



EUROPEAN YOUTH GUARANTEE: A NEW PATHWAY FOR THE TRANSITION OF YOUNG PEOPLE TO THE LABOUR MARKET?

Sofia Boutsiouki

UNIVERSITY OF MACEDONIA, GREECE

ABSTRACT

In recent years the European Union undertakes multilevel actions in order to address the consequences of the 2008 financial crisis and the rising socio-economic challenges. The Youth Guarantee Initiative was introduced in an effort to proactively endorse youth transition to the labour market amid unfavourable employment prospects. First, the paper explores the determinant circumstances which incited such an initiative. Then, it analyses its aims and focuses on the opportunities, the challenges and the prospects of the initiative on a symbolic and a realistic basis. Finally, it highlights deficiencies that would hinder its implementation, in order to indicate potential policy interventions.

Keywords: Youth Guarantee, European policy, youth, labour market, employment, education and training

JEL Classification: I25, I28, J20, J24

Introduction

In recent years the European Union (EU) has undertaken multilevel actions in order to address the economic consequences of the 2008 global financial crisis and the rising social confrontations. Strong emphasis has been given to the interactive relation between the fields of learning and employment. Their key position as

factors that largely determine the member states' and the individuals' socioeconomic welfare and their crucial role in every developmental strategy designated them as important elements of EU policies and national practices.

This paper attempts a critical approach of the European Youth Guarantee Initiative. Established by the EU in 2013, it constitutes an effort of the European countries to proactively endorse the transition of young cohorts to the labour market amid unfavourable conditions. The particular initiative articulates the decisiveness of the EU and of national authorities "to 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". First, the paper describes the determinant circumstances which incited the introduction of the European Youth Guarantee Initiative. Then, it analyses its aims and focuses on the aspired opportunities, the challenges and the prospects of such an initiative for its stakeholders on both a symbolic and a realistic basis. Finally, the paper highlights certain deficiencies that would hinder its effective implementation, in order to designate potential policy interventions.

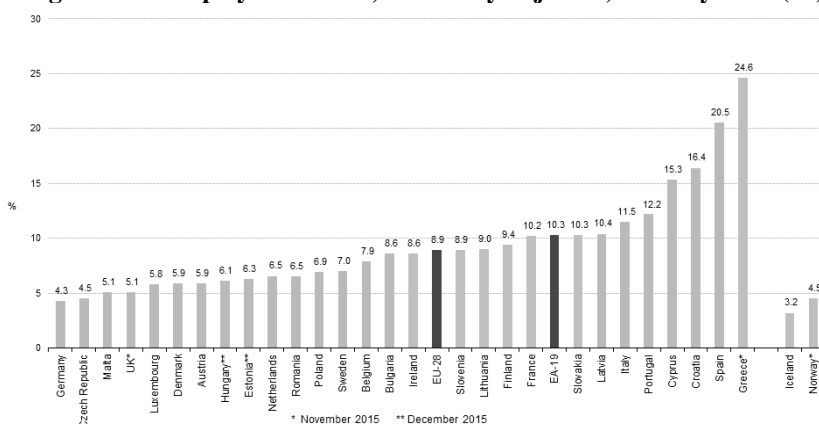
Determinant circumstances

The transformation of economies and the massive technological change have deeply modified the labour market conditions globally. The increase in the demand for better skilled workforce not only depends on the availability of employment positions, but also appears to exercise a strong influential role on the policy interventions which target rising inequality (OECD, 2011). In addition, the effects of unemployment on individuals and countries are being constantly highlighted over the years, as they are not confined only to economic consequences; on the contrary, they extend to social implications, thus seriously undermining the socioeconomic prospects of modern states and societies. On one hand, the limited professional opportunities and the gradual erosion of competences constrain people's employment prospects and increase the danger of social exclusion and poverty. On the other hand, individuals often attempt to enter or to remain in the labour market by accepting job positions with unfavourable working conditions, low wages and limited social security (Borjas, 2008; ILO, 2013a). Furthermore, unemployment results in individuals losing their self-confidence and sense of control, which may lead to a decrease of cognitive abilities in general and may diminish their motivation to undertake initiatives in order to exit unemployment (Sen, 1997). Other 'costs' must be added, such as the dramatic effects on health, personal and family life, and social behaviour; de-socialisation and loss of networks and opportunities, of self-esteem and personal fulfillment not only reduce

human capital, but also impair one’s ability to augment it (Wisman, 2010). The loss or the systematic abuse of valuable human capital results in economic recession and undermines the collective social welfare (Ahn, García and Jimeno, 2004).

The phenomenon of unemployment has become a serious long-term threat for the EU. Unemployment is 8.9% in average in the EU-28 and 10.3% in the 19 countries of the eurozone area (Eurostat, January 2016). The situation appears more aggravated in countries that have been severely affected by the economic crisis, such as Greece (24.6%), Spain (20.5%), Cyprus (15.3%) and Portugal (12.2%). Nevertheless, the instability of the global economic environment challenges the employment achievements of many other European countries, which experience the consequences of the financial crisis indirectly, such as Croatia (16.4%), Italy (11.5%) and Slovakia (10.3%) (Figure 1).

Figure 1. Unemployment rates, seasonally adjusted, January 2016 (%)

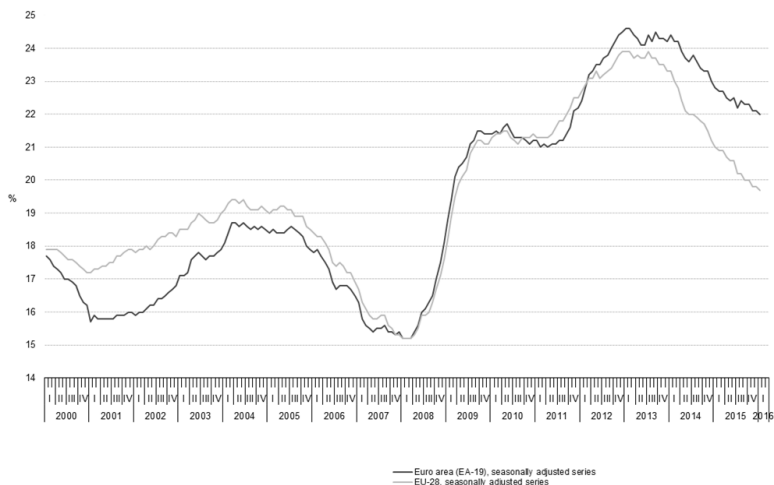


Source: Eurostat (une_rt_m)

Young people usually are the most vulnerable part of the population, when economic transformations take place, and always confront greater difficulty in entering the labour market. They are often recruited under temporary (short-term) contracts and usually accept less favourable working conditions, because they have limited professional experience and run greater danger of losing their jobs (O’Higgins, 2010; Bussi and Geyer, 2013). However, there is no doubt that their employment prospects have been affected by the 2008 financial crisis much more dramatically than those of the rest of the population. In most countries the rates of youth unemployment increased very steeply (Figure 2) and persistently remain

very high. The rates of the young unemployed less than 25 years old are double or even triple than those of the total population (Table 1), thus igniting fears for a ‘lost’ generation and serious concerns regarding the necessary interventions, which would prevent their discouragement and marginalisation.

**Figure 2. Youth unemployment rates, EU-28 and EA-19
(Jan. 2000-Jan. 2016)**



Source: Eurostat (*une_rt_m*)

Special emphasis must be given to NEETs. The term refers to young people 15-29 years old who are not in employment, education or training (Eurofound, 2012a). The particular group experiences very complex challenges regarding their access to employment or to education/training opportunities. Besides being unable to increase their work experience, their exclusion from education and training activities decreases their opportunities to enter (or re-enter) employment. For this reason they confront obstacles which outweigh those experienced by other groups of the population and constitute a matter of serious policy concern in most countries; the rates of NEETs actually act as an indicator of exclusion from both the labour market and education/training. The fact that so many young individuals experience intense difficulties in their transition to employment, while at the same time they lack access to educational activities, increases the danger of valuable human potential remaining inactive or becoming involved in the informal economy (OECD, 2013). Moreover, such a probability aggravates the long-term individual and societal costs further.

**Table 1. Unemployment rates in the EU (%)
(total population and persons <25 years)**

Countries	2009 (<25)	2009	2010 (<25)	2010	2011 (<25)	2011	2012 (<25)	2012	2013 (<25)	2013	2014 (<25)	2014	2015 (<25)	2015
EU-28	20.3	8.9	21.4	9.6	21.7	9.6	23.2	10.5	23.7	10.9	22.2	10.2	20.4	9.4
Austria	10.0	4.8	8.8	4.4	8.3	4.2	8.7	4.3	9.2	4.9	10.3	5.6	:	:
Belgium	21.9	7.9	22.4	8.3	18.7	7.2	19.8	7.6	23.7	8.4	23.2	8.5	21.2	8.3
Bulgaria	15.1	6.8	21.8	10.3	25.0	11.3	28.1	12.3	28.4	13.0	23.8	11.4	21.5	9.4
Croatia	25.2	9.2	32.4	11.7	36.7	13.7	42.1	16.0	50.0	17.3	45.5	17.3	44.6	16.6
Cyprus	13.8	5.4	16.6	6.3	22.4	7.9	27.7	11.9	38.9	15.9	36.0	16.1	33.2	15.6
Czech Republic	16.6	6.7	18.3	7.3	18.1	6.7	19.5	7.0	18.9	7.0	15.9	6.1	12.6	5.1
Denmark	11.8	6.0	13.9	7.5	14.2	7.6	14.1	7.5	13.0	7.0	12.6	6.6	10.8	6.2
Estonia	27.4	13.5	32.9	16.7	22.4	12.3	20.9	10.0	18.7	8.6	15.0	7.4	:	:
Finland	21.5	8.2	21.4	8.4	20.1	7.8	19.0	7.7	19.9	8.2	20.5	8.7	22.4	9.4
France	23.6	9.1	23.3	9.3	22.6	9.2	24.4	9.8	24.8	10.3	24.2	10.3	25.1	10.4
Germany	11.1	7.6	9.8	7.0	8.5	5.8	8.0	5.4	7.8	5.2	7.7	5.0	7.3	4.6
Greece	25.7	9.6	33.0	12.7	44.7	17.9	55.3	24.5	58.3	27.5	52.4	26.5	:	:
Hungary	26.4	10.0	26.4	11.2	26.0	11.0	28.2	11.0	26.6	10.2	20.4	7.7	17.3	6.8

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Ireland	24.0	12.0	27.6	13.9	29.1	14.7	30.4	14.7	26.8	13.1	23.9	11.3	20.9	9.4
Italy	25.3	7.7	27.9	8.4	29.2	8.4	35.3	10.7	40.0	12.1	42.7	12.7	:	:
Latvia	33.3	17.5	36.2	19.5	31.0	16.2	28.5	15.0	23.2	11.9	19.6	10.8	16.3	9.9
Lithuania	29.6	13.8	35.7	17.8	32.6	15.4	26.7	13.4	21.9	11.8	19.3	10.7	16.3	9.1
Luxembourg	16.5	5.1	15.8	4.6	16.4	4.8	18.0	5.1	16.9	5.9	22.3	6.0	14.0	6.1
Malta	14.5	6.9	13.2	6.9	13.3	6.4	14.1	6.3	13.0	6.4	11.7	5.8	12.1	5.3
Netherlands	10.2	4.4	11.1	5.0	10.0	5.0	11.7	5.8	13.2	7.3	12.7	7.4	11.3	6.9
Poland	20.6	8.1	23.7	9.7	25.8	9.7	26.5	10.1	27.3	10.3	23.9	9.0	20.9	7.5
Portugal	25.3	10.7	27.9	12.0	30.3	12.9	37.9	15.8	38.1	16.4	34.7	14.1	32.0	12.6
Romania	20.0	6.5	22.1	7.0	23.9	7.2	22.6	6.8	23.7	7.1	24.0	6.8	21.7	6.8
Slovakia	27.6	12.1	33.9	14.5	33.7	13.7	34.0	14.0	33.7	14.2	29.7	13.2	26.4	11.5
Slovenia	13.6	5.9	14.7	7.3	15.7	8.2	20.6	8.9	21.6	10.1	20.2	9.7	15.7	9.1
Spain	37.7	17.9	41.5	19.9	46.2	21.4	52.9	24.8	55.5	26.1	53.2	24.5	48.3	22.1
Sweden	25.0	8.3	24.8	8.6	22.8	7.8	23.7	8.0	23.6	8.0	22.9	7.9	20.4	7.4
United Kingdom	19.1	7.6	19.9	7.8	21.3	8.1	21.2	7.9	20.7	7.6	16.9	6.1	:	:
<i>Source: Eurostat (update: 01.03.2016)</i>														

Table 2. Young people neither in employment nor in education and training (NEETs) by age group

Countries	2009		2010		2011		2012		2013		2014	
	15-24	25-29	15-24	25-29	15-24	25-29	15-24	25-29	15-24	25-29	15-24	25-29
EU-28	12.4	18.9	12.7	19.6	12.9	19.8	13.2	20.7	13.0	21.0	12.5	20.4
Austria	7.8	11.4	7.1	11.6	6.9	10.3	6.8	10.8	7.3	11.0	7.7	12.2
Belgium	11.1	16.2	10.9	17.0	11.8	17.7	12.3	18.3	12.7	19.2	12.0	17.9
Bulgaria	19.5	24.0	21.8	27.8	21.8	29.9	21.5	30.0	21.6	32.3	20.2	29.6
Croatia	11.9	16.5	14.9	21.2	15.7	23.1	16.6	25.2	19.6	27.1	19.3	26.2
Cyprus	9.9	14.0	11.7	14.7	14.6	15.1	16.0	19.2	18.7	22.8	17.0	23.0
Czech Republic	8.5	19.8	8.8	19.8	8.3	18.7	8.9	19.6	9.1	18.8	8.1	18.4
Denmark	5.4	8.9	6.0	10.1	6.3	10.5	6.6	11.6	6.0	10.8	5.8	10.4
Estonia	14.5	26.0	14.0	25.6	11.6	20.2	12.2	20.1	11.3	18.9	11.7	16.8
Finland	9.9	14.1	9.0	13.3	8.4	13.0	8.6	13.7	9.3	13.8	10.2	14.8
France	12.4	18.5	12.3	19.0	11.9	19.4	12.5	20.2	11.2	18.8	11.4	19.7
Germany	8.8	16.1	8.3	15.2	7.5	13.7	7.1	13.3	6.3	13.1	6.4	12.6
Greece	12.4	21.2	14.8	24.6	17.4	31.9	20.2	37.5	20.4	42.1	19.1	39.5

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Hungary	13.4	24.9	12.4	26.6	13.3	25.5	14.8	26.3	15.5	24.1	13.6	21.7
Ireland	18.6	23.1	19.2	25.1	18.8	27.1	18.7	25.5	16.1	22.7	15.2	23.0
Italy	17.7	25.5	19.1	27.3	19.8	27.8	21.0	28.8	22.2	33.0	22.1	33.8
Latvia	17.5	27.8	17.8	26.5	16.0	24.9	14.9	21.2	13.0	19.7	12.0	19.9
Lithuania	12.1	21.4	13.2	25.7	11.8	21.7	11.2	20.3	11.1	19.4	9.9	19.1
Luxembourg	5.8	10.5	5.1	7.7	4.7	9.8	5.9	10.4	5.0	11.0	6.3	6.9
Malta	9.9	17.7	9.5	17.1	10.2	15.6	10.6	13.8	9.9	13.8	10.5	14.2
Netherlands	4.1	7.6	4.3	8.7	3.8	9.1	4.9	9.9	5.6	11.2	5.5	11.6
Poland	10.1	20.5	10.8	21.6	11.5	21.4	11.8	22.1	12.2	22.7	12.0	21.2
Portugal	11.2	14.6	11.4	17.3	12.6	16.2	13.9	18.7	14.1	20.8	12.3	19.2
Romania	13.9	19.0	16.4	22.0	17.4	22.2	16.8	24.0	17.0	24.1	17.0	24.6
Slovakia	12.5	25.8	14.1	27.5	13.8	27.1	13.8	27.1	13.7	27.8	12.8	27.1
Slovenia	7.5	12.5	7.1	13.2	7.1	13.2	9.3	15.9	9.2	18.7	9.4	18.5
Spain	18.1	22.5	17.8	23.2	18.2	24.2	18.6	27.8	18.6	28.7	17.1	26.7
Sweden	9.6	10.4	7.7	9.5	7.5	8.6	7.8	9.4	7.5	8.7	7.2	9.0
United Kingdom	13.3	16.6	13.7	16.3	14.3	17.5	13.9	17.9	13.2	17.2	11.9	16.2

Source: Eurostat (update: 05.01.2016)

The case of NEETs projects an additional interesting dimension; the rates of NEETs who are 25-29 years old are bigger than those of NEETs who are 15-24 years old (Table 2). This is probably due to the fact that most young people 15-24 years old are still involved in education and training activities, whereas the majority of individuals 25-29 years old are expected to have already finished their studies and to be actively seeking for work, but many of them do not appear to be very successful. Therefore, the high rates of NEETs in this particular age group should be seriously taken into consideration, when interventions for young people are being planned.

Beside the social burden caused by the inactivity of so many young people, the economic costs for countries are considerable. In 2011 7.5m people 15-24 years old and 6.5m people 25-29 years old were not involved in any kind of employment or in education/training activities (Eurofound, 2012a). 14m NEETs encumber European economy with a cost of €153bn, which is equivalent to 1.2% of EU GDP (Eurofound, 2012a) and their rates continue to rise in most European countries; NEETs decreased only in four countries (Austria, Germany, Luxembourg and Sweden) (Table 2).

Consequently, the countries' attempts for economic recovery are hindered. Greece—with a 54.7% increase of NEETs—has a burden of €7.1bn; in Spain NEETs increased by 34.4% and caused a cost of €15.7bn; in Ireland they increased by 37.5% and caused a cost of €4.3bn, while the cost is €32.6bn for Italy, €2.7bn for Portugal and €0.5bn for Cyprus. Certainly, the impact should not be calculated strictly on economic grounds as a percentage of the GDP, but should be particularly perceived as a factor of serious social unrest.

The aforementioned facts are of great importance for the decisions that concern the implementation of the Youth Guarantee Initiative and draw the attention especially—but not exclusively—to the rising debate on the eligibility criteria for participants and to the feasibility of provisions for the inclusion of broader groups of young individuals.

Table 3. NEETs in the EU: numbers and costs

Countries	Number of NEETs, aged 15-29 (2011)	Total cost (2011)	% of GDP (2011)	% change in NEET cost (2008-2011)
EU-26	13,941,264	€ 153,013,053,902	1.21	28.33
Austria	124,894	€ 3,174,088,942	1.06	3.59
Belgium	278,610	€ 5,212,677,869	1.42	28.08
Bulgaria	316,901	€ 1,272,066,372	3.31	52.06
Cyprus	23,799	€ 424,582,494	2.39	50.18
Czech Republic	242,213	€ 1,799,781,276	1.16	20.59
Denmark	76,201	€ 1,287,222,442	0.54	65.31
Estonia	41,764	€ 309,028,277	1.93	46.95
Finland	98,625	€ 2,020,035,528	1.07	23.27
France	1,634,599	€ 22,179,184,354	1.11	25.20
Germany	1,350,524	€ 15,464,150,265	0.60	-5.97
Greece	419,102	€ 7,065,609,793	3.28	74.74
Hungary	329,915	€ 2,132,937,655	2.12	30.69
Ireland	193,606	€ 4,327,415,557	2.77	38.28
Italy	2,157,052	€ 32,613,386,658	2.06	29.78
Latvia	90,361	€ 535,755,173	2.67	59.59
Lithuania	102,226	€ 328,040,537	1.07	46.59
Luxembourg	6,163	€ 96,837,652	0.23	-20.69
Netherlands	166,254	€ 3,957,261,493	0.66	27.85
Poland	1,253,504	€ 7,535,945,953	2.04	40.17
Portugal	260,392	€ 2,680,128,907	1.57	25.79
Romania	849,452	€ 2,102,787,690	1.54	77.97
Slovakia	226,340	€ 685,900,206	0.99	32.55
Slovenia	34,969	€ 465,709,508	1.31	35.79
Spain	1,643,928	€ 15,735,159,614	1.47	45.77
Sweden	142,918	€ 1,260,246,895	0.33	4.98
United Kingdom	1,872,403	€ 18,347,112,792	1.05	36.49

Source: Eurofound, 2012a

I. The Tradition of Youth Guarantee Schemes in Europe

The concept of youth guarantees has a long tradition in Europe. In the past, such schemes have been successfully implemented in many countries, where the public employment services had the primary role for their implementation. Mechanisms that secured training or employment opportunities for young people were put into effect for the first time by the Nordic countries. Although they were introduced amid many difficulties, these projects served as valuable experiences for future ventures (Hummeluhr, 1997). Sweden in 1984, Norway in 1993, Denmark and Finland in 1996 established their youth guarantee programmes in an attempt to confront the existing deficiencies in youth employment in a more innovative and effective way. They were followed by Germany and Austria in 2004, and by Belgium in 2007 (Besamusca, Stanesku and Vauhkonen, 2012; Lecerf, 2014).

In general, youth guarantee schemes can include various forms of interventions in the fields of education/training and the labour market. They include provisions for compensation, which not only support the financial status of young individuals, but also contribute to the increase of their self-esteem and confidence (ILO, 2013b). Depending on the country, they promote measures that operate either independently from each other or in mutual cooperation under the supervision of national or regional services. Three different types of measures can be identified (Hummeluhr, 1997; European Commission, 2011; ILO, 2013b):

- a) Education/training measures; they include interventions in general education, in vocational education and training (VET) and in labour market training.
- b) Measures for the improvement of employment services and programmes; such measures target the improvement of employment planning, job-search assistance and subsidies.
- c) Other active labour market policies (ALMPs); they include various forms of support through public works, community services and business start-up programmes.

Furthermore, the youth guarantee eligibility is determined differently by different states. National authorities usually introduce particular criteria that are related to age (up to 24 or to 29 years of age), the educational level (up to tertiary education or other), the duration of interventions and the period of time between one's graduation and the beginning of the programme (ILO, 2013b). The paper makes a short reference to the cases of three European countries that are interesting models of youth guarantee schemes.

In Denmark youth guarantee schemes are successfully implemented through the Danish Flexicurity Programme. The country's labour market is characterised by great flexibility and it is not uncommon for individuals to lose their jobs with a week's notice. Nevertheless, a combination of provisions for training opportunities and high unemployment benefits establish a sense of relative security. The particular programme involves passive and active labour market policies. Although all unemployed people are expected to seek for a new job, the programme focuses on establishing effective state policies that can ensure the existence of adequate job positions and proper training for them; if no jobs exist, the government has to provide them. When individuals become unemployed, they qualify for two years benefits. In addition, they are obliged to fill in a resumé within a month and to meet with an employment consultant within three months, in order to receive guidance and job search assistance. Most individuals find a job in a short period of time; if someone is still unemployed two years later, he/she enters a compulsory training programme, which is part of the national ALMPs and is planned according to local needs. In spite of the high overall cost of the initiative, which amounts to 4% of the GDP, the results appear quite successful; there is a continuous reduction of unemployment and a significant GDP growth, while the national economy enjoys many advantages (Wisman, 2010).

The organisation of youth guarantee schemes in Sweden is similar to that of Denmark, but the time management is much stricter. Young unemployed people must register in the list of unemployed of the public employment services. If they don't secure a job position within ninety days, they are offered a personalised four-month programme, which aims at them either entering the labour market or participating in training. During the first three months they are involved in specific activities, such as assessment, educational and vocational guidance and job search assistance with the help of specialised coaches. When the four-month period ends, the schemes are enriched with provisions that endorse their transition to the labour market, such as opportunities for work experience or education/training, support for business start-ups and for employability enhancement. The outcomes of the Swedish youth guarantee have been successful for almost half participants (Eurofound, 2012b; European Monitoring Centre on Change, 2012; ILO, 2012a).

In Finland the present youth guarantee schemes started in 2005 and were revised in 2010. In the beginning, they targeted young people less than 25 years old, but since 2013 they include all young people less than 30 years old, who are not engaged in employment or education. The aim is to help young unemployed individuals to enter (or to re-enter) the labour market through the implementation of personalised plans within the first three months of unemployment. Each plan includes provisions for job offering, for placement in education/training schemes or other

activities that improve employment prospects. The Finnish youth guarantee schemes have very high success rates, as more than four out of five individuals re-enter the labour market. However, large part of the success is associated with the significant budget increase for the public employment services, that allowed for more advisors to be allocated and, thus, for larger numbers of young people to be supported within shorter periods of time (Eurofound, 2012b; ILO, 2012a).

The valuable experience from youth guarantee initiatives that were successfully implemented in various national socioeconomic environments ignited the interest of other European countries in introducing similar practices, when other piecemeal measures did not prove successful. Considerable evidence, though, indicates that, over the years, youth guarantee projects proved to be rather successful in improving youth transition to the labour market, but they seem to lose part of their dynamics during an economic crisis (ILO, 2013b).

II. Promotion of Youth Potential in the EU: Institutional Framework and Policy Interventions

The Youth Guarantee Initiative has been designated as part of the EU youth policies, which have been reinforced by the international debate over the confrontation of employment difficulties and the enhancement of the young individuals' role as economic and social actors and as citizens. Youth aspirations are discouraged by the deficiencies in the socioeconomic environment, from which they feel more and more detached. For this reason international organisations and countries have engaged in a more intense effort to intervene with the appropriate policy measures and to improve youth prospects.

The International Labour Organization (ILO, 2012a; 2012b) promotes the improvement of the labour market environment through a multi-level approach, which involves a basic policy mix that could (and should) be adapted to the particular conditions of each country. Five policy areas are highlighted:

- a) Introduction of policies that aim at increasing aggregate demand and at improving access to finance.
- b) Provisions for education/training in order to support the school-to-work transition.
- c) Introduction of labour market policies especially for young people from disadvantaged groups.
- d) Enhancement of youth entrepreneurship in order to support job creation for both entrepreneurs and employees.

e) Introduction of the necessary legislation in order to secure young individuals' equal treatment and working rights in their jobs.

The necessity of sustainable policy reforms and practices that would support the employment opportunities of young people has been repeatedly designated by different political entities in the EU. In 2010 the European Parliament appealed for interventions that would facilitate youth access to the labour market. It placed emphasis on the communication between education and the labour market, on mobility and work placements (apprenticeships, traineeships/internships), as well as on the educational and financial support for corporate ventures undertaken by young individuals (European Parliament, 2010). The aggravation of the economic conditions and their social implications led to more proactive youth policy interventions by European authorities. The Youth Employment Package that was introduced by the European Commission in December 2012 suggested the establishment of innovative practices as means for smoother transition from education to the labour market (European Commission, 2012). The European Parliament repeatedly expressed its support to particular interventions towards this aim; it agreed on the further promotion of the Youth Opportunities Initiative (European Parliament, 2012) and urged for a European Commission resolution (European Parliament, 2013).

Having succeeded a certain consensus, the European authorities gave a concrete character to the implementation of the Youth Employment Package through the establishment of the Youth Employment Initiative/YEI in March 2013 (European Commission, 2013b). Its actions focus on regions where youth unemployment rates are higher than 25%, as well as on NEETs 15-24 years old, who are extremely vulnerable to labour market transformations. Member states are expected to undertake actions directly targeting education and employment deficiencies. In addition, they are encouraged to make the appropriate qualitative adjustments in their educational, employment and social services and to enhance the interaction between education and the labour market. The initiative is supplemented by funding provisions for a budget of €6bn for the period 2014-2020, which are to be drawn from two different sources. €3bn will be drawn from a specific EU budget line dedicated to youth employment, which will act as an informal youth unemployment fund and will exploit any margins that will be left available below the Multiannual Financial Framework ceilings for the years 2014-2017; another €3bn will be drawn from the European Social Fund national allocations that should be used in projects combating youth unemployment. The allocation of funds especially to the YEI has its own symbolic importance. Nevertheless, it must be emphasised that these financial resources do not come from an actual increase in the relevant European funding, but from a further reduction in the cohesion budget,

which had already been reduced compared to the previous 2007-2013 financing period. Therefore, concerns regarding the financial sustainability of the initiative appear to be completely justified.

Besides its aspired contribution to the effectiveness of the Youth Employment Package, the YEI was timely designed in order to exercise a supportive role for future interventions. Consequently, the introduction of the European Youth Guarantee Initiative in April 2013 (Council of the European Union, 2013) came at a time when the EU had already gained experience in establishing initiatives that supported youth prospects. Through this initiative the EU and national authorities pledged “to 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”. Youth Guarantee projects should include coordinated actions aiming at broadening the professional opportunities of young people. Such actions should either facilitate youth transition to the labour market or help them develop their learning competences and qualifications further in order to match the labour market demands. Since its aim is to operate as a means of proactively confronting the socioeconomic implications of an unfavourable labour market for the younger cohorts especially, it addresses multiple recipients.

A few months later, the European Commission suggested an organised model in order to reinforce young people’s efforts to get into work, education or training. Its implementation required the proactive support of stakeholders and of the European authorities to a number of measures. It encouraged immediate actions that would get youth into employment and the adoption of measures supporting apprenticeship schemes and high quality training in order to address skills shortages. For this reason it supported mobility within the EU with the help of EURES, as well as the adoption of measures that increase the creation of jobs, especially by SMEs, and youth recruitment. Furthermore, it called for the acceleration of reforms that in the long-term would lead to an integrated European labour market. It also recognised that, besides the organisational and administrative dimensions, the implementation of Youth Guarantee schemes involves an economic dimension, which can determine the prospects of its success. For this reason the European Structural Funds were designated as funding sources that should be used in coordination with national resources (European Commission, 2013a).

Shortly after, the European Council enhanced the supportive orientation of the European authorities by explicitly acknowledging the importance of the issue; it characterised the phenomenon of high youth unemployment as ‘unacceptable’ and placed the priority to confront it first in the agenda (Conclusions of the European

Council, 2013). It urged the EU member states to take immediate action by adopting their national plans, which were required in order to confront youth unemployment, and to implement the Youth Guarantee principles according to their needs. Finally, it gave greater priority to countries with youth unemployment rates higher than 25% by encouraging them to submit their national Youth Guarantee plans by January 2014, when the first funding disbursements would be allocated. However, the primary focus on countries with unemployment higher than 25% raises concerns, as the mid- and long-term consequences for other countries might be equally serious and dangerous, if they are not properly addressed. By April 2014 all EU member states had submitted their national Youth Guarantee plans, but the final outcomes require close supervision and careful implementation of the measures that will be put into effect by each one of them.

European Youth Guarantee Initiative: Aims, Challenges and Prospects

As the adverse circumstances challenged the countries' social cohesion and economic stability, the pressures on the states' decision-making intensified. During the first months of 2014 twenty-eight national Youth Guarantee plans were submitted to the European authorities. For the first time the EU attempts to promote a regulated action at such scale and to achieve some form of homogeneity in confronting youth unemployment, skills mismatches and lack of job opportunities. At the same time, the different dimensions involved in the schemes' implementation are being clearly designated as new challenges for the entire EU and for each one of the member states. Four pillars can be identified in the construction of the initiative and the most important challenges can decisively determine its outcomes in the relevant fields.

The *first pillar* includes the institutionalisation of the Youth Guarantee interventions, which applies on both the statutory framework and the collective mindset. There is no doubt that the favourability of the broader socioeconomic environment is the primary prerequisite for the successful implementation of the Youth Guarantee. More analytically, the macroeconomic stability and the prevalence of a positive mindset towards its interventions constitute the necessary foundations for the implementation of the schemes. On one hand, the institutional framework has to provide for the dissemination of good practices. Moreover, the credibility (and therefore the attractiveness) of the institution can be enhanced by the close monitoring and the quality assurance of its processes. The latter would mitigate the serious concerns about the danger of having older workers dismissed in favour of younger individuals, whose placement might be subsidised by financial or other motivational advantages for employers. The initiative's outcomes can be decisively determined by preparatory actions which support job search and

creation, by the promotion of training as a means to combat unemployment in the short- and medium-term, as well as by institutional factors that influence the level and the quality of its organisation (Bussi and Geyer, 2013). Furthermore, the institutional framework has to be supplemented by provisions ensuring professional experience opportunities for young people through their involvement in specific projects with alternative actions and tangible results. A well regulated operational framework for work placements and the establishment of more and better quality apprenticeship/traineeship schemes would contribute to shorter periods of inactivity between their graduation from all forms of learning and their entrance in the labour market for the first time. Mobility is an additional instrument for the reinforcement of youth prospects through common youth guarantee projects. It improves the language skills and the cultural interaction between young Europeans, is associated with increased opportunities for first-hand experience in the integrated European working environment and allows for better allocation of human resources in different regions according to their competitive advantage. On the other hand, special emphasis has to be attributed to the ideological preparation of the stakeholders and of the public opinion regarding the content and the importance of the success of the Youth Guarantee. Finally, it must not be overlooked that the collection of data concerning school-to-work transition is valuable for the implementation of the Youth Guarantee Initiative and the monitoring of its needs. The interactive and continuous communication between education and the world of work, and the development of qualifications and specialisations in demand would be enhanced by regular data flow and would ignite growth.

The *second pillar* refers to the establishment of a consistent stakeholders' participation. The main challenge is to incite as many potential actors as possible to actually be involved in the schemes, regardless of their position in the initiative's processes. The beneficiaries—young people in general and NEETs in particular—need special motivation in order to pursue new opportunities through training or work. The longer they 'tolerate' their potential being inactive and their dynamics remaining unexpressed, the more they run the risk of professional and social exclusion. Vocational education and training should become an attractive instrument through which young people can develop skills that match the labour market demands and ultimately restart their professional dynamism. Furthermore, more opportunities for effective professional guidance could be established by public or private employment services and young individuals could be supported to develop the necessary competences and to avoid skills mismatches and erosion. However, such an endeavour requires the proactive cooperation between education and the labour market. The engagement of key stakeholders—such as education providers and employers—in every stage of the planning and the implementation of

the Youth Guarantee interventions would enable their particular expertise and recommendations to be properly deployed.

The *third pillar* refers to the inclusiveness of the Youth Guarantee; the challenges are multidimensional and will determine the eligibility of the young individuals who will benefit from the projects. Firstly, the age limitations, which appointed that only young individuals less than 25 years old are eligible in the projects, should have taken into account the worse circumstances experienced by individuals 25-30 years old. Secondly, space is a parameter that should also be considered. By targeting deficiencies at regional and local level rather than at national, the initiative can actually invest in greater effectiveness and restrain the ongoing 'brain drain', the unprecedented emigration of valuable human capital from the weaker European economies towards other centres. Thus, through successful Youth Guarantee projects the countries would be able to maintain the specialised human capital they need in order to achieve their economic and social stability. In addition, the commitment of member states to provide work or training opportunities depends upon their ability to provide access to the relevant information and upon the proactive interaction between all stakeholders, such as state authorities, education and training providers, public and private employment services, employers and unions. As projects are usually implemented by many different institutions, the dissemination of information regarding the coordination of and the access to their activities becomes very important. The EU member states are required to assess the socioeconomic conditions carefully, to establish objective monitoring and evaluation processes, to draw useful experience from existing good practices and to improvise, in order to develop inclusive initiatives.

The *fourth pillar* involves the funding prospects of the initiative, which will determine the outcomes of its various interventions at social and economic level. Previous experience has established that the combination of different measures—training, career guidance and job search assistance, apprenticeships, subsidised employment and support of self-employment—has proven more successful than any intervention based on separate measures (O'Higgins, 2010). However, high—direct and indirect—costs cannot be avoided. So, the concerns about the ability of the EU and of member states to support such projects financially not only are justified, but should also be expected to intensify along with the development of projects. Countries with a lot of inactive youth potential will face great difficulty in contributing to Youth Guarantee projects through their budgets and such economic support will certainly aggravate their national financial position, even though EU funds will be used as well. Moreover, the allocation of €6bn by the EU seems insufficient in contrast to the large numbers of young people who should be eligible. Consequently, a different approach becomes necessary; the financial

cooperation between the public and the private sector appears more likely to prove successful and cost-effective. Besides the creation of more education/training or employment opportunities for young individuals, the overall system can establish active networks with the entrepreneurial world that will supply organisational expertise, guidance and counseling services and strong role models. In this way broader involvement of benefactors can be incited and youth entrepreneurship can be encouraged. More young people will be able to exit unemployment by undertaking their own entrepreneurial ventures and to achieve their social integration, while at the same time they will probably become active supporters of job creation projects for their peers.

Conclusions

The Youth Guarantee Initiative constitutes part of the European youth policies and is developed towards a twofold aim. On one hand, it attempts to coordinate targeted interventions in order to mobilise more stakeholders and resources to support the social integration and the smoother labour market transition of young individuals. On the other hand, it aims at raising awareness with regards to future youth employment prospects, so that broader and actually sustainable commitments can be undertaken. The paper attempted to approach the particular challenges concerning the implementation of the Youth Guarantee Initiative by designating the multiple and often interrelated factors involved. Four different pillars were identified in the Youth Guarantee construction and each one of them confronts different challenges.

One of them is related to the institutional dimension of the venture. The tight time frame imposed by the Youth Guarantee Initiative obliges the EU member states to combine its particular actions with structural reforms, in order to allow long-term dynamics and special interventions for youth potential to be established. The proactive implementation of active labour market policies (ALMPs), the quality improvement of education/training systems and the establishment of specific institutional frameworks to regulate labour costs and conditions are considered important.

Two of the pillars are associated with the supply-side and the demand-side dimension. The focus on the supply-side dimension is related to the determination of the eligibility criteria and requires proactive measures for the enhancement of training opportunities and of job search assistance and guidance for more beneficiaries. However, it is equally important to encourage interventions in favour of the demand-side, which requires the involvement of more stakeholders. The establishment of an effective regulatory framework and of monitoring mechanisms,

as well as of apprenticeship and traineeship schemes with benefits for employers and trainees would increase the demand for young employees considerably, while the participation in educational activities would be upgraded.

The fourth pillar includes the funding dimension that appears to require additional provisions, in order to secure the projects' sustainability and inclusiveness. The allocation of more financial resources, the stability of the funding flow and the engagement of more contributors to actions investing in youth potential are important for the achievement of successful outcomes.

Although the European Youth Guarantee Initiative cannot by itself actually guarantee success, it can be argued that it will definitely operate as a highly motivating factor with significant symbolic features. Youth Guarantee projects have to be carefully planned in order to succeed in their objectives. Moreover, they carry a symbolic importance that goes beyond the increase in learning and professional opportunities for young people. As the danger of younger cohorts being socially marginalised and politically excluded from decisions and initiatives regarding their future prospects becomes more apparent, a potential failure will increase their disappointment of the unfavourable socioeconomic environment and augment their frustration. Inclusive interventions and successful outcomes can positively affect the future of the existing youth potential and considerably improve the ability of the EU to manage it more effectively.

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