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COMMITTEE AND THE COMMITTEE OF THE REGIONS**

INVESTING IN EUROPE'S YOUTH

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"A 29th state is currently emerging within the borders of the European Union. It is the state where people without jobs live. A state in which young people became unemployed; a state in which we see people excluded, set back and left by the wayside. I would like this 29th Member State to become a normal Member State again."

*Jean-Claude Juncker,
Opening Statement in the European Parliament Plenary Session, 15 July 2014*

"As much as we invest in improving conditions abroad, we also need to invest in responding to humanitarian crises back home. And, more than anything, we need to invest in our young people. I cannot and will not accept that Europe is and remains the continent of youth unemployment. I cannot and will not accept that the millennials, Generation Y, might be the first generation in 70 years to be poorer than their parents. Of course, this is mainly a task of national governments. But the European Union can support their efforts."

*Jean-Claude Juncker,
State of the Union Address, 14 September 2016*

The European project is about building a better future for European citizens. This also means investing in young people, providing them with new opportunities and helping them to seize these opportunities. It is about giving young people the best possible start in life by investing in their knowledge, skills and experiences, helping them to find or train for their first job and giving them an opportunity to make their voice heard. This investment in young people lays the foundation for a fair, open and democratic society, for social mobility and inclusion as well as for sustained growth and employment.

1. An urgent need to invest in Europe's youth

Over recent years, the situation has improved for young people in many respects: youth unemployment has dropped from a peak of 23.9% in 2013 to 18.5% in 2016, with a decrease of more than 10% over the last year alone. The share of early school-leavers from education and training dropped from 17% in 2002 to 11% in 2015. Among 32-34 years old, tertiary education attainment increased from 23.6% in 2002 to 38.7% in 2015.

However, the crisis has hit the young population hard and fighting youth unemployment remains a priority. With more than 4 million young people unemployed in the EU, young Europeans have borne the brunt of the economic crisis and many continue to face a difficult situation. The youth unemployment rate in the EU is still double the overall unemployment rate and reaches, in some Member States, more than 40%. These figures do not tell the full story as many young people are not registered as unemployed and are not looking for a job due to a variety of factors, including family responsibilities or health issues but also discouragement and a lack of incentive to register as unemployed. In total, about 6.6 million young people are neither in employment, education nor training (NEETs), and for some this situation has been lasting for many years.

Another cause of concern is that quality education is not yet a reality for all students, and that a large share of pupils has low basic skills. 11% of young people have left school prematurely and without a formal qualification. This lack of a formal qualification limits their chances to find employment. About 60% of these "early school-leavers" are unemployed or

inactive. On average, young persons with a migrant background (representing a growing share of the youth population in most EU Member States¹) are more likely to be early school-leavers and have higher rates of not being in employment, education or training². According to the latest PISA-data, the share of pupils showing very low skills in science and reading is increasing. In the field of science, the share of low-achievers went up by four percentage points (from 16.6% in 2012 to 20.6% in 2015) and in reading it went up by almost two percentage points (from 17.8% in 2012 to 19.7% in 2015). The share of low-achievers remained even higher in mathematics (22.2% in 2015, a slight increase from 22.1% in 2012). This is a major set-back that underscores the urgent need to review the performance of European education systems. More than 20% of school children have difficulties solving simple tasks in mathematics. More than 16% have problems in science and more than 17% have difficulties with reading³. Only one in four young people report having obtained some digital skills through formal education. Pupils from a weak socio-economic background are over-represented in the group of pupils showing low performance leading to a risk of transmission of poverty and social exclusion from one generation to the next.⁴

Against this background, many young people do not look with confidence at their future. 57% of the young generation feel that young people are excluded from economic, social and democratic life.⁵ At the same time young people are eager to engage and participate in society. The situation and prospects of young people are not compatible with Europe's social market economy and the Commission's priority to boost jobs, growth and investment. As stressed by President Juncker in his State of the Union Address, there is a risk that the millennials - the Generation Y - might be the first generation in 70 years to be poorer than their parents. This also has to do with the broader economic and demographic shifts in European societies and how wealth and opportunities are distributed between generations, with the crisis of recent years compounding more profound trends.

This is a fight that Europe must win. A spell of unemployment early in life comes with personal hardship and can have a negative impact on a person's entire life. Winning the fight against youth unemployment means to bring more young people into good jobs. This is a precondition for Europe to secure sustained growth and prosperity. Tackling the situation of young people on the labour market is also a question of social fairness and, ultimately, of the credibility of Europe's social and economic model.

The Commission proposes a renewed effort to support young people. Following the State of the Union Address, the Bratislava Roadmap agreed by the EU leaders of the 27 Member States has set out the need to provide better opportunities for youth through further EU support for Member States in fighting youth unemployment and on enhanced EU programmes

¹ Foreign-born young people and native with foreign-born parent represented in 2014 20% of those aged 15-29 in the EU, Eurostat, 2014. More than four in five (83 %) of the first time asylum seekers in the EU-28 in 2015 were less than 35 years old.

² Almost one quarter of third-country nationals aged 18-24 are early school leavers compared to around 10% among young people living in their country of citizenship. The rate of young people who are not in employment, education or training is higher among third-country nationals aged 20-34 (32.7%) compared to nationals (18.0%) and the situation is especially severe for women (43.0%).

³ The OECD PISA survey is measuring regularly the basic skills of 15-years old pupils.

⁴ For details on the link between low educational achievements and socio-economic status: Education and Training Monitor 2015.

⁵ Eurobarometer survey "European Youth in 2016", cf:

<http://www.europarl.europa.eu/atyourservice/en/20160504PVL00110/European-youth-in-2016>

dedicated to youth. As a response, this Communication puts forward actions to invest more effectively in young people. The aim is to help them to seize opportunities, integrate well into society, become active citizens and pursue a successful professional career. This initiative is about how the EU and Member States can step up their efforts to offer young people the support, the education, training and job opportunities they deserve. The Communication is part of a larger package of action to improve young people's opportunities. As part of this package, the Commission launches the European Solidarity Corps⁶ and presents a Communication on improving and modernising education⁷.

2. EU action in favour of young people

The main responsibility for policies and measures for young people is in the hands of Member States, also when it comes to explaining the benefits and support of EU action. Member States hold the main responsibility for their policies on employment, education, training and youth, but the European Union has a role to support Member States' efforts and has been doing so for many years. This was particularly the case of this Commission, with the strong focus given to youth employment, and notably the focus on rolling out the Youth Guarantee through the frontloading of the Youth Employment Initiative in 2015 and more recently in 2016 the New Skills Agenda for Europe. Too often, it is not obvious to the beneficiaries of EU action where the support came from: policies and action that have been initiated at EU level or benefit from EU financial support often achieve remarkable results but as they are delivered through national, regional or local authorities, many people are unaware of the EU's role in these measures.

2.1. Tackling youth unemployment

Fighting youth unemployment remains a top priority for the EU. Promoting employment is a matter of common concern, shared by all Member States. The European Union lends its support to Member States through a range of policies and action, and through dedicated financial means.

Under the **European Semester of economic policy coordination**, the EU is offering policy advice and guidance⁸ to Member States on promoting structural reforms which facilitate the integration of young people into the world of work. Key focus areas under the 2016 European Semester were active labour market policies, early school-leaving, better access to education and training to vulnerable groups, the relevance of education for labour market needs, work-based learning and apprenticeships and targeted support to young people who are not in employment, education or training. The financial support given by the EU Structural and Investment Funds is aligned with this policy guidance (see box).

Examples of EU action for young people in the field employment:

- Since January 2014, more than 14 million young people have entered one of the national **Youth Guarantee** schemes, which it was decided to set up in 2013. Around 9 million have taken up an offer for a job, continued education, apprenticeship or traineeship since then. The

⁶ COM(2016)942 final.

⁷ COM(2016)941 final.

⁸ This guidance is given in the form of Country-specific Recommendations. They are issued in the context of the EU-level policy coordination in the fields of fiscal, economic and employment policies, the "European Semester".

Youth Employment Initiative, which is a key EU financial funding resource to support the roll-out of the Youth Guarantee, was launched in 2013 and endowed with an overall budget of EUR 6.4 billion.

- The **European Social Fund** has been investing for 60 years in the skills, education and training of young people. Between 2007 and 2013, the European Social Fund (ESF) supported more than 30 million young people. Between 2014 and 2020, over EUR 6 billion of the ESF is earmarked for measures to improve the integration of young people on the labour market and EUR 27 billion for education and training measures.

- For the same period, 6.8 million young people will be able to use new or improved education facilities in 15 Member States through funding provided by the **European Regional Development Fund**.

- Under the **European Agricultural Fund for Rural Development**, EUR 2 billion will be invested, over the same period, in training and advisory services increasing also young people's skills and employability, and EUR 7 billion are allocated to support start-ups in rural areas, with a strong focus on young people.

- The **European Investment Bank** supports via the 'Skills and Jobs – Investing for Youth' programme investments in human capital (e.g. vocational training, student loans, mobility programmes worth EUR 7 billion during 2013-15) and provides access to finance linked to the employment of young people in SMEs (EUR 26 billion allocated to beneficiary SMEs 2013-15).⁹

In recent years, the roll-out of the **Youth Guarantee** has contributed to improving the situation on the ground. The Youth Guarantee was proposed by the Commission and adopted through a Council Recommendation¹⁰ by Member States in 2013. It is a political commitment to give every young person under the age of 25 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. In addition to other core EU instruments, such as the European Social Fund, a dedicated EU financial instrument – the Youth Employment Initiative – was launched to support the implementation of the Youth Guarantee in regions of Europe most affected by youth unemployment. In order to speed up implementation of Youth Employment Initiative actions on the ground, early in 2015, the Commission made available upfront EUR 1 billion. Furthermore, in September 2016, also in the light of first implementation results, it proposed to boost and extend the financial envelope available for the Youth Employment Initiative until 2020.

Practical examples on the concrete impact of the Youth Guarantee/Youth Employment Initiative:

- the French *Emplois d'avenir*-scheme, which was launched in 2012 and is partially funded by the Youth Employment Initiative, aims to deliver subsidised jobs for low-skilled young people living in disadvantaged areas. Employment contracts last one to three years and are available in both in NGOs and private businesses. In 2016, 150,000 young people were supported.

⁹ <http://www.eib.org/projects/priorities/investing-for-youth/index.htm>

¹⁰ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01).

- in Latvia, the ‘*Know and Do*’ project, which started in 2015 and which is supported from the European Social Fund, supports outreach work at the municipal level. It aims to identify, motivate and activate non-registered young people aged 15-29 to return to education, employment or training.

- in Croatia, thanks to funding from the European Social Fund, eleven *Centres for Lifelong Career Guidance* are now in operation. They provide free lifelong career guidance services – face-to-face as well as web based – to all citizens with a special focus on young people.

2.2. Investing in skills, competences and the integration into the labour market

Skills and competences are a key investment. In the knowledge-based economy, a broad set of skills and competences is indispensable¹¹. Investing in them helps facilitate the transition to work, prevent youth unemployment and sustain innovation, competitiveness and social fairness. Education systems need to achieve better results, i.e. good learning outcomes for all pupils, notably those from a disadvantaged background. Particular emphasis needs to be put on improving performance by increasing efficiency and on the quality of teaching. Better teaching is a key factor for improving both quality and efficiency.

High quality vocational education and training systems facilitate young people's transition towards the labour market. In particular during the crisis, well-developed vocational and apprenticeship systems proved to be one of the most effective ways to keep youth unemployment in check or prevent it. The reason for this success is that vocational education and training, work-based learning and, in particular, apprenticeships are particularly effective in providing skills that are relevant for the labour market. To this end, the Commission has supported the active engagement of social partners in improving the quality of offers in vocational education and training and has fostered the development of partnerships between the world of education and business. Furthermore, by providing evidence and promoting mutual learning on the basis of common priorities, the Commission supports Member States in improving their education and training systems.

Examples of EU actions in the field of skills, education and training:

- In June 2016, the Commission launched a **New Skills Agenda¹² for Europe**. It contains a package of measures that aim at equipping more young people with better skills, at making better use of existing skills and at improving the demand and supply of skills.

- Since 2013, the **European Alliance for Apprenticeships** has engaged Member States, social partners, business, providers of vocational education and training, and other stakeholders to strengthen the supply, quality, image and mobility of apprenticeships. In addition, through the **European Pact for Youth**, launched in 2015 together with leading European businesses to establish together at least 100,000 new good quality apprenticeships, traineeships or entry-level jobs, the Commission works with the business community to make the partnership business and education a new "normal". The Pact for Youth and the Alliance for Apprenticeships have already mobilised over 500,000 training and job opportunities for young people, in the form of commitments from companies and organisations. Alongside the action to boost the number and quality of apprenticeships and training opportunities, the Commission is working closely with Member States, social partners and providers of

¹¹ This applies to basic skills (such as reading or mathematics), key competences (such as digital and entrepreneurship skills and foreign languages) and non-cognitive skills (such as team-work and critical thinking).

¹² COM(2016) 381 final.

vocational education and training providers to reinforce their vocational education and training systems.

- The first **European Vocational Skills Week** (5–9 December 2016) will reach out to more than 500,000 young people, parents, professionals, employers and social partners across the EU to showcase excellence and quality in vocational education and training.

2.3. Offering cross-border opportunities and increasing youth participation

Learning, studying and training in another country provides a unique experience and opens up new horizons. Europe's economies are highly inter-linked. Offering young people the opportunity to broaden their horizon helps them to become more autonomous and self-confident. It is a way to acquire new skills and knowledge, and it provides a unique experience, as it holds lessons about how to deal with diversity and to cope within a different environment.

The **Erasmus+ programme** offers support to a broad range of young people, including university students, learners and apprentices in the field of vocational education and training, volunteering and youth exchanges. Between 2014 and 2020, Erasmus+ is endowed with a total budget of EUR 14.8 billion. It is expected to offer support to more than 4 million young people. Recent studies emphasise the programme's tangible impact, notably on employability¹³. Students who have been mobile are half as likely to experience long-term unemployment after graduation compared with those who have not studied or trained abroad. One in three students who do traineeships abroad supported by Erasmus+ gets a job offer in the company they worked for. In addition, Erasmus trainees are also more entrepreneurial than their stay-at-home counterparts: one in ten has started their own company and more than three out of four plan to, or can imagine doing so. Finally, Erasmus students have better problem-solving skills, adaptability, tolerance and confidence than the ones who did not go abroad. These are skills highly valued by employers, but are also essential social and civic assets.

In an open and democratic society, it is crucial that already at a young age, people assume responsibilities as active citizens. This kind of active citizenship requires that young people have the opportunity to participate and to make their voice heard. To become active in society, young people need to experience that it matters what they do and that they can influence decisions that are important to them. In cooperation with Member states and stakeholders, the Commission supports the implementation of the EU Youth Strategy¹⁴. It has two main objectives: to provide more and equal opportunities for young people in education and the job market, and to encourage young people to actively participate in society. An essential part of the strategy is its consultative, participatory element: thanks to the 'structured dialogue', 170,000 young people from across Europe have been mobilised to have their say to policy-makers about policies that matter to them.

¹³ The aspect of employability has been addressed in various studies, for example:
http://ec.europa.eu/dgs/education_culture/repository/education/library/study/2014/erasmus-impact_en.pdf
https://www.agence-erasmus.fr/docs/2431_observatoire-n2.pdf
https://www.agence-erasmus.fr/docs/20140425_rapport-final_etude-impact-de-web.pdf

¹⁴ Council Resolution of 27 November 2009 on a renewed framework for European cooperation in the youth field (2010 – 2018) (2009/C 311/01).

Examples of EU actions in the field of mobility and volunteering:

- The **Erasmus programme** is celebrating its 30th anniversary next year, and about 5 million young people have benefitted over the years. For the period 2014-2020, thanks to the increase in funding and the diversification of pathways, another 4 million are expected to benefit.

- An instrument for young people to engage has been the **European Voluntary Service**, which has been a driving force for transnational volunteering for 20 years. Each year, the Service supports about 10,000 young volunteers who go abroad to contribute to a variety of causes, such as, youth activities, social support to people in need or protection of the environment.

3. A renewed push to invest in young people

While economic growth and job creation are continuing, there is no reason for complacency. The consequences of the crisis have been far-reaching and the challenge presented by years of massive unemployment is daunting in many parts of Europe. The EU has a long track-record of initiating and promoting policies and action to support young people. The key to success is joint action, involving actors at all levels and notably the responsible levels of government and social partners. The Commission emphasises the need to make progress on the following three strands of action:

3.1. Better opportunities to access employment

- **The European Semester drives reforms at national level and precise guidance has been issued to several Member States.** In the recent Annual Growth Survey, which launches the 2017 European Semester, the Commission points to the importance of prioritising investment in human capital, which implies improving the employability of young people and investing in their skills and education.
- **A full and sustainable implementation of the Youth Guarantee should be ensured on the ground in all Member States.** The continued political commitment and financial support to the Youth Guarantee is making a difference, and it is essential to reap the benefits of the work carried out so far. Full scale implementation is still recent in a number of Member States, as many measures have required substantial reforms and broad partnerships, which by themselves are new and promising ways of delivering support.¹⁵ As the situation is improving in several parts of Europe, a key priority in many Member States will be to make sure that low-qualified young people receive adequate support. This requires better accessibility of the Youth Guarantee and more effective outreach to young people who are not in employment, education or training and who are not registered with Public Employment Services. It also requires strengthening cooperation among public institutions and with stakeholders and improving the capacity of partners, in particular, public employment services, to deliver the Youth Guarantee. Better mechanisms to ensure that young people receive

¹⁵ COM(2016)646 final.

high-quality offers should be introduced by setting standards for quality criteria. The provision of apprenticeships under the Youth Guarantee should be strengthened, since it represents only 4.1% of the opportunities taken up so far.

- **To facilitate the roll-out of the Youth Guarantee in the regions which need it the most, the resources available for implementing the Youth Employment Initiative should be increased.** In the framework of the mid-term review of the multiannual financial framework, the Commission has proposed to supplement the original allocation of the Youth Employment Initiative by EUR 1 billion covering the period 2017 – 2020. Matching funds of EUR 1 billion will be provided from the European Social Fund. If agreed upon, this additional funding is expected to allow for about 1 million more young people to benefit from the Youth Employment Initiative support.

3.2. Better opportunities through education and training

- **The Commission is determined to facilitate the cooperation between Member States and support their efforts to reform education and training systems.** The Commission will enhance its support to Member States and present in 2017 specific actions to modernise school and higher education, including an up-dated agenda for the modernisation of higher education, a specific initiative on graduate tracking, an agenda for supporting the development of schools and teachers, and a review of the Recommendation on Key Competences for Life-long learning, as well as further accompanying measures to support the digital transformation in education and improved access to digital skills and learning.
- To advance the quality, supply, attractiveness and inclusiveness of apprenticeships and work-based learning in vocational education and training, the Commission will propose a **Quality Framework for Apprenticeships**¹⁶, setting out key principles for the design and delivery of apprenticeships at all levels, with sufficient flexibility to apply to very different Member State systems. The Quality Framework could underpin the quality of apprenticeships supported through EU programmes (Youth Guarantee, YEI, European Solidarity Corps, Erasmus+, and European Social Fund).
- A **demand driven apprenticeships support service** will be set up in 2017, building on the successful public employment services benchmarking model and supporting countries to introduce or reform apprenticeship systems. This support service will also enhance knowledge sharing, cooperation and peer-learning on apprenticeships by identifying good practices, and strengthening mutual learning. A particular focus will be on mobilising actors for concrete actions at national, regional and local level.
- Vocational education and training learning mobility brings benefits to both the participant and the employer. Studies¹⁷ show that stays longer than 6 months provide the highest added value in terms of improvement of professional, personal and social skills. However, today, the majority of apprenticeship placements in another Member

¹⁶ To be built on the Opinion of the Advisory Committee on Vocational Training on "A Shared Vision for Quality and Effective Apprenticeships and Work-based Learning" adopted on 2 December 2016

¹⁷ http://www.pedz.uni-mannheim.de/daten/edz-b/gdbk/07/analysis_leonardo_study_en.pdf

State are for a short-term (72% for less than 1 month and 21% between 1 and 3 months). In response to the calls of the European Parliament to increase the quality and attractiveness of apprentices' mobility, the Commission will propose a new dedicated long duration (6-12 months) mobility activity "**ErasmusPro**", within the existing Erasmus+ programme to support work placements abroad. A strong supporting framework, which will include thorough preparation, structured implementation and appropriate follow-up, will ensure the impact and quality of the mobility experience. Close cooperation with employers and other stakeholders in the European Alliance for Apprenticeships and the Pact for Youth¹⁸, and strong partnerships with the Vocational education and training providers, social partners' organisations, intermediary bodies and public employment services to reach out to local employers, will secure a wider pool of companies ready to host mobile Vocational education and training learners, notably apprentices.

3.3. Better opportunities for solidarity, learning mobility and participation

- In the context of the mid-term review of the multiannual financial framework, the Commission has proposed to give a further boost to learning mobility through a **significant increase of EUR 200 million in the budget for Erasmus+ until 2020**.
- The Commission is setting up a **European Solidarity Corps** which will strengthen the foundations for solidarity work in Europe. It will connect enthusiastic and committed young people working on a common solidarity project. It will offer an inspiring and empowering experience for young people who want to help, learn and develop, while gaining valuable experience. It will provide an extended basis for supporting organisations around Europe that provide solidarity opportunities for young people. It will serve the needs of vulnerable communities, of public national and local structures on a wide range of areas such as providing food and lodging to the homeless, cleaning forests, supporting disaster stricken regions or helping with the integration of refugees.
- To strengthen civic participation of young people, **the Commission will prepare the revision of the European Youth Strategy for the period beyond 2018**. Wide consultations of young people and main stakeholders will be made in the course of 2017 to discuss what the strategy should be focused on in the future. One key issue is how to provide more and better opportunities for young people to participate actively in political life and democratic processes. The Commission will further develop and step up its instruments for dialogue and exchange with young people (e.g. the One Million initiative, the New Narrative for Europe project and the structured dialogue).
- Mobility of young people is essential to increase European consciousness and identity. In line with the European Parliament's suggestion and at the occasion of the 30th anniversary of Erasmus in 2017, the Commission will support **multi-modal mobility for young people engaged in an educational project**. This offers new opportunities for young generations to discover Europe and make their own first hand experiences.

¹⁸ <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2387>

4. Conclusion

This Communication "Investing in Europe's Youth" puts forward concrete EU actions aiming at helping young people to get the job, education and training opportunities they deserve. The challenges are huge. They are shared by all Member States.

Only a broad partnership and a joint commitment between the EU and the Member States can deliver the step change that the current situation requires. This is also the spirit of the call set out in the Bratislava Declaration agreed by the EU leaders of the 27 Member States.

Building on what has been achieved in recent years, the Commission is committed to working closely with the European Parliament and the Council to increase support for investing in young people across Europe. It will work closely with each Member State and stakeholders at all levels to assist in their efforts. It also looks forward to the impetus and resolve of the European Council of 15-16 December 2016 to agree on an ambitious set of initiatives along the three strands of action outlined above.