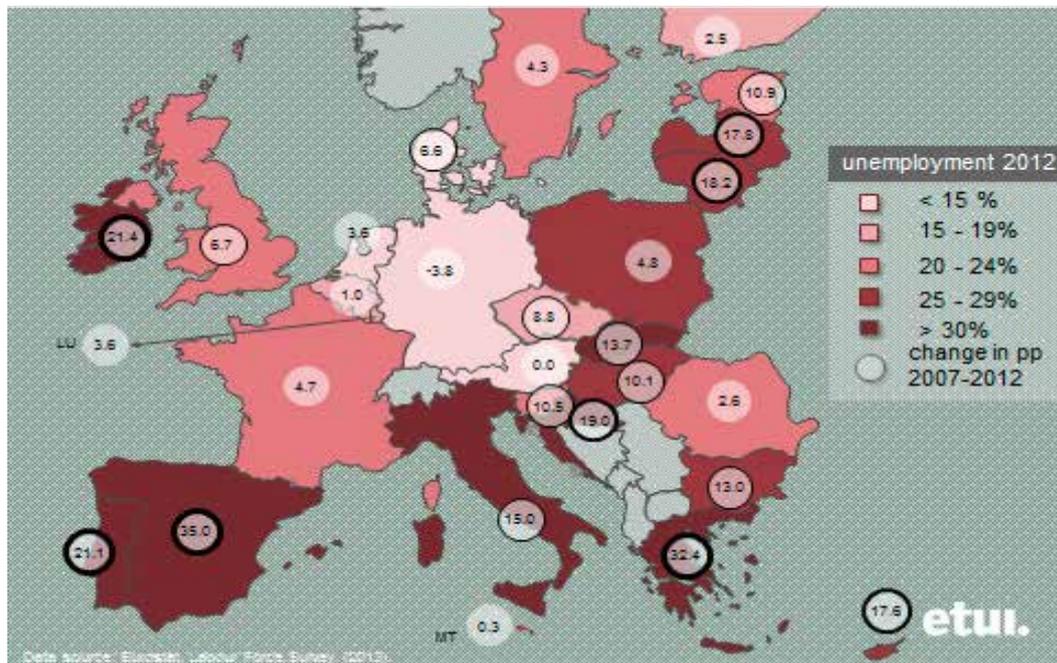
In 2012 young people NEETs aged between 15 and 24 years old represented 13.2% of the whole EU28 young population of the same age group, which sums up to more than 7.8 million (1 million more than in 2007). For young adults (25-29) the NEETs indicator was even higher with 20.7% in 2012. This was an increase of almost 1 million young adults compared to 2007 thus increasing the total number to more than 6.8 million young adults last year (Eurostat Labour Force Survey, 2013).

Eurofound estimates that the economic costs of NEETs in the European Union in 2011 alone accounted for €153 billion or 1.2% of GDP in Europe (Eurofound, 2013), whereas ILO cost estimates suggest that youth guarantees can be implemented at an annual cost of approximately 0.5 to 1.5 per cent of GDP, including administrative and compensation costs, but obviously depending on the national context (ILO, 2012).

Furthermore the rise in unemployment and the long-lasting economic crisis have increased the risk of long-term unemployment (in the EU28 a 6.3 percentage points increase in long-term youth unemployment between 2007 and 2012 for young people aged between 15 and 24 could be observed) (Eurostat Labour Force Survey, 2013), amplified migration outflows from those countries mostly hit by the crisis such as Ireland (Glynn, Kelly, & MacÉinri, 2013) and raised the risk of poverty for households and more vulnerable groups in several countries, particularly those affected by the crisis (European Commission, 2013b, p. 36).

The following maps show how unemployment and NEET indicators evolved between 2007 and 2012 according to the latest available yearly Eurostat data for both young people and young adults.

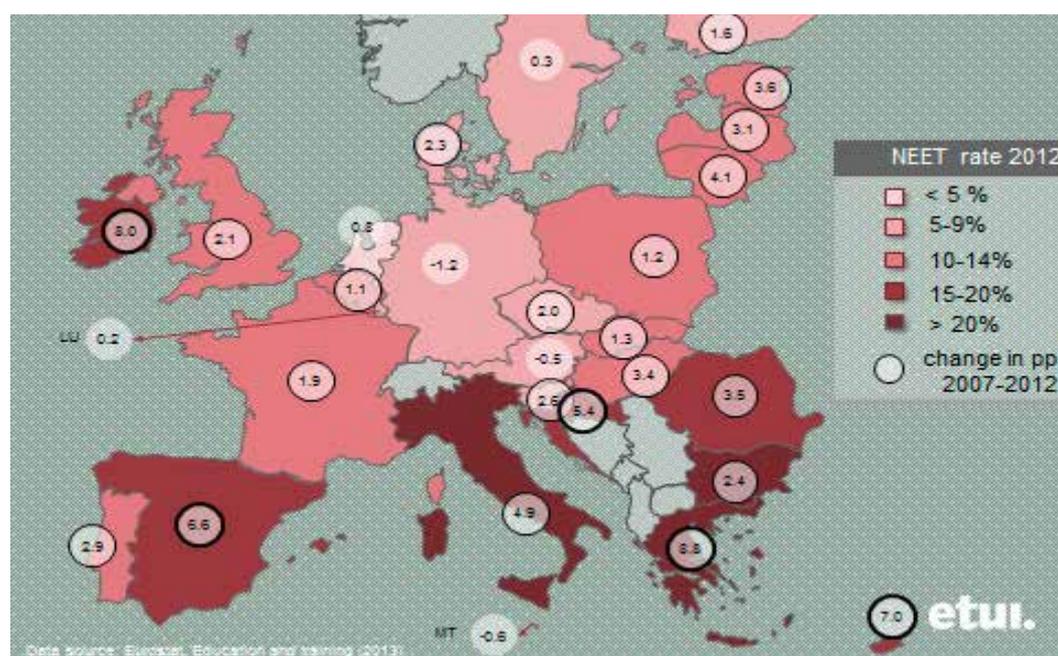
**Figure 1: Youth unemployment rate in the EU28 by age (15-24).**



Legend 1: Change in youth unemployment rate 15-24 (circles): less than 5 pp; from 5,1 to 10; from 10,1 to 15; from 15,1 to 20; larger than 20.1

The situation of the very young aged between 15 and 24 is particularly bad in the Mediterranean countries Greece, Spain, Croatia, Portugal and Italy as well as in recession hit Ireland. High youth unemployment rates can also be observed in the Central and Eastern European countries (CEEs) Slovakia, Hungary and Poland as well as the Baltic States Lithuania and Latvia. While Western and Northern European countries as a whole are doing better, only Germany, Austria and the Netherlands report unemployment rates among the very young in the single digits. Lastly, whereas unemployment rates among the very young already differed widely across the European Union before the crisis, it is notable that the highest increases from 2007 to 2012 occurred in countries suffering under austerity programmes: Ireland, Portugal, Spain and Greece (see thicker border of circles in Figure 1).

**Figure 2: NEETs rate in the EU28 by age (15-24).**



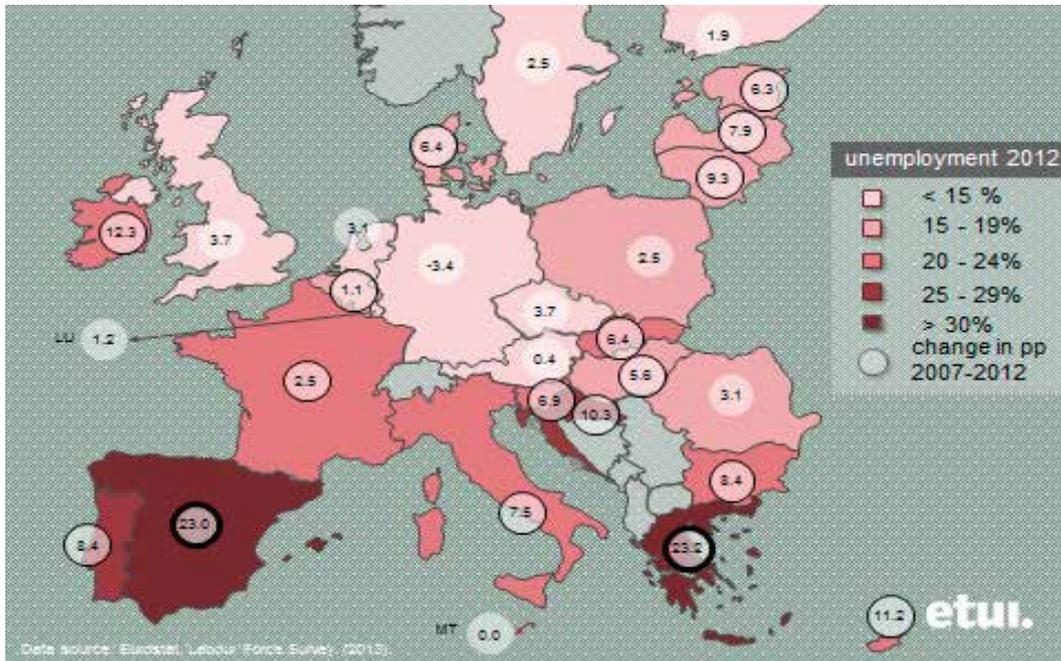
Legend 2: Change in NEETs rate 15-24 (circles): less than 1 pp; 1,1 - 5pp; > 5pp

The picture is similar though not identical for 15-24 year old neither in employment, education nor training (NEET). Again, the situation is worst for the very young in Italy, Greece, Spain, Ireland and Croatia. In addition, however, this indicator further shows that Bulgaria, Rumania and Cyprus suffer under a particularly high population of 15-24 NEETs while the CEEs and the Baltic states fare relatively better. Overall, NEET rates increased from 2007 to 2012 in all countries except Austria, Germany and Malta with the starkest rises taking place in the austerity countries Greece, Ireland, Spain and Cyprus as well as Croatia and Italy.

Most of the increase in NEETs rates can be explained by the rise in unemployment. The relative weight of young people unemployed - i.e. looking for a job and available - in the NEETs rate is higher in 2012 for countries which recorded a higher inflow of young unemployed. However in the long run, a sluggish labour market recovery may contribute to transform these available job-seekers into discouraged or long-term unemployed or even inactive young people. From a policy perspective, these sub-groups of the NEETs indicator are the most challenging and they call for preventive and remedy measures: preventing measures limiting long spells of unemployment and remedy measures able to answer to specific needs and reaching the least reachable. The youth guarantee in its narrow definition (providing within four months a good employment offer, training, continuing education or an apprenticeship to all new unemployed) can help to reduce the waiting period for reintegrating young people into the labour market. On the other hand, the whole institutional structure and measures supporting the implementation of the youth guarantee namely via partnerships and the tailored approach may contribute to reach the most disadvantaged both from education and the labour market.

# YOUNG ADULTS (25-29): SAFER THAN THEIR YOUNGER SIBLINGS?

Figure 3 Youth unemployment in the EU28 by age (25-29).

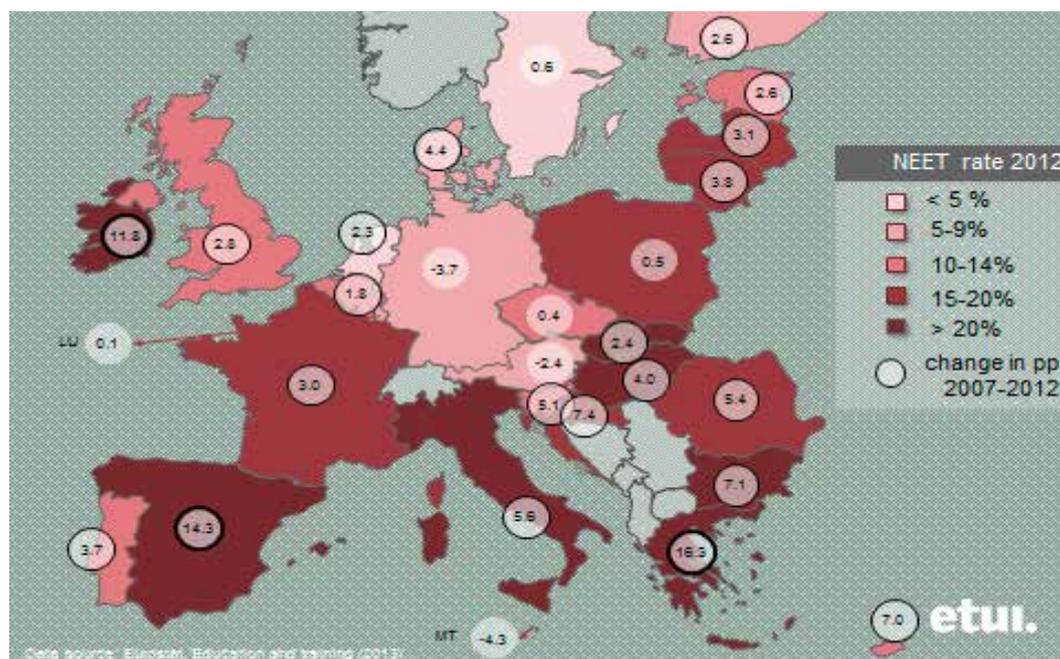


Legend 3: Change in unemployment rate 25-29 (circles): less than 5 pp; from 5,1 to 10 pp; from 10,1 to 20 pp; >20 pp

Unemployment rates among 25-29 year olds are generally lower than among the very young because of their higher participation in the labour market, but increased as well across the EU with the exception of Germany and Malta. The pattern of cross-country differences is very similar to that in *Figure 1*. Again, the worst situation can be observed in Greece, Spain, Croatia, Portugal, Slovakia, Italy and Ireland. The highest increases can again be found in the austerity countries Greece, Spain, Ireland and Cyprus, with Spain witnessing a tripling of its unemployment rate among 25-29 year olds from 2007 to 2012.

In Central Eastern and Baltic member states mostly affected by the crisis and subsequent austerity plans have seen a substantial increase in their unemployment rate. In particular, Latvia, Estonia, Lithuania and Bulgaria saw their rates more than doubling between 2007 and 2012.

**Figure 4: NEETs rate in the EU28 by age (25-29).**



Legend 4: Change in NEETs rate for 25-29 (circles): less than 1 pp; from 1,1 to 5pp; from 5,1 to 10 pp; > 10 pp

The share of NEETs among young adults is even more worrying than for the young share of the population particularly because return to education or training is often not an option for people aged between 25 and 29.

Similarly for the younger age group, high shares of NEETs (more than 20%) are mainly found in Spain, Italy, Greece, Bulgaria, Ireland, Slovakia and the Czech Republic. Being composed of unemployed and inactive, it is clear that higher rates are found in those countries with already high rates of overall and youth unemployment: most their increase is due to an increase in unemployed young adults rather than change in the inactive absolute number.

This is particularly the case for Spain, Ireland and Greece. However countries like Italy, Czech Republic and Slovakia already had high rates of NEETs, particularly inactive, for this age group, indicating structural problems. In 2012 Hungary, Italy and the Czech Republic had respectively: 15.4%; 18% and 13.4% share of inactive young people aged between 25 and 29 (these young people are the inactive NEETs) (Eurostat Labour Force Survey, 2013).

# A EUROPEAN YOUTH GUARANTEE – WHAT IS IT AND WHERE DOES IT COME FROM

**A**t its core, a youth guarantee provides young people with an entitlement to a job, training or education within a defined period. This entitlement is provided by public institutions, usually the public employment service, often together with private and third sector organisations.

This policy was pioneered by the Scandinavian countries with Sweden (1984), Norway (1993), Denmark (1996) and Finland (1996) implementing such policies (ILO, 2012). Since then, further EU countries have introduced similar measures; most notably, Austria launched a youth guarantee ('*Ausbildungsgarantie*') in 2008

Youth Guarantees are not a panacea against youth unemployment; they cannot solve structural problems such as ill-functioning transition system and they are less apt at helping inactive 'hard to reach' youth to re-enter the labour market. However, youth guarantees have been found to encourage immediate actions by public employment agencies to prevent young people from becoming disengaged and inactive in the first place (Eurofound, 2012). Thereby, long-term 'scarring' effects can be prevented (Eurofound, 2012).

The establishment of such a guarantee in Europe has been advocated by the European Trade Union Conference (ETUC) as early as 2009 in its call "Towards a new social deal in Europe: Fight the crisis, put people first" (ETUC, 2009) and reiterated by the ETUC youth committee in 2010 (ETUC, 2010).

In 2011, the European Commission reacted to the rise in youth unemployment across the union by launching the Youth Opportunities Initiative (YOI) (European Commission, 2011). This initiative was complemented by the Commission's Youth Employment Package in December 2012 (European Commission, 2012). As one core element the package contained a proposal for a Youth Guarantee which was subsequently adopted by the Council as a recommendation to the member states in April 2013 (Council, 2013).

According to the Council recommendation, the Member States of the European Union shall "*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*" (Council, 2013)

The European Economic and Social Committee, the European Parliament but also the European Social Partners strongly supported the proposal for a Youth Guarantee, the first with a resolution released in January 2013 (European Parliament, 2013) and the latter with a Framework of Actions published in June 2013 (ECSC, 2013)

To support the Youth Employment Package (including the Youth Guarantee), the European Council created the European Employment Initiative in February 2013, through which EUR 6 billion would be allocated to NUTS 2 regions with more than 25% youth unemployment rate for the period 2014-2020 (European Council, 2013a). From the EUR 6 billion, EUR 3 billion will come from targeted investment from the European Social Fund (European Council, 2013a).

In 2013 March, the European Commission proposed further rules to reinforce and accelerate the measures proposed in the Youth Employment Package with a particular view on helping NEETs (European Commission, 2013c). Accordingly, regions with more than 25% youth unemployment should receive funds to integrate young people into the labour market. Lastly, in June 2013 the Commission published a Communication 'A call to action on youth unemployment' that summarises steps to be taken by Member States in order to tackle youth unemployment. Most notably, these are the implementation of the Youth Guarantee, investment in young people through the ESF, the front-loading of the Youth Employment Initiative, support for intra-EU labour mobility with EURES, improvements to the school to work transition through the increased supply of apprenticeships and the reduction of skill shortages, accelerated reforms to deliver a genuine EU labour market in

the longer run as well as measures to create jobs and the hiring of young people.<sup>2</sup> To this end, the Commission called upon the 'European institutions, Member States, the social partners and civil society to work in partnership to implement the measures'. While it sees the main responsibility for the fight against youth unemployment with the Member States, the Commission stated it would help by 'pinpointing the most critical reforms through the Country-Specific Recommendations' (European Commission, 2013e).

Shortly afterwards, the June European Council concluded that the EUR 6 billion allocated to the Youth Employment Initiative should be disbursed during the first two years of the next Multiannual Financial Framework (European Council, 2013). In July, the European leaders meeting in Berlin for a 'youth summit' pledged an additional EUR 2 billion, increasing the total sum under the Youth Employment Initiative to EUR 8 billion available from January 1st, 2014 (Pop, 2013)

Lastly, in a resolution from September 2013, the European Parliament called for the extension of the age group covered by the youth guarantee to all young people under the age of 30 (European Parliament, 2013b).

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<sup>2</sup> DG Employment <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1981&furtherNews=yes>, last accessed on 29th October 2013

# THE YOUTH GUARANTEE: WHAT STEPS TAKEN SO FAR?

The European Youth Guarantee in *its core and narrow* definition can be classified an Active Labour Market Programme (ALMP). However there are two major challenges that the youth guarantee presents to national welfare, educational and labour market systems: the first is the term “**guarantee**” and the second is the short timeframe within which an action should be taken (**four months**).

In this context, “guarantee” means that Public Employment Services should, and they can be legally bound, use all their means to provide a good quality job offer, a traineeship, education or an apprenticeship to any of the young people who fall into the target categories.

Together with the timeframe for intervention (4 months), the ‘guarantee’ aspect of the Youth Guarantee is probably the most crucial as it distinguishes it from more general Active Labour Market Policies (Besamusca, Stanescu, & Vauhkonen, 2012).

In its wider definition, the youth guarantee is a tool-box including “preventive” and “corrective” measures aiming at smoothing the entry of young people in the labour market (European Commission, 2013d). This means that there is a plethora of possible interventions that can be considered as contributing to multiply and diversify the approach to youth unemployment. Measures range from reducing early school and training drop outs to improving the attractiveness of vocational education and training.

This means that member states do not have to “invent” a youth guarantee, but rather to rationalise, organise and coordinate existing measures already targeting young people.

The main challenges will be to effectively coordinate actions, implement them according to the very short timing (4 months) and to specifically target young NEETs.

In the remainder of this paper, we show how the youth guarantee has been picked up at national level in official measures, public discourses and/or initiatives since the official launch of a Proposition for a Youth Guarantee in December 2012.

Our guiding questions are:

- What has changed so far? Are the single countries positively taking up the initiative of the Commission and are they follow up on the Council commitment?
- Are countries with a youth guarantee going to improve it or modify it?

Because the implementations of the youth guarantee is a “moving target”, we aim at providing first answers to these questions by looking at the 2013 National Reform Programme, official documents, research papers and political statements and interviews with trade unions’ representatives.

Due to the short period analysed, the political will expressed via declarations, can also be indicative that, at least in a first stage, there are initiatives which are in the pipeline. We also include, whenever possible, a trade union’s perspective on national initiatives because the partnership approach of the youth guarantee as well as the commitment shown at the European level by social partners (European Parliament, 2013) (ETUC BUSINESSEUROPE CEEP and UEAPME, 2012) (European Commission, 2013e). Trade unions’ positions were collected either by using official statements, trade union’s publications or phone interviews (at the end of the document).

The classification below is based on the narrow definition of a youth guarantee<sup>3</sup> and we focussed on identifying all those measures that presented clear reference or strong similarities with the youth guarantee.

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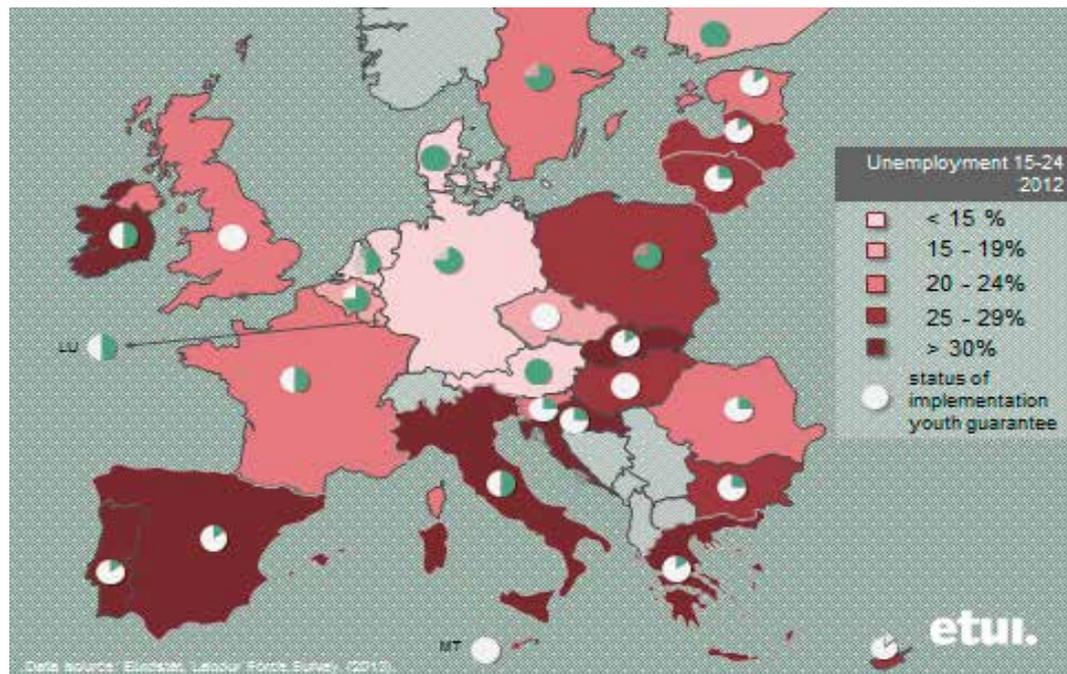
<sup>4</sup> “Ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education”

We identified 4 stages of implementation:

1. **No reference** to the Youth Guarantee or measures similar to that (UK,CZ, HU, MT).
2. Countries foreseeing measures **vaguely referring** to the youth guarantee, denoting a **political interest** (mostly in the National Reform Programme) but without explaining how the youth guarantee will be put into place (ES,EE,EL,PT,LV,SL,CY).
3. Countries that are already designing **specific measures** meant to be included into a youth guarantee (LT,BG,RO,SK,HR)
4. Countries with some measures and/or pilot projects **already approved** and/or implemented and explicitly referring to the youth guarantee and including its core features (IT,FR,LU,IE).
5. Countries that already have a youth guarantee but **need some improvements** (DE,PO,SE, BE, NL).
6. **Full implementation** or former existence of the youth guarantee (AT, FI, DK)

Figure 5 provides a graphical representation of the degree of implementation of the European Youth Guarantee in the individual Member States of the EU28. The figure is based on the assessment of measures taken by individual countries and trade unions' assessments outlined in detailed in the subsequent sections.

**Figure 5: Youth Guarantee Implementation stage**



## **1 NO REFERENCE TO THE YOUTH GUARANTEE OR MEASURES SIMILAR TO THAT**

### **United Kingdom**

The United Kingdom is addressing youth unemployment mainly through the 'Youth Contract' which was launched in April 2012 and dedicates a total of £1bn to schemes to help young people to find employment (United Kingdom, 2013, p. 27). The measures combined in the Youth Contract, such as the Work Programme, include wage incentive and work experience schemes targeted at 18-24 year olds.

However, the Trade Union Congress (TUC) has repeatedly denounced the lack of effectiveness of the Work Programme, particularly for vulnerable people (Trade Union Congress, 2013). Moreover, in October 2012, TUC strongly criticised the decision of replacing the previous government's Youth Guarantee with the new Youth Contract. The TUC's research supporting this position showed that the Government drastically reduced support to the Job Seeker's Allowance previously provided by the Youth Guarantee (Trade Union Congress, 2012). TUC also denounced that these cuts, coupled with the axing of the Education Maintenance Allowance and the high increase of university fees will exacerbate young people's situation and reduce their chances to find a decent long-term job (Trade Union Congress, 2012).

In January 2013 grants for SMEs (SME can have up to 1000 employees) recruiting young people between 16 and 24 was extended to December 2013. In England, the National Apprenticeship Service is under revision. A programme for traineeships as intermediate step before getting into employment or apprenticeships is also in the pipeline (United Kingdom, 2013).

In addition, the devolved administrations of Northern Ireland, Scotland and Wales have their own policies regarding education and skills (United Kingdom, 2013). In Scotland, the 'Opportunities for All' strategy is an commitment to offer a place in education or training to 16-19 year olds not already in learning, training or employment which shows some resemblance with the European Youth Guarantee. Apart from the Scottish measure (The Scottish Government, 2012), which shows several features similar to the youth guarantee (partnership approach, reorganising of existing measures, varied opportunities), no Youth Guarantee has been introduced in the UK and there are no current plans for doing so.

### **Hungary**

Hungary has launched several schemes to help reduce youth unemployment but no youth guarantee. Under the so-called 'Job Guarantee Programme' employers agreeing to hire young labour market entrants are being refunded the wage and social contribution tax for these employees. The programme is only temporary, however, running from March until December 2013 (Hungary, 2013). Further tax relief for, among others, career starters is offered through the Job Protection Plan and, from February 2013 until April 2014, companies can apply for participation in subsidised traineeships for young people with secondary education who already acquired the practical skills of their profession during a traineeship. Entrepreneurship courses and non-refundable financing are aimed at increasing entrepreneurship among 18-35. Lastly, the Hungarian government envisages supporting NGO-based employment programmes to help young people enter the labour market.

In the view of the Forum for the Co-operation of Trade Unions (SZEF), the Job Guarantee Programme improved from 2012 to 2013 and the obligation to further employ young people is welcomed. However, these measures still fall short of a genuine Youth Guarantee. In 2012, the number of supported young workers was about 7000 and there is no data about how many of them could stay in the workplace after the support was over. Trade Unions generally support the idea of incentives to hire young people, but the programme is not completely new. It was renamed and minor changes have been made but it remains very similar to the previous card programme (START) which was running since 2004 (SZEF, 2013).

## Malta

Malta does not have a specific youth guarantee. However, a number of measures supporting youth employment are envisaged in the 2013 NRP (Malta, 2013). The *Active Youth for Employment* Programme aims at increasing the employability of young people, helping them to make informed decisions and provide them with the skills and motivation to enter, retain and progress within work. To this end, the programme envisages young people to go through systematic procedures with specified timeframes including activation measures and skills courses.

Further, a *Work Trial Scheme* is foreseen for young jobseekers in the sixth and ninth month of the programme. The programme is planned, but no indication about its current state or specific date of implementation is given. Additional programmes target the needs of disabled persons, promote entrepreneurship and support voluntary work. Lastly, a plethora of instruments aiming at increasing youth employment has been made in the National Youth Employment Strategy 2015 published in February 2013, financed both by national and European funds (Maltese Ministry of Education and Employment, 2013). Measures under the National Youth Employment Strategy address young people aged between 15 and 24 who are job-seekers, inactive, but also those already working. The measures include preventive measures for early school leavers – which have high rates in Malta –, facilitating the transition from school to work, favouring the integration of young job-seekers in the labour market, but also supporting the sustainability of the jobs, for instance, through supporting lifelong learning, tackling undeclared work and bad working conditions and ensuring better forecasts of the skill needs of the markets.

## Czech Republic

The labour market situation of young people in the Czech Republic is slightly better than the EU 28 average. In its 2013 NRP, the Czech Government vaguely announces its intention to respond to the EU recommendation of establishing a youth guarantee, particularly by using of EU funding (Czech Republic, 2013). The Government also aims at improving public employment service and increasing their staff with the help of ESF funded project (Czech Republic, 2013, p. 43). However, youth unemployment has received little attention recently and the measures implement over the last years have been heavily criticised by the Bohemian-Moravian Confederation of Trade Unions (*ČMKOS*) as a one-sided cuts to the social safety net (Janicko, 2012, p. 11). Moreover, the high reliance of the Czech Government on EU funds for financing measures against youth unemployment is criticised by *ČMKOS* because the political interest in tackling this issue seems to be strictly dependent on the availability of EU funds (Friedrich Ebert Stiftung, 2013a). *ČMKOS* also criticises the lack of evaluation and monitoring of outsourced employment services for young people (Friedrich Ebert Stiftung, 2013a). For 2013, the Czech government planned to improve the public employment service by hiring additional staff.

## 2 COUNTRIES FORESEEING MEASURES VAGUELY REFERRING TO THE YOUTH GUARANTEE, DENOTING A POLITICAL INTEREST, BUT WITHOUT EXPLAINING HOW THE YOUTH GUARANTEE WILL BE PUT INTO PLACE

### Cyprus

Cyprus is experiencing high unemployment and NEET rates in particular among 15-24 year olds. However, the country has not implemented a Youth Guarantee to date and no plans for introducing it are described in its 2013 NRP. According to the Cyprus House of Representatives, Cyprus considers the guarantee as ‘very positive’ but maintains ‘reservations concerning the flexibility of implementation’ of the measure, particularly in the context of austerity (Cyprus House of Representatives, 2013).

Existing measures to alleviate the situation of young people include several schemes, aiming at increasing youth employment through wage subsidies for young people and graduates; improved guidance and work placements for young unemployed as well as reaching young long-term unemployed via labour market more flexible employment schemes<sup>4</sup>. However some of these projects do not seem fully implemented (Cyprus, 2013).

## Spain

Spain does not have a youth guarantee but in March 2013, the head of the Spanish government presented to the union and employers' representatives 100 measures which constitute the *Strategy for Entrepreneurship and Youth Employment 2013/2016* (Gobierno de España, 2013). The plan is made up of 15 key emergency measures, most concerning people under the age of 30, which will primarily rely on lowering employers' contributions to recruit and facilitate access to a first job, training incentives for people under 30, and tax incentives promoting business start-up or self-employment. These measures have already been approved via a decree-law adopted on February 22 (Thibaud, 2013). The remaining 85 measures aim, in the medium run, to revise the educational and training system to improve the professional integration of young people and to foster a better environment for business start-up.

This strategy emerged after of a process of dialogue and participation of the Government with the social partners. The process itself has been viewed positively by the unions (CCOO and UGT) because many of their proposals were taken into account by the government (CCOO, 2013). However, a final agreement could not be reached because the government's strategy is framed within an economic policy which is mainly aiming at improving public accounts rather than fostering economic activity and job creation. Furthermore, this strategy was approved by a decree-law that incorporated a number of measures which had not been consulted nor discussed with the social partners, including a bonus offered to companies for hiring young people through integration companies ("*empresas de integración*") and the possibility for temporary work companies to sign training contracts. This last measure was an amendment to the then existing regulation of temporary work companies and meant a redefinition of their role in the labour market (CCOO, 2013).

## Estonia

Estonia included the youth guarantee in its NRP of 2013 (Estonia, 2013). The country's action plan for 2011-2015 (Estonia, 2013) foresees the development of measures for work, education and training opportunities and the involvement of young people not in education or employment. The target group is extended to young people between 16 and 29 years old, thus including a bigger population of those foreseen by the EYG. Apart from the "First job" support scheme, however, the measures to be taken are not further specified and the timetable for implementation remains unclear.

## Portugal

The Portuguese programme *Impulso Jovem* seems to share some features with the youth guarantee scheme: it includes professional internships and support for employers for hiring young people via reductions of social security contributions (Portugal, 2013). The target group are young people 18 to 30 years old and the programme is co-financed by the structural funds. Unfortunately, an expert contribution from Portugal highlights that the austerity measures drastically reduced the quality of the services provided (Friedrich Ebert Stiftung, 2013a).

## Greece

Greece has not implemented a youth guarantee yet, but is using EU funds for several measures addressing youth unemployment. A national youth action plan is intended to use EUR 517

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<sup>4</sup> [http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlschemes\\_en/dmlschemes\\_en?OpenDocument](http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/dmlschemes_en/dmlschemes_en?OpenDocument), last accessed 21<sup>st</sup> October 2013

million in European funds to promote employment, training and entrepreneurship with the aim of benefiting up to 350 000 young people. Measures combined under the plan include the already launched temporary hiring programme for up to 35 year old unemployed in community-based work programmes in the cultural sector and the support for social structures aiming at tackling poverty and social exclusion (European Commission, 2013e). In addition, in July 2013, the country launched a youth internship and employment voucher programme under the Youth Action Plan, which aims at supporting vocational training and internships for 45,000 young people up the age of 29 for a period of six-months (Greece, 2013). A further EUR 1.2 billion is being allocated to address the liquidity needs of small and medium sized companies to, thereby, strengthen youth employment (European Commission, 2013e).

The General Confederation of Greek Workers (GSEE) supports the implementation of a Youth Guarantee and does not oppose the measures envisaged by the Greek government as long as they are not used for the deregulation of the labour code or to replace workers under better conditions (GSEE, 2013). However, GSEE points out that on their own these measures are insufficient to improve the situation of young people. Therefore, the union calls for a complementary macroeconomic investment plan.

## Latvia

According to its 2013 NRP, Latvia is currently developing a youth guarantee which shall cover ‘both education and active labour market policy measures’ (Latvia, 2013, p. 52), but has not been specified further. Recent measures already implemented are *Work Place for Youth* and *Support for Youth Volunteering*. The former financially supports job creation for young people in the private sector while the latter fosters volunteering of young people at non-governmental organisations (NGOs). In 2012, 2454 young people have been involved in these measures. In addition, for 2013 the implementation of the Youth Workshops programme is foreseen which is planned to provide 250 young people with the opportunity to experience three different occupations within three weeks. Lastly, the ESF sponsored *Promotion of Primary Vocational Education Attraction* programme which provided scholarships to 31983 vocational education students ended in August 2013 (State Education Development Agency (Latvia), 2013). Latvia’s trade unions support the implementation of the ESF-funded training programme and emphasise the importance of initial vocational training (IVET) for young people without qualification.

## Slovenia

Slovenia has not implemented a youth guarantee yet. In 2012 Slovenia announced measures to make work for enrolled students more costly in order to reduce its competitiveness with other forms of work and reducing labour market segmentation. For 2014 the country is planning measures to promote vocational education and concrete projects linking the entrepreneurial environment with the education system, expert discussion on vocational education reform and its placement in the Slovenian qualification framework (Slovenia, 2013). Although mentioned, no more detailed information on the Slovenian youth guarantee were found or provided.

## 3 COUNTRIES THAT ARE ALREADY DESIGNING SPECIFIC MEASURES MEANT TO BE INCLUDED INTO A YOUTH GUARANTEE

### Bulgaria

Bulgaria describes itself as ‘committed’ to developing the youth guarantee (Employment Agency, Bulgaria, 2013) and ready to plan the introduction of legislative changes for regulating internships. A first step towards the implementation of the guarantee was the National Initiative “Employment

and for youth in Bulgaria” adopted in March 2012, which includes measures for young people up to 29 years old. As further part of the initiative, the ministries of labour and education will engage in an information exchange contributing to the implementation of the youth guarantee (Bulgarian Parliament, 2013). Further, the social partners are invited to participate in a coordination unit headed by the Minister of Labour and Social Policy which will assess the implementation of the National Initiative and formulate actions to further promote youth employment (Bulgaria, 2013).

The Confederation of Independent Trade Unions in Bulgaria (CITUB) is content with the government’s approach and welcomes the involvement of youth organisations. However, they criticise the slow implementation process and stress that the Youth Guarantee should cover people up to the age of 30 (CITUB, 2013).

## Croatia

The Croatian minister of labour announced the implementation of a youth guarantee in Croatia on July 1, 2013. Resources from the European Youth Guarantee, the national budget and the European Social Fund will be used to co-finance salaries and transport of young people. In 2014 EUR 65 million will be earmarked for this measure, while about EUR 81 million and EUR 97 million are foreseen for 2015 and 2016 respectively. Measures for 15-24 will be financed by the European Youth Guarantee budget line while the employment of those in the 25-29 age group will be financed from the national budget or the European Social Fund (Croatia to join European Youth Guarantee, 2013) (Government of the Republic of Croatia, 2013). Further, a special voucher programme covering employers’ benefits contributions will be implemented to help long-term unemployed (Government of the Republic of Croatia, 2013).

While generally welcoming the package of measures the government proposed under the title ‘Youth Guarantee’, the Croatian Youth Network (MMH) and the Union of Autonomous Trade Unions of Croatia (UATUC) criticise the lack of stakeholder involvement as well as a lack of public debate and quality considerations in the planned implementation of these measures. Specifically, both organisations point to the fact that there is a lack of measures addressing labour demand which are necessary to help young people unemployed for more than six months. In addition, they criticise that the remuneration for young people in government programmes fails to cover basic needs (Croatian Youth Network, 2013).

## Lithuania

Under the latest measure to tackle unemployment, «More Jobs 2014-2020», introduced by the Lithuanian government and approved by the tripartite committee, youth unemployment shall be tackled by increasing job matching as well as promoting entrepreneurship.

In addition to better matching, it was decided that schools and social partners should work together to ensure that ‘jobseekers under 25 would systematically be offered, within 4 months, an internship, an apprenticeship place or a job’ (Lithuania: Government takes measures against youth unemployment, 2013) which of course is in line with the European Youth Guarantee. To this end, the number of apprenticeship places will be doubled until 2020. Further, the government proposed cheap loans to support employment in small companies in particular in regions with high unemployment and for high-skilled positions. Whereas to promised ‘guarantee’ would only apply for young people under 25, firms may receive subsidies for hiring young people up the age of 28 (Lithuania: Government takes measures against youth unemployment, 2013).

Moreover, a number of measures addressing youth unemployment has already been implemented (Seimas of the Republic of Lithuania, 2013), several of which are supported by the European Social Fund (European Commission, 2013f).

## Romania

According to Annex 2 of the country’s 2013 NRP (Romania, 2013), Romania foresees the introduction of a pilot youth guarantee scheme which aims at increasing labour market access of NEETs aged 15 to 24 years who did not graduate secondary education. The measure does not clearly refer to the

early intervention period of four months laid down in the European Youth Guarantee, but it includes counselling services, internships and traineeships complemented with certified diplomas, youth job-fairs, apprenticeships, business counselling and the promotion of youth entrepreneurship.

Further, in May 2013 Romania was preparing a National Plan for Youth Employment (European Commission, 2013a). The measure focuses on two main issues: supporting entrepreneurship and improving the matching between schools curricula and labour needs, also via partnerships. Mobility bonuses and job subsidies, professional guidance and entrepreneurship counselling, support for apprenticeships as well as traineeships for higher education graduates and monitoring of the labour market insertion of young graduates are also foreseen.

## **Slovakia**

Until the end of 2013, the Slovak government envisages to prepare and adopt the Youth Guarantee for young people under 25 with the involvement of both the Ministry of Labour and Education (MoLSAF and MoESRS) starting from 2014 as soon as funding will be available (Slovakia, 2013). An already existing project which will form part of the youth guarantee is an ESF financed programme which finances employers' social security contributions for up to 29 year old employees in regions with the highest unemployment rates. In addition, the Slovak government plans to implement an incentive scheme for low skilled young people, which supports their voluntary participation in education and training measures (Slovakia, 2013a).

## **4 COUNTRIES WITH SOME MEASURES AND/OR PILOT PROJECTS ALREADY APPROVED AND/OR IMPLEMENTED AND EXPLICITLY REFERRING TO THE YOUTH GUARANTEE AND INCLUDING ITS CORE FEATURES**

### **France**

France approved a youth guarantee (*Garantie Jeunes*) in August 2013 based on the report of an ad hoc working group (Wargon & Gurgand, 2013). The guarantee will first be implemented in form of pilot projects in 10 departments with the goal of progressively scaling it up to national level in 2016. The total budget assigned for the policy is EUR 500million until 2016 which shall be used to target NEETs aged 18 to 25 who were not previously covered by the social assistance legislation (Gouvernement français, 2013) (Zapalatski, 2013). During 2013, the pilots are supposed to reach 10.000 young people while it is planned to reach up to 100.000 participants in 2016.

The Youth Guarantee is conceived as a complementary measure of the RSA (social assistance) rather than as an Active Labour Market Policy managed by the PES. It will be provided by the Missions Locales and it also includes a financial support equivalent to the RSA (450 euros).

The unions did not participate in the negotiations on the youth guarantee within the working group but were invited to present their opinions to the members of the group. Nevertheless, the trade unions welcome the youth guarantee as an effective policy to improve the conditions of young people in society and in the labour market. However, they are concerned about the heavy workload this policy implies for local offices of the public employment service (*mission locales*) as well as the future of the guarantee of 2016 (CGT, 2013)

### **Luxembourg**

Luxembourg, although having a low youth unemployment rate, has planned to implement a Youth Guarantee in June 2014. In March 2012 the Government presented a proposal for a Youth Guarantee, among other measures, to social partners and other public institutions (Luxembourg, 2013).

Currently there are 2 pilot projects which started at the beginning of this year involving 100 young people who will receive a personalised action plan. The Luxembourgish youth guarantee explicitly refers to the European Youth Guarantee and foresees intervention within four months. The target group is meant to be young people registered at the PES (Schmit, 2013).

Further, measures taken go in the direction of reinforcing PES by increasing staff and revising counselling services. Some examples are the “Contrat d’Appui-Emploi”, the “Contrat d’Initiation à l’Emploi” (targeting young people under 30) which include adapted training, and “transitional measures” are proposed to those young people aged between 16 and 24 who were not able to find an apprenticeship (Nicolas Schmit au sujet du chômage des jeunes, 2012). Luxembourg’s OGBL is generally supportive of the youth guarantee and the government’s steps towards implementing it (OGBL, 2013).

## Italy

Italy is one of the European countries with the highest youth unemployment rates. After the introduction of a reform of apprenticeships in 2011 (Ministero del Lavoro, 2013) the current government together with the regions approved the entry into force of both a common framework for internships (Presidenza del Consiglio dei ministri, 2013) as well as a decree-law on emergency measures to revive employment and support social inclusion.

The decree-law includes recruitment incentives, internship subsidies and incentives for work-study training for 18-29 year old jobseekers and disabled workers. These measures aim at preparing the introduction of a youth guarantee. The targeted regions are mainly in the South where NEET rates are the highest. At national level, the decree-law includes internship scholarships in the public administration for young skilled workers (2€ million until 2015), incentives to do work-study training for college students (15€ million for the period 2013/2014), stronger links between technical and professional schools and businesses, and common rules for traineeships in the private and the public sector. The decree-law appears to be aiming at improving the institutional capacity of PES in order to effectively manage the youth guarantee. PES capacity appears to be one of the weakest elements of the Italian active labour market institutions (Pastore, 2013).

The three main trade unions (CGIL, CSIL and UIL) welcome and support the approval of the framework for internships and the steps taken towards the implementation of the youth guarantee. However CGIL criticizes that the maximum age is set at 25 years and not at 29 years which will prevent a large share of NEETs and unemployed from being involved in these measures. Further, CGIL underlines its disappointment about not having been consulted during the design of the Decree. The unions now expect that the government and the regions keep their promise and invite them to participate in the monitoring process (CGIL I., 2013).

Further, in October 2013, CGIL published guidelines for the youth guarantee after a meeting with the Minister of Labour. The most relevant points of the proposal are the extended coverage of the youth guarantee for young people up to 29 years old, the inclusion of the civil service as an opportunity for NEETs and the “certificate and monitoring” phase that should ensure the qualitative and quantitative assessment of the newly implemented measures (CGIL, 2013)

## Ireland

Ireland is another country that was highly affected by the crisis and still suffers from very high youth unemployment rates, despite migration flows particularly among the highly educated (Glynn, Kelly, & MacÉinri, 2013). Ireland has recently announced the implementation of a pilot project in a disadvantaged area of Dublin that will test the youth guarantee scheme. The EU co-funded project will be organised with stakeholders from the Irish Business and Employers’ Confederation (IBEC), the Ballymun Job Centre and the National Youth Council of Ireland. The expected costs for the pilot are €302279, of which €250000 are sought from the EU. A total of 90 people shall benefit from the project over a 12-month period, thus allocating more than €3000 for each participant (House of the Oireachtas, 2013).

## 5 COUNTRIES THAT ALREADY HAVE A YOUTH GUARANTEE BUT NEED SOME IMPROVEMENTS

### Germany

Germany declared that no further actions will be taken to fulfil the obligation of establishing a youth guarantee because existing measures conform with the approach of the European Youth Guarantee (Deutscher Bundestag, 2013). The cited measures are an obligation for public employment services to provide applicants for social assistance (*Arbeitslosengeld II*) (§ 3 (II) (Zweites Buch Sozialgesetzbuch, 2011) with an offer for employment or training within six weeks after the application and, further, the obligation to review the integration agreements (*Eingliederungsvereinbarungen*) of job or apprenticeship seekers under 26 after three months instead of six months as it is the norm for older job seekers. In addition, the German government pointed to the pact on apprenticeships (*Ausbildungspakt*), a voluntary agreement between the government and employers' organisations to provide all young people ready and willing to take up vocational training with an apprenticeship (Deutscher Bundestag, 2013). For the future, the Federal Government aims at intensifying support for initial vocational training by financing skills upgrading of young people aged 25 to 34 (Germany, 2013).

Although Germany has low youth unemployment record, the DGB points out that an important number of young people is stuck in the so-called "transition programmes" that are meant to provide a temporary solution for young people who were not able to enter apprenticeships. Approximately 266.000 young people are covered by these programmes. According to the DGB this approach does not create jobs and simply postpones the need for quality education. Further they the DGB points out that more than 1.4 million young people from the age of 20 to 29 remain without a decent apprenticeship or any other similar VET education and many of those who have a job or apprenticeship suffer from temporary and atypical work which is unacceptable for the trade unions. Therefore, the DGB is discussing a guarantee for apprenticeships that, while being more specific and centred on apprenticeships, would meet the needs of and comply with the socio-economic context of the Germany (DGB, 2013).

### Poland

Article 50(1) of the Polish Act on Promotion of Employment and Labour Market Institutions stipulates that 'within the period of up to 6 months from the registration date, the' unemployment agency 'shall present to [young people under 25, 27 for graduated young people] an offer of employment, other paid work, internship, on-site occupational preparation or employment within the scope of intervention or public works' (Ministry of Labour and Social Policy, Poland, 2013).

However, while in 2011 50 per cent of 18 to 24 year old unemployed found a job within 6 months, 25 per cent remained unemployed for more than 13 months. Further, more than two-thirds of those using the public employment service to find a job were dissatisfied with the services received (Polakowski, 2012, p. 16).

Within the guidelines of the European Youth Guarantee, the Polish government is planning to introduce the 'Your Career – Your Choice' programme (*Twoja Kariera – Twój Wybór*) which is currently being tested as a pilot programme. The policy combines individual support for young unemployed with an activation promise through qualification vouchers (training, vocational and education, internship), coupons for employers for employing higher education graduates and housing subsidies for relocation within Poland (OPZZ, 2013).

Further, the public employment service is foreseen to support the programme by reducing the period, during which young people have to be made an offer, from six to four months, provide jobseekers under 30 with an individual advisor, facilitate employment for jobseekers under 30 through temporarily exempting them from social security contributions when taking up employment or vocational internships, and introducing tripartite training contracts. The state-owned bank BGK (Bank Gospodarstwa Krajowego) shall provide loans and support to young entrepreneurs while voluntary labour corps

(Ochotnicze Hufce Pracy – OHP) shall provide vocational training and support for VET graduates. Lastly, labour market partners may introduce custom measures on the regional level (OPZZ, 2013).

However, financing provided through the European Youth Guarantee will only be available in ten Polish regions where youth unemployment rates exceed 25%, not in all 16 regions (OPZZ, 2013).

The Polish trade unions were not involved in the development of 'Your Career – Your Choice'. However, the All-Poland Alliance of Trade Unions (OPZZ) and the Trade Unions Forum (FZZ) generally welcome the programme. At the same time, OPZZ criticises the lack of financial support from the employers financed Labour Fund for active labour market measure and the planned replacement of some subsidies with loans. FZZ points out that the planned housing subsidies will be insufficient to improve the mobility of young people and that the discrimination between regions should be reconsidered. Lastly, both unions point out that the core problem of too few jobs for young people.

## Sweden

Sweden introduced its first Youth Guarantee already in 1984 (ILO, 2012). The current scheme introduced in 2007, targets young unemployed people aged between 16 and 24 years who have been registered as unemployed for three months, have worked less than they could and are entitled to compensation from UIF, and have participated in the labour market programme concerning work-life introduction (LO/TCO, 2013).

During the first three months of registered unemployment, young people are offered career guidance, counselling and job search services. After the three months, participants are offered work experience programmes in different forms including practical skills development, entrepreneurship and vocational rehabilitation (Eurofound, 2012) (LO/TCO, 2013). When participating in activation measures, young people receive a daily allowance between 25€-80€ (LO/TCO, 2013).

The country's 2013 NRP plans some improvements in delivering places for apprenticeships and the level of financial support for studies will be raised for those not registered with the job guarantee. Further, measures are also being undertaken to raise the quality of the job guarantee for young people (Sweden, 2013). Sweden has also foreseen measures for tackling long-term young unemployed, which might be more difficult to reach with the youth guarantee. Young people who have been unemployed for at least 12 months (long-term unemployed) receive a subsidy equivalent to twice the social security contributions and, for this group, the limit for qualifying for the relocation grant, aimed at stimulating mobility from unemployment to employment among a larger target group, has been lowered from age 25 to 20 (Sweden, 2013).

The Swedish Trade Union Confederation (LO) and the Swedish Confederation of Professional Employees (TCO) are critical about several of the guarantee's aspects. Firstly, the measure treats young people as a homogenous group, which they are not. Secondly, the mandatory waiting period of three months before young people can access activation measures can have a scarring effect and lock the most deprived young people into unemployment or inactivity. Thirdly, those who are eligible to unemployment benefits through work experience have their benefits replaced by the lower youth guarantee allowance. Fourthly, the quality of trainings and measures offered under the youth guarantee are too low (LO/TCO, 2013).

Further, instead of paying long-term unemployed young people twice the social security contributions, LO and TCO suggest a wage subsidy for those affected which increase their wage to the level set by collective agreements. At the same time, employers can have some reductions in the salary paid to young people.

## The Netherlands

The Netherlands does not have a youth guarantee exactly recalling the features of the European Youth Guarantee.

Although the UWV WERKbedrijf (PES delivering services to unemployed) was committed to provide school leavers with a job after three months (PES Netherlands 2011), young people could not

legally claim a job offer or a training place after this period (ILO, 2012). Under the new regime of the UWV Werkbedrijf (2012), young people get the unemployment benefits depending on their working history. The current regime also foresees that those unemployed for less than a year are entitled to e-coaching, while those entitled to more than a year of unemployment benefits will get personal coaching. This means that often young people are only entitled to e-coaching because of their short working history.

Moreover since the end of the “Investment in Youth Act” (*Wet investeren in jongeren*, i.e. social assistance) in January 2013, young people under 27 now fall under the same legal procedure than any other unemployed. However, young people do not automatically receive unemployment benefits and they have to wait 4 weeks and show active job-search activities otherwise their benefits can be cut or not granted at all.

FNV (2013) explains that the “Investment in Youth Act” was not renewed because of its reduced budgets. However, in the beginning of 2013 an anti -crisis package was approved by the new government which also included measures tackling (youth)unemployment.

Measures that are currently implemented or that will be implemented at the beginning of 2014 are the ‘Sociaal Akkoord- Social Agreement’ signed in April 2013 and financial support to municipalities and schools to combat both youth unemployment and school and training drop out.

Within the framework ‘Sociaal Akkoord- Social Agreement, the government has made €600 million available to the social partners to tackle unemployment through sectoral plans, of which one-third will be allocated for tackling youth unemployment in 2014 and 2015. Projects are decided at sectoral level, then also with the involvement of trade unions, and they mainly target the creation of apprenticeships and traineeships places, but also other measures such as mentoring. Government financial support to the agreement will be complemented by additional €600 million that will give by social partners, again with one-third dedicated towards young people. In total €400 million are earmarked for tackling youth unemployment for 2014 and 2015.

Furthermore the government made 80 million available to the municipalities (55 million) and schools (25 million) to tackle the problem of drop outs (schools) and make regional action plans to tackle youth unemployment (35 municipalities). Each region developed its plan some weeks ago in accordance to specific regional needs.

FNV, although being favourable to the introduction of a Youth Guarantee, states that there are positive programmes to combat youth unemployment in the Netherlands, which has seen youth unemployment rate at high levels compared to the usual rates for the country (FNV 2013).

## Belgium

Belgium announced in its 2013 NRP that by January 2014, a youth guarantee will be implemented in all of the country’s regions (Belgium, 2013). The federal government supports this aim by funding a total of 10.000 12-month traineeships in the three regions Flanders, Wallonia and Brussels.

According to the NRP, Flanders already fulfils the youth guarantee through its 2008 *Youth Work Programme*: training on the work floor is offered to unskilled young job seekers up to 27 years old, work experience projects are offered in the larger cities and the above mentioned federally financed integration traineeships are provided for unskilled school leavers. Furthermore, an action plan to reduce early school leaving is under development. In the Walloon region and in Brussels, the youth guarantee will be implemented in 2014 and regional PESs are already setting up ad-hoc services that will deal with the youth guarantee.

Last September the Walloon-section of FGTB, one of the three most important trade unions in Belgium, critically assessed the (European) youth guarantee (FGTB Wallone, 2013). First the FGTB denounces that frontloading 6 Billion euros for the Youth Guarantee can have important consequences for other labour market institutions if this funding does not come from new resources but instead from reallocation (FGTB, 2013). They also fear that the youth guarantee will not solve the problem of unemployment if no additional quality jobs and quality counselling are created, while instead increasing control and conditionality of unemployment benefits without granting real opportunities. FGTB high-

lights that trainings proposed to young people should be in line with existing jobs. They call for sound investments for improving public schools that are needed in order to ensure quality common education for all young people. Rethinking working time and better reallocating resources for financing education are the roads to follow. The Flemish ACV-CSC supports the European Youth Guarantee and will actively carry out and implement this measure. However ACV-CSC Confederation warns on the risk that the youth guarantee becomes a 'German mini-job'.

## **6 FULL IMPLEMENTATION OR FORMER EXISTENCE OF THE YOUTH GUARANTEE**

### **Austria**

The Austrian guarantee has been often pointed out as one of the models for the EU YG also for the substantial amount of investment (187 Mio euros) and the considerable amount of apprenticeships founded via this mechanism, around 12300 in 2012 (Federal Ministry of Labour, Social Affairs and Consumer Protection, 2012). The guarantee promises that all young people under the age of 19, who are unable to find vocational training within three months will be offered a suitable job, a company-based apprenticeship or a supra-company apprenticeship financed through public funds (Public Employment Service Austria, 2011). Although being a well-established measure already in place since 2008, Austria announced in its 2013 National Reform Programme the launch of some improvements (Austria, 2013). The education and training guarantee is planned to be further developed in order to make it an obligation to provide education and training, while particularly addressing NEETs and not only young people registered as unemployed who are not able to enter apprenticeships. This improvement is currently under test in some provinces. The Austrian Trade Union Federation (ÖGB) was involved in the development of the training guarantee and it is convinced that the measure is one of the reasons for low youth unemployment in Austria. However, the Federation also points out that supra-company apprenticeships should not compete with or even replace traditional firm based apprenticeships. Thus, to prevent companies from shifting the training costs to the state, the Federation demands an additional tax on companies to cover the expenses of supra-company apprenticeships (*Fachkräftenmilliarde*) (Trinko, 2012).

### **Denmark**

Denmark already has a youth guarantee in form of a legal entitlement for young people to participate in active labour market policies and it foresees a legal obligation of registered young people to participate in the measures (ILO, 2012). The timing when and for how long participation has to be granted depends on the age (from 18 up to 29 years old for some categories) and the educational level of the young person (Danish National Labour Market Authority, 2011). Active labour market policies are implemented at the local level and social partners are directly involved through national, regional and local councils, thus guaranteeing their strong and direct involvement (Danish National Labour Market Authority, 2011). Further, in 2013 the Government announced that increased resources had been allocated for several measures aiming to improve vocational education and training (Denmark, 2013).

### **Finland**

Finland is often mentioned for its highly comprehensive youth guarantee (Eurofound, 2012). Since January 2013, Finland expanded its existing social guarantees into a Youth Guarantee. According to the reformed policy, *all* young people under the age of 25 as well as recent graduates under the age of 30 will be offered a job, a work trial, a study place, or a period within a workshop or rehabilitation within three months of registering as unemployed (Ministry of Employment and the Economy, Finland, 2013).

In addition, the educational guarantee included in the youth guarantee guarantees a study place for each young person finishing basic education. The skills programme for young adults, to be implemented as part of the youth guarantee, provides under 30-year-olds who have completed only their basic education with the possibility to complete a vocational qualification (Ministry of Employment and the Economy, Finland, 2013).

The means deployed to achieve the youth guarantee include educational measures such as apprenticeships and training as well as language classes and competence training for young migrants to enable them to follow further studies. In addition, pay subsidies are available to young people through the so-called 'Sanssi card' (Ministry of Employment and the Economy, Finland, 2013).

As a general principle, the guarantee is based on a model of Public-Private-People partnership approach, which underlines the necessity of including relevant partners such as ministries, social partners, municipalities and, importantly, young people themselves (Ministry of Employment and the Economy, Finland, 2013).

Finland also allocates substantive funding towards the tackling youth unemployment. The country spends 60 million euros on the youth guarantee every year, plus further 79 million euros until 2016 for the skills programme for young adults holding no qualifications (Friedrich Ebert Stiftung, 2013a). As mentioned by the European Commission (European Commission, 2013e) the high amount of spending turns out to be a sound investment as it prevents from longer and heavier economic and social costs.

The three largest Finnish trade unions, SAK, STTK and AKAVA, participated in the working group writing and implementing the new youth guarantee (Finish Youth Guarantee Working Group). STTK is satisfied with the new measure but points out that further improvements should be made to prevent young people from becoming NEET (STTK, 2013).

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