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# Youth Employment Initiative

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European Implementation  
Assessment

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IN-DEPTH ANALYSIS

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# Youth Employment Initiative

## European Implementation Assessment

### In-depth analysis

On 9 March 2017, the European Parliament's Committee on Employment and Social Affairs received authorisation to draw up an own-initiative implementation report on the **Youth Employment Initiative** – rapporteur: Romana Tomc (EPP, Slovenia), while referring to an agreement reached with the Committee on Budgetary Control as regards the separate own-initiative report on the **Youth Guarantee**. This triggered the automatic production of this European Implementation Assessment by the Ex-Post Evaluation Unit, Directorate for Impact Assessment and European Added Value, DG EPRS. The in-depth analysis, written in-house, focuses on the Youth Employment Initiative as an instrument supporting the implementation of the Youth Guarantee, on the basis of information available so far.

The Youth Employment Initiative provides EU financial support to a number of countries with high youth unemployment, thus facilitating their implementation of the Youth Guarantee (applicable throughout the European Union). Similarly to the Youth Guarantee, the objectives of the Youth Employment Initiative are partly pragmatic – improving the transition of young persons from adequate education to sustainable labour market, and partly idealistic – aiming to reach all those that are not in employment, education, or training (NEETs). Notwithstanding the comprehensive monitoring mechanism established by the ESF Regulation and European Commission guidelines, the implementation of YEI cannot yet be properly evaluated, as most of the Member States in question took more time than expected to establish adequate operational programmes and structures. The data available so far are thus limited and/or difficult to compare. In any case, the situation is continually improving, which has permitted additional funding to be proposed for the YEI before 2020.

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## Executive summary

The European Union is actively engaged in supporting youth employment, building on past experience, both in terms of policy-making and financial resources. The EU's actions – including various instruments supporting young persons, and economic development in general – are based on the relevant Treaty provisions, which permit the coordination of national policies and specific spending from the Union's budget. Nevertheless, the main responsibility for tackling educational, vocational, and labour-market matters remains firmly with the Member States.

It is difficult to discuss the Youth Employment Initiative (YEI) without mentioning the Youth Guarantee (YG), or vice-versa, and effort needs to be made to distinguish one from the other. While the YG constitutes a commitment made by all EU Member States with regard to assisting young people in their transition from education to work, the YEI provides financial means to those countries which have the biggest challenges in doing so. This does not mean that the YEI was at any point expected or supposed to cover the costs of all YG measures implemented by any of the Member States, and some of the concerns raised today are about the risk of EU funding replacing the necessary national expenditure.

Although half of the funding of YEI-supported measures has been reserved in a separate budget line, it also remains firmly within the framework of the European Social Fund (ESF), including the rules on implementation. Special provisions of the ESF Regulation provide details on programming and monitoring specific to the YEI, and the European Commission issued separate guidelines for YEI implementation and evaluation. The immediate result indicators envisaged by the EU law record the growing number of participants, whereas Member States are relatively free to choose the target groups – with significant challenges in reaching the most vulnerable. The long-term indicators, which are supposed to allow for proper evaluation of YEI, are almost non-existent at this stage.

In order to allow the swift use of funds (€6.4 billion total), a decision was taken to 'front-load' them for commitment during the 2014-2015 period, and then to increase the pre-financing option up to 30 %. Because of the late adoption and implementation of operational programmes, these opportunities for speedy delivery were not always used. In fact, only the positive development of the situation over the years (including payment predictions for 2017) is reported for all countries covered by YEI, while a few Member States – that constitute the initiative's biggest beneficiaries – managed to start using EU support on a larger scale.

## Acronyms

CPR – Common Provisions Regulation

ECA – European Court of Auditors

EFTA – European Free Trade Association

EMCO – Employment Committee

EP – European Parliament

EPSCO – Employment, Social Policy, Health and Consumer Affairs Council

ESF – European Social Fund

EU – European Union

MFF – multiannual financial framework

NEETs – young persons not in education, employment or training

TFEU – Treaty on the Functioning of the European Union

UK – United Kingdom

YEI – Youth Employment Initiative

YG – Youth Guarantee

## 1. Introduction

Employment matters are normally considered to be part of social policies, which are not covered by the exclusive competence of the European Union, or – earlier – the European Community. Even the draft EU Constitution, discussed a few years ago, limited itself to an open method of coordination with regard to national social policies. Following the changes introduced in 1997 by the Treaty of Amsterdam, the **promotion of employment** nevertheless became a primary objective of the European Community,<sup>1</sup> and a separate Title IX of the Treaty on the functioning of the European Union (TFEU) now regulates cooperation at European and national level, with the aim of contributing to a high level of employment. Title X, which follows, deals with such aspects of social policy as improving working conditions, social dialogue, and combatting exclusion.

Similarly, but for a slightly longer period, European support was arranged for European Community/European Union Member States in the area of education, including a period when the case-law of the Court of Justice broadly interpreted the limited legal basis in the form of a common vocational training policy.<sup>2</sup> Education, vocational training, youth and sport are now dealt with jointly in Title XII of TFEU, with a notable exclusion of any measures harmonising the laws and regulations of the Member States.<sup>3</sup> Finally, the Treaty also contains (well placed between the previously mentioned provisions – in Title XI) three articles on the **European Social Fund (ESF)**, which was established to improve employment opportunities for workers in the internal market, with implementing regulations to be adopted by the European Parliament and the Council in accordance with the ordinary legislative procedure.

The above-mentioned legal context permitted the European Union to act in response to the economic crisis that occurred at the end of the first decade of the 21st century, and led to rising numbers of unemployed persons, especially among the younger generations. Also, youth unemployment became the top concern in popular perception, before such issues as migration, terrorism, and economic inequality.<sup>4</sup> An Employment Package established in 2012 contained, among other elements, a proposal for a **Youth Guarantee (YG)**; subsequently adopted as a Council recommendation on 22 April 2013), which aims at ensuring that every young person in Europe finds a suitable job or continues his or her education.

That recommendation, addressed to the EU Member States and the European Commission, already referred to the forthcoming **Youth Employment Initiative (YEI)**, which came into being as a separate financial instrument on the basis of the relevant

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<sup>1</sup> The term 'European Community' was replaced by 'European Union' in the Treaty of Lisbon (signed on 13 December 2007).

<sup>2</sup> For details see Constitutional law of the European Union, Koen Lenaerts and Piet Van Nuffel, ed. Robert Bray, Second Edition, 2005, pp. 305-306.

<sup>3</sup> Compare Article 166(4) with Article 149 on employment, which also contains this reservation.

<sup>4</sup> See for example: A new union of 27 split along old lines by Matthew Karnitschnig in *POLITICO*, vol. 2, no 26 of 30 June - 6 July 2016, p. 23.

provisions<sup>5</sup> of Regulation 1304/2013 adopted on 17 December 2013.<sup>6</sup> Importantly, whereas the YG was expected to be implemented by all EU Member States, the YEI serves to provide financial support to young persons<sup>7</sup> not in education, employment or training (NEETs), in those regions where youth unemployment was higher than 25 % as measured in 2012, or 20 % with a significant increase (by more than 30 %) in that year.

Because of the gravity of the youth unemployment situation, the total budget of the YEI (€6.4 billion) was not committed under the standard seven year period of the Multiannual Financial Framework, but **frontloaded** in the years 2014 and 2015, to ensure a swift mobilisation of resources. However, some Member States found it difficult to ensure the necessary resources for standard **pre-financing** of YEI measures (with only 1 % being provided by the European Commission, and the rest subject to reimbursement after completion), mostly due to budgetary constraints. In order to remedy this situation, which was claimed to have caused significant delays in the implementation of the YEI,<sup>8</sup> the European Commission proposed to increase the initial pre-financing amount to 30 %, adopted in the amended ESF Regulation on 20 May 2015.<sup>9</sup>

The possible inadequacy of the envisaged funding in relation to the scale of youth unemployment in the EU was one of the main points of a Special Report by the **European Court of Auditors** (ECA).<sup>10</sup> The Court also observed that the European Commission provided adequate and timely support to the Member States in setting up YG schemes, questioned the coordination of implementation plans' assessment with ex-ante conditionality for YEI operational programmes, and indicated that if Member States do not provide accurate and complete information about the sources of funding they use, it will be difficult to assess the appropriateness of YEI expenditure.

An extensive **evaluation exercise** of the Youth Employment Initiative was undertaken for the European Commission by Ecorys and the Public Policy and Management Institute (PPMI), and their report, published in June 2016, described in detail the situation at the end of 2015.<sup>11</sup> It was then considered that although the implementation of YEI had progressed, with 320 000 young people benefiting from activities in 18 out of 22 eligible Member States,<sup>12</sup> certain implementation challenges should be addressed for the YEI to achieve its full potential. The report pointed out the late set-up of programme implementation arrangements, some Member States' focus on highly educated NEETs instead of the low-skilled, and the absence of fully functioning integrated monitoring systems.

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<sup>5</sup> Articles 16-23.

<sup>6</sup> OJ L 237, 20 December 2013, p. 470.

<sup>7</sup> That is under 25 years old (30 years, if a Member State decides so on justified grounds).

<sup>8</sup> See point 2 of the preamble to Regulation (EU) 2015/779 of 20 May 2015.

<sup>9</sup> OJ L 126, 21 May 2015, p. 1.

<sup>10</sup> [SR 15/03](#) – EU Youth Guarantee: first steps taken but implementation risks ahead.

<sup>11</sup> First results of the Youth Employment Initiative, available at <https://www.uk.ecorys.com/news/youth-employment-initiative-has-supported-320000-young-people-its-early-stage-implementation>, referred to hereafter as the Ecorys report.

<sup>12</sup> With Brussels and Wallonia counting twice for Belgium, and England and Scotland considered separately for the United Kingdom.

The **European Commission** published a joint Communication on the YG and YEI in October 2016,<sup>13</sup> accompanied by a staff working document with detailed assessment of both instruments.<sup>14</sup> Pointing to the decrease in the number of unemployed young persons in the EU (although the specific rates remain different between Member States), the Commission report suggested that 'the structural reforms of the labour market, education and training policies supported by the Youth Guarantee [with policy guidance and financial support from the EU level, notably through the Youth Employment Initiative] have made a difference'.<sup>15</sup>

Another Special Report from the **European Court of Auditors** was published in April 2017, and provided a performance assessment of the Youth Guarantee and Youth Employment Initiative together.<sup>16</sup> The ECA found limited progress in Member States' implementation of the YG, and results falling short of expectations in providing a good quality offer to all NEETs. The report also indicated the risk that the European funding simply substitutes national resources which should be committed to the limitation of youth unemployment, and concluded that the contribution of the YEI to the achievement of YG objectives is still very limited.

The **European Parliament** has traditionally been very supportive of EU funding for employment-related programmes, and also expressed concerns about the slow take-up of the YEI. In a resolution adopted on 17 July 2014,<sup>17</sup> Parliament called inter alia for stronger measures to fight unemployment among young people, including common minimum standards for apprenticeships and decent wages. In addition to the support for increased pre-financing in 2015, and some written questions from individual Members, an oral question on the Youth Guarantee and Youth Employment Initiative was discussed in plenary with European Commissioner Marianne Thyssen on 4 July 2016.<sup>18</sup> Moreover, in his last speech to the European Council on 15 December 2016, then EP President Martin Schulz said: 'we need a fully-fledged EU-policy on youth. While we have been able to steadily decrease youth unemployment since it reached its peak in 2013, divergences remain huge in EU Member States'.

**This paper** aims firstly to present the rules of the YEI in a succinct way (part 2) – including the ESF framework, budgetary allocations and monitoring requirements, before shortly describing other EU measures addressing youth unemployment (part 3). The following parts describe the state of implementation of the YEI by the Member States, on the basis of information available to date (part 4), and make a modest attempt at a comparative analysis of results against expectations (part 5). The conclusions underline a forward-looking perspective (part 6), while the annexed table sums up the main figures.

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<sup>13</sup> COM(2016) 646 final, further referred to as the Commission report.

<sup>14</sup> SWD(2016) 323 final.

<sup>15</sup> COM(2016) 646 final, page 2.

<sup>16</sup> [SR 17/05](#) – Youth unemployment – have EU policies made a difference?

<sup>17</sup> [P8\\_TA\(2014\)0010](#).

<sup>18</sup> See [here](#).

## 2. The YEI rules

### 2.1 ESF framework

The Youth Employment Initiative is a separate financial instrument established within the framework of the European Social Fund (ESF) – which is a broad EU mechanism supporting economic, social and territorial cohesion in the Union, especially with regard to employment matters. In accordance with Article 3(1)(a)(ii) of Regulation 1304/2013, the ESF shall support 'suitable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee'. In addition to six other areas listed under point (a) and covering the promotion of sustainable and quality employment and supporting labour mobility, the ESF also: (b) aims to promote social inclusion, combat poverty and any discrimination, (c) support investing in education, training and vocational training for skills and life-long learning, and – importantly – (d) enhance the institutional capacity of public authorities and stakeholders and efficient public administration. In view of the above, the YEI should not be treated as the sole mechanism addressing the unemployment of young persons in the European Union, just as the actions taken at the European level can only be considered as supporting the Member States' own employment policies.

The ESF context is important for the Youth Employment Initiative with regard to the rules of implementation.<sup>19</sup> In addition to the general rules concerning missions and consistency, the ESF Regulation also contains specific provisions on programming (such as those on the involvement of partners and promotion of equality), and financial management (including simplified cost options). In addition, Article 16 and the following contain special provisions on YEI, which also concern, *inter alia*, programming. In effect, the eligible Member States were obliged to choose one of the three options for the implementation of the YEI: a dedicated operational programme (only France and Italy chose this option); a dedicated priority axis within an existing operational programme (Ireland, Poland, Portugal, Romania, Slovakia and Spain); or a part of one or more priority axis (the remaining countries).

### 2.2 Specificity of the YEI

The special character of the Youth Employment Initiative is reflected in the fact that it aims at supporting certain Member States in implementing the Youth Guarantee by providing financial support for measures that directly address individuals.

In accordance with Article 16 of the ESF Regulation, the YEI eligible regions are NUTS2 regions with a 2012 level of youth unemployment above 25 %, or above 20 % and with an annual increase (also in 2012) of above 30 %. Importantly, as was rightly pointed out by the European Court of Auditors in its Special Report 17/05, the reference population for the YG and the YEI is not the youth unemployment rate, but the NEETs rate (which is

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<sup>19</sup> Policy Department Budgetary Affairs, In-depth analysis, page 5.

lower, with only one country – Italy – above 20 %) which can be further divided into unemployed NEETs and inactive NEETs.<sup>20</sup>

**Figure 1 – Regions eligible for support from the YEI**



Source: EPRS<sup>21</sup>

In its guidance on implementing the YEI,<sup>22</sup> published in September 2014, the European Commission envisaged the need for the Member States to prioritise among possible YEI participants and suggested focusing on those persons who would otherwise have the least chance of a proper education and/or finding employment. The decision of each Member State would of course need to be presented in the relevant operational programmes.

With respect to the involvement of partners, the Commission 2016 report underlined that the specific aims of the YEI encouraged Member States to involve multiple stakeholders in the preparation of tailored support for young persons, mentioning Lithuania, Poland and Sweden as examples.<sup>23</sup> In order to improve the situation of social partners, especially non-governmental organisations, Article 6 of the ESF Regulation contains provisions on ensuring adequate resources are dedicated to capacity and network-building of social partners and NGOs.

<sup>20</sup> [SR 17/05](#), points 6-10.

<sup>21</sup> Members' Research Service Infographic - [140825REV1](#).

<sup>22</sup> [EC Guidance on implementing the YEI](#), ESF thematic paper.

<sup>23</sup> SWD(2016) 323 final, part 1/2, p. 90.

The individual approach mentioned above could well be considered as the most ambitious element of the YEI, and one which also makes the use of EU funding more difficult, as requiring more preparation and planning. The Commission report acknowledged that all managing authorities reported the practice of establishing a personalised action plan for each beneficiary of the YEI-funded action,<sup>24</sup> and experience with this approach should contribute to the evaluation of the ESF in general.<sup>25</sup>

### 2.3 Budgetary allocations

The decision to allocate EU funds to support the implementation of the Youth Guarantee, as proposed by the European Commission, was made by the European Council in February 2013, in the framework of the Multiannual Financial Framework 2014-2020. The methodology concerning the specific allocation for the YEI is set out in Annex VIII of Regulation 1303/2013.<sup>26</sup> In total, €6.4 billion was split evenly between the separate YEI budget line and additional ESF contributions. In order to ensure the quicker use of these funds, a decision was also taken to 'front-load' the available resources, so that they are committed within the first two years (2014-2015) and then used until 2018.

In its 2013 recommendation, the Council acknowledged that Youth Guarantee schemes should take different situations into account as regards public budgets and financial constraints in terms of allocation of resources.<sup>27</sup> In effect, some Member States used the YEI funds to finance most of their Youth Guarantee operations, with the examples being Lithuania (2/3), Poland (3/4), and Spain (4/5).<sup>28</sup>

Contrary to the general ESF framework, the Youth Employment Initiative does not require co-financing by the Member States, but because of the standard rule that expenses are reimbursed by the EU, the use of national resources was inevitable. Difficulty in their provision led to the additional modification in 2015, which allowed for a higher (30 % in comparison to 1 or 1,5 % in ESF) pre-financing of YEI actions.<sup>29</sup> To ensure that this additional pre-financing is actually used for swifter implementation of YEI programmes, the amendment to the ESF Regulation also set out a mechanism of reimbursement of funds in case the Member State does not submit payment applications covering at least 50 % of the additional pre-financing by 23 May 2016 (albeit without negatively affecting the overall allocation).

The Commission 2016 report admitted that the initial phase of YEI financial implementation 'did not live up to the political expectations' for the use of those funds in 2014 and 2015.<sup>30</sup> The late adoption of operational programmes and time-consuming

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<sup>24</sup> SWD(2016) 323 final, part 1/2, p. 91.

<sup>25</sup> The difficulty in comparing the approach of specific Member States was mentioned by Anja Meierkord in her contribution to the EMPL workshop on 23 March 2017: [Lessons from the implementation of the Youth Employment Initiative](#).

<sup>26</sup> The resulting figures are included in the table at the end of this paper.

<sup>27</sup> Council Recommendation of 22 April 2013, point 22 of the preamble.

<sup>28</sup> SWD(2016) 323 final, part 1/2, p. 89.

<sup>29</sup> See [Regulation 2015/779](#).

<sup>30</sup> SWD(2016) 323 part 1/2, p. 95.

preparations in their implementation under the ESF framework resulted in the fact that only a third of managing authorities began the appropriate financial procedures in 2014. Nevertheless, the Commission also stressed a positive development in the situation in the following years, including significant amounts in payment applications received up to July 2016 (€682 million being still only around 1/5 of the basic YEI sum, and constituting only slightly more than 10 % of the total funding when considering the matching ESF support), and reporting that it received notifications of designated authorities for 23 out of 32 YEI operational programmes by September 2016. Assuming that these figures have further improved since (with the European Commission expecting to receive national payment claims up to €2 billion) in 2017, the overall assessment of this development can only be moderate at this moment.

The additional pre-financing introduced in 2015 is reported to have been both used and useful in those Member States which had the biggest volume of potential participants, that is Greece, Italy, France, Portugal and Spain.<sup>31</sup> On the other hand, a number of other countries<sup>32</sup> were obliged to return the pre-financing already obtained, as – for mostly institutional reasons – they did not reach the above-mentioned threshold of 50 %. With this result in mind, it can be said that the possibility available to all eligible countries was used by those who needed it most, while no losses (other than those related to administrative costs of managing recovery payments) were incurred in the YEI as a whole. The Court of Auditors' report also reflected on this matter, and came to the conclusion that in proposing the additional pre-financing, the Commission 'underestimated the time required to put in place appropriate structures to spend and claim expenditure'.<sup>33</sup> The Commission's response underlined the positive impact on the ground in those Member States that actually managed to use the pre-financing option, and clarified that the delays in establishing relevant authorities (and not insufficient expenditure) were indeed responsible for the fact that this group of countries was not larger.

Again in accordance with Article 16 of the ESF Regulation, the resources for the Youth Employment Initiative may be revised upwards at the moment of the mid-term review of the MFF. Building on its assessment of the usefulness of the YEI, the European Commission proposed an additional €1 billion for the YEI budget line, again to be complemented by the same amount from ESF.<sup>34</sup> Following an agreement between the European Parliament and the Council, this amount is likely to be even higher, but the allocation of these funds to Member States will be made on the basis of the latest annual data available. In June 2016, the youth unemployment rate measured per country was higher than 25 % in six Member States: Croatia, Cyprus, Greece, Italy, Portugal and Spain.<sup>35</sup>

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<sup>31</sup> SWD(2016) 323 part 1/2, p. 96.

<sup>32</sup> Czech Republic, Ireland, Lithuania, Slovakia, Slovenia, Romania, Spain and the United Kingdom.

<sup>33</sup> [SR 17/05](#), point 138.

<sup>34</sup> COM(2016) 603.

<sup>35</sup> Eurostat data provided in the ECA Special Report [SR 17/05](#), p. 11.

## 2.4 Monitoring requirements

As the Youth Employment Initiative constitutes part of the ESF framework, it falls under the common provisions of two acts: the Common Provisions Regulation 1303/2013 (CPR) and the European Social Fund Regulation 1304/2013, which lay down the requirements for monitoring of operations and reporting by Member States. Article 19 of the ESF Regulation sets out the timetable for Member States' reporting on the implementation of the YEI, including annual transmission of structured indicators data (from April 2015), quality assessment of employment offers, and two evaluation attempts (the first by the end of 2015, and the second by the end of 2018).

Importantly, Annex II of the ESF Regulation sets out details of the result indicators for the Youth Employment Initiative in two separate groups: immediate result indicators and long-term result indicators. The first addressed three groups of persons (unemployed, long-term unemployed, and inactive participants), with the measurement of three elements: 1) completing the YEI-supported intervention; 2) receiving an offer of employment, continued education, apprenticeship or traineeship upon leaving (the programme); and 3) being in education/training, gaining a qualification, or being in employment, including self-employment, upon leaving.<sup>36</sup> The long-term result indicators aim to measure the participants' situation six months after leaving the YEI programme, in order to register their status as in continued education or training, employment, or self-employment.

To facilitate the collection of data, the European Commission issued practical guidance on data collection and validation to ensure consistent and effective implementation of the requirements.<sup>37</sup> This document underlined that the general objective of the Youth Employment Initiative is the sustainable integration of NEETs in the labour market, and contained suggestions for numerous evaluation questions. The Commission also reminded the Member States that their annual implementation reports, to be submitted in May 2016, should already include the assessment of the quality of employment offers received by YEI participants,<sup>38</sup> and of the progress in continuing education, finding sustainable and decent jobs, or moving into apprenticeships or quality traineeships. A suggestion to also include this information in national evaluations, due by the end 2015, was added.

The Court of Auditors looked into the reliability of the baseline scenarios and targets set by the Member States for the purpose of measuring the above-mentioned indicators, and considered that their quality (including the data supposedly used) was largely insufficient.<sup>39</sup> In response, the European Commission defended the existing data collection guidance, pointing out that changing the rationale of measurement (for all ESF operations) would place a heavy administrative burden on Member States.

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<sup>36</sup> The first and third of these indicators are covered in the table at the end of this paper.

<sup>37</sup> Guidance document, revised May 2016, available [here](#).

<sup>38</sup> Including disadvantaged persons, members of marginalised communities, and those leaving education without qualifications.

<sup>39</sup> [SR 17/05](#), points 117-126.

### 3. Other EU measures to deal with youth unemployment

In reaction to the increased levels of youth unemployment in the EU, exceeding 40 % in some Member States, a number of initiatives were put forward, such as the Youth Employment Package in December 2012.<sup>40</sup> Apart from the proposal for a Youth Guarantee and financial assistance for its implementation through the Youth Employment Initiative, the European Commission then proposed also additional measures: broad consultation was launched on quality traineeships, and a European Alliance for Apprenticeships was established.<sup>41</sup> In effect, the Alliance – which is also open to EFTA countries and EU candidates – promotes youth employment and supports the aims of the Youth Guarantee, while reducing the disparity between skills supply and demand on the labour market. The Quality Framework for Traineeships was eventually created by a Council Recommendation in 2014 and calls on Member States to ensure that national law or practice respects the principles set out in the guidelines.<sup>42</sup> Moreover, to improve partnerships between business and education that result in increased chances for young people to find employment, the European Pact for Youth was launched in 2015, with the aim of establishing at least 100 000 new apprenticeships, traineeships or entry-level jobs.

The European Social Fund as such – apart from being available in at least the same amount as Youth Employment Initiative allocations to the funding of the YEI programmes – also contributes to improving employment chances, including those of young people, but equally depends on the way it is implemented by the Member State actions that it finances. In fact, as the European Commission stressed in its report 'the objective of the YEI is to complement national budget allocations and ESF provisions'.<sup>43</sup>

In December 2016, the European Commission took stock of the efforts undertaken to support European youth in the communication on 'Investing in Europe's Youth',<sup>44</sup> which underlined employment, education (together with training) and participation as the three core areas of action. The communication included proposals to strengthen existing interventions (such as YEI). In addition to the established programmes supporting education and transition to employment (such as Erasmus and Erasmus+), it also announced new measures, such as ErasmusPro for work placements abroad, and the European Solidarity Corps, followed on 30 May 2017 by a legislative proposal.<sup>45</sup>

Also acknowledging the direct relation between education and employment, the European Investment Bank supports – via the Skills and Jobs/Investing for Youth programme<sup>46</sup> – a number of vocational training, student loans and mobility programmes

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<sup>40</sup> See

<http://ec.europa.eu/social/main.jsp?langId=en&catId=1036&newsId=1731&furtherNews=yes>

<sup>41</sup> See <http://ec.europa.eu/social/main.jsp?catId=1147>

<sup>42</sup> [Council recommendation](#) of 10 March 2014. An external [assessment of the Alliance](#) was published by the European Commission on 30 May 2017.

<sup>43</sup> SWD(2016) 323 final, part 1/2, p. 88.

<sup>44</sup> [COM\(2016\) 940 final](#).

<sup>45</sup> [COM\(2017\) 262 final](#).

<sup>46</sup> See <http://www.eib.org/projects/priorities/investing-for-youth/index.htm>.

(€7 billion in the 2013-2015 period), and provides access to finance linked to the employment of young people in small and medium enterprises (€26 billion). This programme covers all 28 Member States, with a focus on those regions eligible for the YEI.

## 4. Member State implementation

### 4.1 Youth Guarantee set-up

The YEI resources are used in specific programmes put in place by the relevant Member States in the framework of their implementation of the Youth Guarantee schemes. The importance of facilitating the transition from education to employment was noted much earlier, and already in 2005 the employment guidelines adopted by the Council contained a perspective of offering young people 'a new start before reaching six months of unemployment'.<sup>47</sup> The European Parliament, in its resolution of 6 July 2010, supported shortening this period to four months.<sup>48</sup>

The 2013 Council Recommendation called on Member States to ensure that all young people under 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.<sup>49</sup> It must be noted that the use of 'all' (with the effect of aiming for 100 % coverage) made this recommendation (even though it is not legally binding) quite ambitious. Most recently, the Special Report 17/05 of the European Court of Auditors highlighted that none of the seven Member States it covered<sup>50</sup> has ensured that all NEETs received an offer within the indicated period, although the accompanying explanation – that EU resources alone are not sufficient to achieve the aim set – might be considered as too finance-oriented. In fact, evidence of a pragmatic approach was also visible in the Council Recommendation on the YG, such as in the statement that the implementation of the Youth Guarantee should be 'geared to national, regional and local circumstances and take into account the diversity of Member States and their different starting points'.<sup>51</sup> Moreover, in accordance with point 27 of the YG Recommendation, gradual implementation is allowed for those Member States that experience the most severe budgetary difficulties and higher rates of NEETs or of youth unemployment.

Although the Youth Guarantee was established only as a Council recommendation, the commitment of the Member States, together with the pressure from the European Commission (not least in the form of country-specific recommendations adopted within the framework of the European Semester), resulted in significant effort being made over the first three years (2013-2015). In addition to the implementation plans that all countries were required to submit, a network of national coordinators was established, and the Employment Committee (EMCO) was tasked with the surveillance of the YG implementation. An indicator framework was developed,<sup>52</sup> ensuring macroeconomic

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<sup>47</sup> Council Decision 2005/600/EC of 12 July 2005; OJ L 205, 6 August 2005, p. 21.

<sup>48</sup> OJ C 351 E, 2 December 2011, point 29.

<sup>49</sup> Earlier attempts at action in this matter included employment guidelines agreed by the Member States in 2005 (where the reference period was set at six months) and the European Commission communication of September 2010, which encouraged the establishment of Youth Guarantees.

<sup>50</sup> Ireland, Spain, France, Croatia, Italy, Portugal and Slovakia.

<sup>51</sup> Council Recommendation of 22 April 2013, points 20 and 22 of the preamble.

<sup>52</sup> Available [here](#). The current version was revised by EMCO in January 2017.

monitoring, overview of delivery, and a follow-up of individuals who were covered by the YG schemes.

The effects of the Youth Guarantee so far have been reported by the European Commission in the same set of documents as the Youth Employment Initiative, and have also been analysed by the European Parliament's (EP) services.<sup>53</sup> The key findings point to the YG's relative success as a driver for policy reform and better coordination in the fields of employment and education, and the overall figures of 14 million NEETs having entered the national schemes and 9 million taking up an offer (not to be confused with obtaining a sustainable job) are indeed impressive. The challenges identified, *inter alia* by the EP's Policy Department,<sup>54</sup> are related to the risk of divergence in supporting services among the Member States, the probability that participants return to a NEET status, and the need to define quality criteria for the offers presented to young people. The Court of Auditors identified the following problems in its Special Report 17/05:

- no Member State strategies to ensure the registration of all NEETs;
- no estimation of the overall cost of YG;
- low sustainability in NEETs' integration in the labour market after using the YG;
- limitations of the existing monitoring and reporting system.

In the paper presenting Youth Guarantee data published in February 2017, the European Commission stated that the introduction of YG schemes – supported by YEI funding – has contributed to positive structural reforms, increasing the number and range of opportunities open to young people, but that the monitoring indicators for 2015 (especially the NEET rate) 'do not yet show a substantial improvement in the labour market situation of young people'.<sup>55</sup>

## 4.2 Youth Employment Initiative operational programmes

In accordance with the Common Provisions Regulation (CPR) and European Social Fund (ESF) regulations, the European Commission must adopt the operational programmes prepared by the Member States, and the reimbursement of funds spent on specific projects is made following a verification process. In addition to the front-loading of the YEI resources to the first two years (2014-2015), the possibility to adopt operational programmes before the signature of a Partnership Agreement was established to allow swifter programming and use of funds, and thus a speedy response to youth unemployment.

All eligible Member States submitted their operational programmes to the European Commission by September 2015, but only six<sup>56</sup> designated relevant national authorities by the required date of 10 December 2015 (which – as mentioned above – limited the effectiveness of the additional pre-financing introduced in 2015). Apart from the United

<sup>53</sup> See Policy Department – Economy and Scientific Policy briefing, [PE 602.024](#).

<sup>54</sup> *Idem*.

<sup>55</sup> [Data collection for monitoring of Youth Guarantee schemes: 2015](#), p. 5.

<sup>56</sup> Bulgaria, Greece, Hungary, Latvia, France and Portugal – European Parliament Policy Department Budgetary Affairs In-Depth Analysis, page 7.

Kingdom, high involvement of public employment services (PES), was later noted in the practical implementation of the YEI measures,<sup>57</sup> while the ECA Special Report 17/05 pointed out that the availability of providers of employment offers for NEETs seemed to have often been the main driver for the allocation of funds, and that stakeholders such as youth organisations, unions and employers' organisations were not consulted early enough in the preparation of the operational programmes.<sup>58</sup>

The range of measures to be supported by the Youth Employment Initiative varies across the eligible Member States, but all are in line with the YG Recommendation. The most common categories (with at least 50 % of managing authorities implementing them) are:

- provision of first work experience,
- provision of traineeship and apprenticeship,
- quality vocational education and training courses,
- job and training mobility measures, and
- start-up support for young entrepreneurs.

In respect of the personal scope of the YEI measures, and in accordance with the last sentence of the first paragraph of Article 16 of the ESF Regulation, ten Member States decided to target young persons under the age of 30 (and not only under 25): Greece, France, Croatia, Hungary, Ireland, Italy, Latvia, Poland, Portugal and Sweden.

Member States taking part in the YEI retain significant freedom to choose the priority targets for measures to be financed, while the European Commission recommended NEETs be paid particular attention, as they are more difficult to reach (especially those with low-skills). The Commission's 2016 report noted that, because some countries did not have proper mechanisms to identify and monitor (inactive) NEETs, the focus of interventions automatically shifted to unemployed persons already registered by public services.<sup>59</sup> France is given as an example of a country in which young people far from the labour market and with low qualification levels make up almost 50 % of the national operational programme's target group.<sup>60</sup>

The Special Report 17/05 of the European Court of Auditors looked at whether appropriate analysis was carried out for measures included in the operational programmes and found them to be – at least in the Member States covered – superficial and generic'.<sup>61</sup> More specifically, the ECA criticised the lack of specific targeting of vulnerable groups of NEETs, and that skills-mismatch was not assessed by the national authorities. The European Commission, in its response, pointed out that the regulations do not set a specific requirement for a detailed assessment of the characteristics of the different subgroups of young people supported by the YEI, and stressed the obligation to establish national strategic policy frameworks for promoting youth employment (as a precondition for the Commission to adopt their operational programmes under YEI). Acknowledging the importance of this matter, Commissioner Thyssen stated, on

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<sup>57</sup> SWD(2016) 323 part 1/2, p. 90.

<sup>58</sup> [SR 17/05](#), points 110-111.

<sup>59</sup> SWD(2016) 323 part 1/2, p. 93.

<sup>60</sup> *Idem*, p. 92.

<sup>61</sup> [SR 17/05](#), point 103.

10 May 2017 – during the presentation of the ECA report in the European Parliament – that Member States are requested 'to include in their operational programmes a description of the main groups of young people' targeted by the YEI.<sup>62</sup>

### 4.3 Participation data

The delays in implementation of the YEI (due *inter alia* to programming requirements), and differences between the details in data reported by the Member States resulted in difficulties in obtaining participation numbers. In February 2016, no comprehensive data on the number of projects funded by the YEI was available,<sup>63</sup> but on the basis of the information provided at the time by the European Commission, the number of participants in 2014 was 110 300 persons. Following further Member State data reports, the number of young people who completed the YEI programme by the end of 2015 was estimated at 203 000 – which constituted around 40 % of all participants.

The European Commission asked Member States for additional information following the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) meeting on 7 March 2016, and presented the updated figure of 1.4 million participants covered by the YEI up to July 2016.<sup>64</sup> The Commission also admitted that the situation varied among Member States, with the obvious observation that the number of participants was much greater in larger countries which are main recipients of EU funding (which can be seen in the table annexed to this analysis), with Italy constituting almost one half of the total, as 640 000 persons were profiled and waitlisted by public employment services.

In terms of participants' age, the focus of YEI measures turned out to be mainly the younger group (15-24 years), with the notable exception of Greece (71 % of those supported were aged between 25-29 years old).<sup>65</sup> Gender balance is on average almost 50/50.

The Court of Auditors, in its Special Report 17/05, was quite critical in respect of the low numbers of people completing the YEI programmes over 2014-2015 (especially in France and Portugal), which in its view raised 'concerns regarding the effectiveness of the Youth Guarantee measures funded by the YEI/ESF'.<sup>66</sup> Apart from the Commission's responses, which provided specific interpretation of these figures in respective countries, it is important to note that Member States are free to establish their own target groups for YEI financing, and big differences between national programmes – especially in terms of NEETs sub-groups – might easily result in data which is not comparable.

Additional data (especially for 2016) should become available after Member States submit their annual implementation reports in June 2017 and progress reports in August 2017.

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<sup>62</sup> Full speech available at [https://ec.europa.eu/commission/commissioners/2014-2019/thyssen/announcements/speech-european-court-auditors-conference-youth-employment-confronting-challenges-finding-solutions\\_en](https://ec.europa.eu/commission/commissioners/2014-2019/thyssen/announcements/speech-european-court-auditors-conference-youth-employment-confronting-challenges-finding-solutions_en).

<sup>63</sup> Policy Department. Budgetary Affairs, In-depth analysis, page. 7.

<sup>64</sup> SWD(2016) 323 part 1/2, p. 91.

<sup>65</sup> Idem, p. 92.

<sup>66</sup> [SR 17/05](#), point 142.

## 4.4 Output and results

In accordance with the ESF Regulation (see point 2.4 above), first reporting on common indicators took place in the spring of 2015, with special attention given to separate measurement for the 25-29 age group (in those Member States that extended the use of the YEI to this group). The evaluations of YEI programmes were then sent (by all Member States except Romania and the United Kingdom), by the end of 2015. The European Commission admitted that, due to the programmes' late start, many evaluations had a 'very limited scope due to the absence of output and result data'.<sup>67</sup>

The data provided in Annex 2 to the Ecorys report allowed for the first overview of the number of participants and their subsequent situation in most of the eligible Member States, as for a number of them 'no information available in the evaluation' was the only element recorded under 'results'.<sup>68</sup> In relation to the Youth Guarantee in general, the problem with defining what constitutes a 'good quality offer' was reflected in the fact that 'no information available' was recorded in all but three countries (Bulgaria, Greece and Lithuania).

In its assessment, endorsed by the Council on 7 March 2016, the Employment Committee (EMCO) noted a 'strong commitment to implement the [Youth] Guarantee on behalf of the Member States, and positive results from those measures which have been implemented'.<sup>69</sup> Different budgetary and macro-economic conditions were referred to clearly as a reservation against any higher expectations, while continued political commitment and stronger internal coordination constituted the proposed way forward for the Youth Guarantee as such.

Moreover, a complete evaluation was not considered possible due to the ongoing introduction of Youth Guarantee measures, while some criticism was expressed regarding the different quality of offers. A focused approach to specific groups of young people was recommended.<sup>70</sup> The data collected so far was welcomed by EMCO at this point, albeit with strong reservation against any comparisons between individual countries. Follow-up data was requested, to provide 'a clearer indication of the delivery of sustainable outcomes for young people'.<sup>71</sup>

The Commission's 2016 report makes an overall statement that the results of YEI actions are positive and that the additional pre-financing helped to speed-up their delivery.<sup>72</sup> The examples provided for the few countries given are illustrative of the pragmatic approach, whereby a positive outcome declared by one third of participants is considered to be an achievement, given their profile and level of detachment from the labour market.

<sup>67</sup> SWD(2016) 323 part 1/2, p. 90, footnote 205.

<sup>68</sup> The Ecorys report, together with two annexes, is available at <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7931>

<sup>69</sup> See Council document 6154/16, p. 3.

<sup>70</sup> *Idem*, p. 4.

<sup>71</sup> *Idem*.

<sup>72</sup> SWD(2016) 323 part 1/2, p. 93.

In fact, the European Commission refers to a few national evaluations with selective data and qualitative assessments, such as the appreciation of the quality of the YEI (in France), or the new forms of support for target groups with complex needs (Poland).<sup>73</sup> The short descriptions of the types of specific measures financed by the YEI in Greece and Spain show that it might be difficult to compare the results, even in cases where concrete data is provided, as voucher schemes for labour market entry work differently to 'second chance' education activities.

The example of Italy, where 44 % percent of YEI participants (in the sense of having completed a programme, which is not necessarily always the same group of persons that find a job) were still employed six months later, is of course a very positive indication.<sup>74</sup> The Commission also highlights the Italian experience as a successful example of important structural reforms being triggered by the Youth Guarantee as such.

It is tempting to credit European instruments for the falling overall levels of youth unemployment and NEETs over the last few years. The Commission report appears to present the overall drop in the number of young unemployed persons and – more specifically – the NEETs (700 000 less when comparing 2015 with 2013), as a direct result of the YG supported by YEI,<sup>75</sup> but a closer look at the trends (with an improvement of employment situation in Europe observed since 2014), and more detailed comparison of available participation data, led the Commission itself to make a more cautious claim elsewhere – that 'the observed reductions in NEETs rates may be potentially associated with good participation rates of young NEETs in the Youth Guarantee'.<sup>76</sup>

Speaking in the European Parliament on 10 May 2017, during discussion of the Special ECA Report 17/05, Commissioner Thyssen claimed in reference to the decrease in the level of unemployment between January 2013 (24 %) and March 2017 (17 %) that the Youth Guarantee and the Youth Employment Initiative 'have proved their worth'.<sup>77</sup> In its response to the overall ECA criticism on the YEI's very limited contribution, the Commission drew attention to the fact that, in spite of delays, implementation has advanced steadily in 2016, and that results available so far 'should be read with caution and be regarded as preliminary'.<sup>78</sup>

An important element highlighted by the Court of Auditors in its report, was the potential risk of overstating the results, since the person that participated in a YEI-supported measure might later be in employment not related to the measure itself, for example.<sup>79</sup> In fact, the Commission's guidance required *inter alia* the identification of the link between the received offer and the YEI measure. In reality, apart from specific situations in which employment took place in exactly same entity as the YEI-supported

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<sup>73</sup> Idem, p. 92.

<sup>74</sup> Idem.

<sup>75</sup> SWD(2016) 323 final, part 1/2, p. 5.

<sup>76</sup> Idem, p. 103.

<sup>77</sup> Full speech available [here](#).

<sup>78</sup> [SR 17/05](#), point 174.

<sup>79</sup> Idem, points 128-134.

apprenticeship or training, such a link might be difficult to confirm. In any case, the Commission underlined that the measurement of result indicators is consistent with the general European Social Fund (ESF) framework and that the envisaged evaluation of the YEI's sustainability will contribute to the mitigation of such a risk (of overstating results).

The data provided in the table in annex, including a 'short-term success rate' should be considered as an indication of variety of the national stages of implementation of the YEI (especially in terms of monitoring participants' progress), rather than a true comparison.

## 5. Comparative analysis

### 5.1 Availability of information

To make a legitimate comparison of the effects of YEI interventions in the eligible countries, the data provided by the Member States should be complete and reliable. The importance of 'a high degree of accountability' was indicated clearly in the European Commission's guidance on implementing the YEI, published in September 2014.<sup>80</sup> In its report of October 2016, the Commission further underlined that the specific YEI indicators mean this programme is more result-oriented, and that the links between EU funding and results and outcomes for each target group in specific regions are traceable.<sup>81</sup> Unfortunately, the information provided so far by the Member States is too often annotated by a high percentage of 'unknowns', such in the case of the long-term situation of persons who participated in YEI measures.<sup>82</sup>

In addition to the limited data on participation (see section 4.3 above), it is important to note some constraints included in the monitoring requirements, as set out by the ESF Regulation. Although the longer-term result indicators were to be provided annually for YEI as early as 2015 (those for ESF in general are only expected in 2019 and 2025), the collection method can be limited to a survey and a representative sample. The Commission's Guidance on evaluation of the YEI underlined that the sample is a minimum requirement and provided advice as to how to make a representative submission.<sup>83</sup> It remains to be seen, however, how representative the data provided by the Member States will be.

The ECA Special Report 17/05 admitted that the YEI-financed programmes were 'in their early stages' until 2015, and therefore the national evaluations did not really assess efficiency, effectiveness or the impact of the measures.<sup>84</sup> Although the Commission's

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<sup>80</sup> [EC Guidance on implementing the YEI](#), ESF thematic paper.

<sup>81</sup> COM(2016) 646 final, p. 17.

<sup>82</sup> See for example the country fiches in Annex 1 to the Ecorys report, available [here](#).

<sup>83</sup> EC Guidance on Evaluation on the Youth Employment Initiative, September 2015, pp. 25-26.

<sup>84</sup> [SR 17/05](#), point 147.

response claimed that these evaluations 'managed to exploit to the most possible degree the information and data available', it also admitted that most of the documents provided by Member States described the design and relevance of the measures, rather than the tangible results of implemented operations.

## 5.2 Reported challenges

A comprehensive list of various challenges and risks identified in the national evaluations was attached to the Ecorys report (table A2.2), which in itself only covered a sample of countries.<sup>85</sup> The most common issues were linked to limited outreach to NEETs; high drop-out rates among YEI participants; low public authority monitoring capacity; and cooperation problems between the stakeholders.

The Commission report drew attention to the fact that, in many national evaluations, the complexity and lengthiness of relevant procedures were identified as problematic factors, although the rules referred to are also in place for all EU structural and investment funds.<sup>86</sup>

The key EMCO messages<sup>87</sup> underlined the dependence of its success on the Member States' public employment services, which is not surprising, taking their high level of involvement into account. The suggestion to strengthen their capacity was accompanied by a call for 'continued investment [...] through both national and EU resources' and a debate on the future of Youth Employment Initiative.<sup>88</sup> The Commission report identified nine Member States<sup>89</sup> in which the public employment or other intermediary services had insufficient capacity to manage the YEI. Additionally, elements such as the difficulty in identifying inactive NEETs, delays in establishing proper monitoring networks, and shorter timing for YEI in comparison with the general ESF framework, were listed as existing implementation challenges.<sup>90</sup> Finally, the Commission raised the question of the sustainability of employment offers made in the YEI context – correctly linking this matter to the overall labour market situation in respective Member States.

Due to the fact that the Member States covered by the ECA report 17/05 were unable to confirm the increase in funding for NEETs thanks to the YEI, and in view of the previous existence of a majority of measures, the Court of Auditors formulated the danger that EU funds might substitute, and not complement, national funding.<sup>91</sup> The Commission's response indicated that the principle of additionality governing the Structural and Investment Funds (including the YEI) states that support from the funds shall not replace

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<sup>85</sup> The report, with the annexes, is available at <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7931>

<sup>86</sup> SWD(2016) 323 final, part 1/2, p. 90.

<sup>87</sup> Council document 6154/16, p. 5.

<sup>88</sup> Idem.

<sup>89</sup> Bulgaria, Cyprus, Italy, Lithuania, Latvia, Portugal, Romania, Slovakia and Spain.

<sup>90</sup> SWD(2016) 323 part 1/2, p. 98.

<sup>91</sup> [SR 17/05](#), points 113-114.

public or equivalent structural expenditure by a Member State.<sup>92</sup> This does not limit the option of using YEI funding for measures previously supported from the national budgets, but it does determine that Member States cannot reduce their level of public investment. It also has to be noted that the Youth Employment Initiative was established to support the implementation of the Youth Guarantee by Member States with the highest youth unemployment, and thus probably not in a position to remedy the situation fully themselves.

### 5.3 Objectives and expectations

It is important to stress that Youth Employment Initiative was established in 2013 to complement the already-existing European Social Fund (ESF) and national actions addressing youth unemployment. As stated in recital 83 of Regulation 1303/2013, which lays down common provisions for multiple EU funds: 'Given the urgent priority of addressing youth unemployment in the Union's most affected regions, as well as in the Union as a whole, a YEI is created and funded from a specific allocation and from targeted investment from the ESF to add to and reinforce the considerable support already provided through the ESI Funds'.

Also the Special Report 17/05 of the European Court of Auditors underlines that the YEI was introduced to reinforce and accelerate the delivery of measures targeting individual NEETs. Indeed, while all EU Member States are expected to implement the Council Recommendation on the Youth Guarantee, providing financial assistance to those with the biggest challenges constitutes yet another example of European solidarity in action.

At the same time, the ESF Regulation established that YEI shall target all NEETs residing in eligible regions, 'who are inactive or unemployed including the long-term unemployed, and whether or not registered as seeking work'. It is legitimate to claim that this objective (of reaching 100 % of NEETs) has been set quite high, as was the case of the Youth Guarantee aim to ensure that all young people in the EU either find a job or continue education within four months of leaving school or becoming unemployed.<sup>93</sup>

The ECA Special Report mentioned above, although based on audit visits in only five Member States eligible for the YEI (seven for the YG), recommended that management of expectations should be improved in any future initiatives, including setting realistic and achievable objectives. While agreeing about the objectives and targets, the Commission's response underlined 'the importance of setting an ambitious policy goal, which has contributed to creating political momentum around the Youth Guarantee'.<sup>94</sup> This dilemma between setting ambitious goals and pragmatic realism can also be seen in

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<sup>92</sup> Article 95 CPR and Annex X CPR.

<sup>93</sup> For the YG coverage of NEETs in all Member States - see table in annex.

<sup>94</sup> [SR 17/05](#), Recommendation 1.

public media coverage, which can have a significant effect on European citizens' expectations of the EU.<sup>95</sup>

The Commission's guidance on implementing the YEI underlined an important distinction between effectiveness (assessed on the basis of immediate result indicators, that is whether or not the person leaving the operation experienced a change in status) and sustainability (with indicators measuring the situation after six months, and the improvement constituting a quasi-proof of the operation's quality).<sup>96</sup> The European Parliament, in its resolution of 24 May 2012 on the Youth Opportunities Initiative (which predated today's YEI and YG), made a valid point by stressing that the Youth Guarantee needs to effectively improve the situation of NEETs and to gradually overcome the problem of youth unemployment in the EU.<sup>97</sup>

The Commission 2016 report highlighted the fact that the YEI might have an important influence on the design of youth employment policy in many countries (and of course the Youth Guarantee specifically), as was already observed in a number of countries (Hungary, Greece, Lithuania, and, most visibly in Italy).<sup>98</sup> It also underlines the YEI's positive contribution (in addition to the YG as such), to the creation of new forms of cooperation between public and private employment services and the development of a personalised approach to helping individuals (especially young persons) in their relations with the labour market. These results seem to better reflect the overall supportive character of EU action with regard to the employment policies of Member States, without the risk of creating expectations (such as full employment, especially for the young) that the European Union cannot fulfil with the use of only one instrument of a limited scale.

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<sup>95</sup> See for example the article published on 4 April 2017 in Politico (<http://www.politico.eu/article/court-of-auditors-eus-youth-guarantee-unemployment-efforts-fall-short/>), with the following phrase: 'Despite the Youth Employment Initiative, 4 million EU youths were unemployed in 2016'.

<sup>96</sup> EC Guidance on implementing the YEI, ESF thematic paper, p. 21.

<sup>97</sup> P7\_TA(2012)0224.

<sup>98</sup> SWD(2016) 323 final, part 1/2, p. 91.

## 6. Conclusions and future perspectives

The establishment of the Youth Employment Initiative in 2013 was an important step in the development of European employment policy, building on previous experience with coordinated effort, and addressing the crisis situation, with rising unemployment being the top concern of European citizens in many EU countries.

It is important to understand that the funding provided was specifically aimed at helping those Member States which potentially have the most difficulty to implement the Council Recommendation on the Youth Guarantee, setting ambitious goals for helping young persons in their transition from education to the labour market.

A number of elements were introduced with the intention of facilitating a quick start for the YEI, however, it seems that this was overly optimistic, as the procedural requirements at both European and even more so at national level resulted in a situation where the actual implementation of the YEI only began in the period for which the data are currently available.

The monitoring and reporting envisaged by the ESF Regulation for the YEI, including short-term and long-term targets, are yet to provide enough comparable data from the eligible Member States, but the information and examples gathered so far indicate that this instrument is highly appreciated by the relevant stakeholders (including public services at various levels), and participants alike. This resulted in the European Commission declaring that 'the Youth Employment Initiative is indispensable for Member States' youth employment policies' and 'is worth being prolonged until 2020'.<sup>99</sup>

Interestingly, the Commission was more explicit in its critical remarks on the early implementation of the YEI, when it made a proposal to revise the MFF, admitting that the Youth Employment Initiative experienced significant delays in setting up programmes, designating authorities and submitting payment applications. The proposal to add additional resources to YEI was nevertheless motivated by persistently high levels of youth unemployment in many regions 'and the encouraging first results shown'.<sup>100</sup>

The last words of the preamble in the Council Recommendation on Youth Guarantee correctly stated that 'the establishment of such [YG] schemes is of long-term significance, but there is also a need for a short-term response to counter the dramatic effects of economic crisis on the labour market'.

In this perspective, the YEI indeed contributed to the joint European response to the high levels of youth unemployment. The lessons learned (not only in terms of financial resources spent) will facilitate future mechanisms established by the EU and individual Member States to further improve the situation.

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<sup>99</sup> Commissioner Thyssen on 10 May 2017. Full speech available [here](#).

<sup>100</sup> COM(2016) 603, p. 7.

## 7. Table: Youth Employment Initiative: state of play

Member State	Level of YEI allocation (in euro) <sup>101</sup>	Proportion of NEETs reached by the Youth Guarantee <sup>102</sup>	Number of persons in YEI-supported actions	Number of persons who completed a YEI operation	Number of persons in employment or education or training after YEI	Percentage of YEI short-term 'success' to date <sup>103</sup>
Austria	–	88.7 %	<i>Not eligible for the YEI</i>			–
Belgium	42 435 070	69.5 %	26 919 (Wallonia) and 536 (Brussels)	11 575 (Wallonia) and 46 (Brussels)	9 836 (Wallonia) and 20 (Brussels)	36 %
Bulgaria	55 188 745	14.3 %	20 738	251	107	0.5 %
Croatia	66 177 144	59.9 %	5 364	1 059	1 074	20 %
Cyprus	11 572 101	14.9 %	1 500	895	293	19.5 %
Czech Republic	13 599 984	46.4 %	754	59	0	0 %
Denmark	–	62.7 %	<i>Not eligible for YEI</i>			–
Estonia	–	23.3 %	<i>Not eligible for YEI</i>			–
Finland	–	71.2 %	<i>Not eligible for YEI</i>			–
France	310 161 402	80.5 %	161 498	81 769	94 332	58 %
Germany	–	60.9 %	<i>Not eligible for YEI</i>			–
Greece	171 517 029	33.5 %	38 398	25 923	1 770	46 %
Hungary	49 765 356	2.6 %	20 602	800	942	4.5 %
Ireland	68 145 419	50,5 %	13 909	1 244	1 319	9 %
Italy	567 511 248	10,5 %	640 000	194 000	39.7 % in employment after 3 months	12 %

<sup>101</sup> In 2014 prices – as shown in comparison to 2011 in the EC Guidance on implementing the YEI.

<sup>102</sup> The figures are given for 2015. The average for the EU28 is 37,5 %

<sup>103</sup> In accordance with the specific YEI indicators, the situation of participants six months after the programme would qualify as an indicator of long-term success – the limited amount of data available does not allow for a proper comparison of this factor. The percentage shown in this column is the result of comparing the number in the previous column to the overall number of YEI-supported participants.

Member State	Level of YEI allocation (in euro) <sup>101</sup>	Proportion of NEETs reached by the Youth Guarantee <sup>102</sup>	Number of persons in YEI-supported actions	Number of persons who completed a YEI operation	Number of persons in employment or education or training after YEI	Percentage of YEI short-term 'success' to date <sup>103</sup>
Latvia	29 010 639	28.1 %	10 967	4 375	1 427	13 %
Lithuania	31 782 633	44.9 %	1 362	733	146	10 %
Luxembourg	-	31.1 %	<i>Not eligible for YEI</i>			-
Malta	-	5.6 %	<i>Not eligible for YEI</i>			-
The Netherlands	-	48.2 %	<i>Not eligible for YEI</i>			-
Poland	252 437 822	63.3 %	87 826	62 787	53 804	61 %
Portugal	160 772 169	49.4 %	200 565	13 215	3 250	1.6 %
Romania <sup>104</sup>	105 994 315	17.1 %	n/a	n/a	n/a	-
Slovakia	72 175 259	54.2 %	5 283	1 046	735	13.9 %
Slovenia	9 211 536	50.2 %	1 897	28	4	0.2 %
Spain	943 496 315	10.7 %	276 880	n/a	n/a	-
Sweden	44 163 096	56.2 %	8 396	850	3 149	37.5 %
United Kingdom	206 098 124	19.9 %	n/a	n/a	n/a	-

Source: Data from the European Commission report SWD(2016) 323 final: state of play in July 2016.

<sup>104</sup> Actual figures were not provided by the Commission report, due to the delay in the implementation of the YEI in Romania.



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