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Speaking Points EU rep on Youth Guarantee

Those who hold Europe's future well-being and prosperity in their hands are clearly our youth.

Providing the young with a perspective to find their place in our societies is not only a question of fairness to a generation, but it is also about the future of our societies and whether our economic and social models are able to face the challenges of the present and future.

At present almost a $\frac{1}{4}$ of young people in the EU who want to work are denied this chance. Young people are twice as likely to be unemployed as the adult population. This means 5.6 M young unemployed Europeans. In the worst affected EU MS, (Greece and Spain), more than $\frac{1}{2}$ of the young job-seekers face unemployment. Especially worrying is the increase in long-term unemployment. In 2012 almost a $\frac{1}{3}$ of young unemployed had been out of work for more than 1 year.

Youth unemployment has put the future of an entire generation at risk. That is why the European Commission has put this challenge at the top of the EU agenda.

Last year, all MS committed to putting the Youth Guarantee in place. The Youth Guarantee is a new and innovative policy: it means that each young person under 25 who becomes unemployed or leaves formal education should within 4 months receive an offer of a job, continued education, apprenticeship or traineeship and all EU Member States have presented plans on how to implement the Youth Guarantee.

Various tools should be put in place to improve the capacity of Public Employment Services to respond to young people's needs. In particular the education system as a whole should become more

relevant to labour market needs, and effective apprenticeship schemes should be put in place.

More opportunities for apprenticeships are needed to make the Youth Guarantee work. The quality of this type of work-based learning must be ensured. That is why an EU-wide Alliance for Apprenticeship was launched last year.

Traineeships can have a key role in ensuring smooth school to work transitions. However, they are of value only if they offer quality learning content and safe working conditions. It is not acceptable that in certain cases trainees are simply used as a free source of labour to replace ordinary workers.

This is why the Quality Framework for Traineeships was recently adopted. The major concern is that some traineeships have a low quality learning content and/or misuse young people as a cheap labour force. The QFT is therefore proposing guidelines for traineeships outside formal education to provide a high quality learning content and fair working conditions so that traineeships support education-to-work transitions and increase the employability of trainees.

The International Labour Organisation estimated the total cost for establishing Youth Guarantee schemes in the Eurozone to be about 0.22% of the zone's GDP. But, this should be weighed against the costs of unemployment, inactivity and lost productivity. The costs of benefits paid out to unemployed young people, foregone earnings and taxes, are estimated to be 1.21 % of GDP.

The Youth Guarantee is indeed ambitious and may have important costs, but it costs much less than doing nothing.

Mobility is also key to youth employment. Before considering moving within the EU for work, many young people are doing this as part of their education. In fact, over 3 M students have been able to study or train in a new country with the Erasmus programme, coming back with better skills, more self-confidence, and a stronger

attachment to Europe. With Erasmus, students get a first job experience abroad during their studies. The labour market advantage of such an international experience helps build competences sought by employers such as adaptability, interpersonal and intercultural skills.

The new Erasmus+ launched this year will build on this legacy. It will enable some 4 million students to study, train or volunteer abroad, in Europe and beyond, until 2020.

Of course, nothing will help if the jobs aren't actually there. This is why the EU encourages Member States to take steps that create the right conditions for job creation and labour demand. Such measures can be, for example introducing hiring subsidies for additional jobs when recruiting young people or young long-term unemployed, invest in skills upgrading or take steps to improve outreach to young people furthest from the labour market.

To conclude, let me stress that establishing a Youth Guarantee is a key investment for the future. That way no young jobless person will be left behind, but receive an offer adapted to his or her needs at an early stage.

Ensuring success in urgently tackling youth unemployment depends mainly on action at national level. But with this brief overview of relevant EU activities I hope to have conveyed how the Commission is doing its utmost to support this development.

The employment situation and labour market of Montenegro are similar to some member states and in a few years, Montenegro will be part of the European labour demand and supply. This is why it is essential that Montenegrin decision makers learn from the youth guarantee and propose similar solutions locally.

Thinking European is the key here, and I am deeply convinced that it will benefit directly young Europeans as well as the national labour markets in Europe.