



# **European Youth Forum**

## **Position Paper on Youth Guarantee**

Adopted by the Board at its meeting in Antwerp, 2-3 September 2010

## **Facing structural labour market challenges**

Youth unemployment in Europe has reached unprecedentedly high levels. In some countries, close to a half of young people are without a job.<sup>1</sup> These rates are twice or even three times as high as those of the entire working population.

Unemployment not only hinders personal development and lowers life chances, exposing youth to poverty and social exclusion, it also prevents young Europeans from contributing to the overall development of their country, region and the world. Addressing youth unemployment is an urgent task with regard to the ageing of European society, especially in order to ensure the sustainability of social protection structures.

The integration of young people in the labour market has become a central issue, as many struggle to find their first employment or to secure a more permanent and quality job. The European Youth Forum considers that the transition from education to the labour market should be faster, more quality-driven and should lead to longer-lasting work placements. Young people should not be over-represented among workers with temporary contracts and should not be caught in the cycle of unpaid internships.<sup>2</sup>

These imbalances are caused by structural labour market challenges that cannot only be overcome at the individual level, but need to be addressed both at national and European levels, using well-targeted policy measures.

## **Towards a faster and better quality labour market integration**

Many countries have already put in place programmes to boost youth employment, and specialised measures often referred to as youth guarantees, early intervention or back-to-work policies.<sup>3</sup> However, the means to achieving the aim vary considerably and can involve, for instance, favouring youth entrepreneurship; creating additional apprenticeships<sup>4</sup> and subsidised jobs helping youth enter the

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<sup>1</sup>Unemployment rate among the youth aged 16-30 in Bosnia and Herzegovina is 58.5% (Labor Force Survey, BiH Statistics Agency, 2007), In July 2010, the youth unemployment rate (under-25s) was 19.6% in the euro area and 20.2% in the EU27. The lowest rate was observed in the Netherlands (8.1% in June 2010), and the highest rates in Spain (41.5%), Latvia (39.5% in the first quarter of 2010) and Estonia (37.2% in the second quarter of 2010) (Source: Eurostat, August 2010).

<sup>2</sup>For more information on YFJ positions on these issues, see 0813-07 Policy Paper on Youth Employment and 0076-09 Opinion Paper on Internships.

<sup>3</sup>Two examples, albeit without a long-term impact assessment, can be noted: In 2005 Finish government introduced a plan "Social guarantee for young people" aiming at all young people who are out of work will be offered education, training or workshop place in a period of three month unemployment. UK's "New deal for young people" programme is offering tailored support to young people who have been unemployed longer than six months. (Eurofound, 2007)

<sup>4</sup>Austria created 10 000 places in 2004 under its "Jobs for Youth" programme, between 2004 and 2007 Germany created 30 000 apprenticeship places annually under its "Pact on Apprenticeships". Belgium has launched the "Rosetta-bis Plan" specifically targeted to secure transition from education to employment and provides funding funding for young people wishing to take up a self-employed activity or create their own company. (Eurofound, 2007). Here, similarly, the impact of

labour market<sup>5</sup>; encouraging employment in agriculture; providing education and training possibilities, as well as providing targeted fiscal incentives.

Concretely, a Youth Guarantee will ensure that youth labour market inactivity would not exceed a period of four months. Such a policy measure will help young people keep in touch with the labour market and keep updating their skills and competences, thus contributing to their employability at a later stage. Youth Guarantees that will offer a more tailored approach in helping young persons deal with the structural failures of the labour market will eventually build trust and confidence, and are more likely to strengthen the labour market ties and participation rates for the future.

Taking into account the different needs and priorities across Europe, the means of implementing youth guarantees can vary considerably. However, in order to achieve better results with regard to the integration of young people in the labour market, the European Youth Forum is convinced that certain overarching principles have to be present:

- Personalised career counselling and guidance should be available to help finding a tailored solution to unemployment;
- Any education and training opportunities within the Youth Guarantee scheme should be accompanied by a scholarship to cover minimum expenses and/or reimbursement of incurred costs, also subsidised student housing if necessary;
- Skills and qualifications gained as part of Youth Guarantee programmes would have to be formally recognised;
- Help finding the very first employment should be set as a priority for Youth Guarantee schemes;
- Work placements, including internships and apprenticeships, offered to young people as part of Youth Guarantee programmes, have to ensure sufficient income, social protection and health insurance standards to prevent them falling into poverty;
- Work placements should include green economy initiatives<sup>6</sup>;
- Possible additional discrimination among young unemployed (based on gender, migrant background, disabilities or any other ground) should be prevented;
- all social partners should be included in the discussion on developing a strong and sustainable system of Youth Guarantee across European countries;
- When addressing the challenges of youth labour market, the potential of civil society, especially youth organisations<sup>7</sup>, should be explored and taken into account, without shifting the burden of solving the

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such policies is yet to be seen.

<sup>5</sup>The Finnish National Youth Council Allianssi was allocated a 6 million Euro budget to create subsidised employment for young people within youth organisations. Close to 2000 jobs were created in 2010. (Allianssi, 2010)

<sup>6</sup>As an example, see Green For All ([www.greenforall.org](http://www.greenforall.org)), which is a US organisation working to build an inclusive green economy strong enough to lift people out of poverty.

unemployment crisis onto them. They are primary actors that contribute to developing the skills and competences of young people through non-formal education, and these efforts, as well as the personal development they provide for young people, should be recognised.

## **Conclusion**

The European Youth Forum welcomes the already existing initiatives, but urges the European governments and social partners to commit to a clear responsibility by introducing Youth Guarantees. Such a guarantee would be a policy measure that should aim to ensure that no young person is out of employment, education or training for a period longer than four months, unless s/he prefers so. Youth employment monitoring should be in place, through the most appropriate bodies, to help implementing such Youth Guarantee policies.

The European Youth Forum strongly believes that a Youth Guarantee can be an efficient and proactive approach to overcoming the disproportionate unemployment among young people and contributing to their social inclusion. In the long term, a Youth Guarantee would bring an important contribution to the sustainability of the European Social Model and would help boost intergenerational solidarity. In the medium term, it would also help the European Union reach the goals of the Europe 2020 strategy. However, it is crucial to ensure that Youth Guarantee becomes a sustainable tool, not merely a temporary measure that would only help to overcome crises when they appear. Not only Member States, but also European Union institutions will have to assume their role in this process.

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<sup>7</sup>An excellent case of youth organisations coming together to work against youth unemployment is the Youth Employment Action (<http://www.youthemploymentaction.org>).