



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

10.6.2013

B7-0279/2013

MOTION FOR A RESOLUTION

to wind up the debate on the statements by the Council and the Commission
pursuant to Rule 110(2) of the Rules of Procedure

on Preparations for the European Council meeting (27-28 June 2013) -
European action to combat youth unemployment
(2013/2673(RSP))

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on behalf of the S&D Group

B7-0279/2013

European Parliament resolution on Preparations for the European Council meeting (27-28 June 2013) - European action to combat youth unemployment (2013/2673(RSP))

The European Parliament,

- having regard to the Commission communication of 20 December 2011 entitled ‘Youth Opportunities Initiative’ (COM(2011)0933),
 - having regard to the question for oral answer to the Commission and the accompanying resolution of Parliament of 24 May 2012 on the Youth Opportunities Initiative¹,
 - having regard to the Commission communication of 5 December 2012 entitled ‘Moving Youth into Employment’ (COM(2012)727),
 - having regards to its resolution of 16 January 2013 on a Youth Guarantee (2012/2901(RSP)),
 - having regard to the conclusions from the European Council of 7-8 February,
 - having regard to the Council Recommendation of 28 February 2013 on Establishing a Youth Guarantee,
 - having regards to the Commission’s communication of 12 March 2013 on the Youth Employment Initiative,
 - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas 22.8% of young people in the EU are currently unemployed, with youth unemployment exceeding 50 % in some Member States;
- B. whereas 8.3 million Europeans under 25 years and an additional 6.5 million young people aged 25–29 are neither in employment nor in education or training (NEETs); whereas these figures continue to rise, posing the risk of a lost generation;
- C. whereas young people with a migrant background, the Roma, the disabled and other vulnerable groups are at greater risk of exiting the education and training system without having obtained an upper secondary qualification;
- D. whereas 15% of children leave school without completing secondary education, and 10% of EU citizens are living in jobless households;
- E. whereas the first indications that a young person is likely to drop out of school are an early warning sign of a recurring cycle of poverty;

¹ Texts adopted, P7_TA-(2012)0224.

1. Welcomes the fact that the European Council has finally acknowledged the importance of youth employment to Europe's prosperity ; urges the European Council and Commission to step up their efforts to combat youth unemployment, as a part of a wider move to guarantee social rights and to address social imbalances within the European Union;

Youth Unemployment as a social imbalance

2. Underlines the negative macroeconomic effects notably the impact in terms of growth, future employability and productivity of social imbalances regarding youth employment between Member States; therefore calls for immediate EU actions to bring down these imbalances in the framework of the European semester;
3. Calls in this context on the Council to agree on the inclusion of social indicators in the Macroeconomic Imbalance Procedure, including indicators for youth unemployment; calls on the Council to agree in parallel on the development of a scoreboard of common social indicators including indicators for youth unemployment and comprising an alert mechanism for monitoring progress in Member States;
4. Underlines that mobility of young people alone cannot be seen as a sustainable answer to youth employment since it can lead to 'brain drain' as well as a serious fall in social capital and social protection in many Member States; calls on the Council to concentrate its efforts in improving economic voluntary mobility among young people in order to avoid economic exiles, and to strengthen portability of pensions and labour and social protection rights across the EU;
5. Underlines that self-employment of young people cannot be seen as a key answer to youth unemployment as young self-employed people are facing higher rates of working poor, insolvency and bogus self-employment; further stresses this point regarding the exceedingly high number of unemployed young people in many Member States;
6. Urges the Council to start working on the creation of automatic stabilisers at the EU level, starting with the Youth Guarantee, to absorb country-specific economic shocks; calls on the Commission to elaborate on the feasibility and added value of introducing a minimum unemployment allowance in the medium term;
7. Stresses that the most efficient tool to fight unemployment in the long run is sustainable economic growth which is underpinned by the establishment of a EU banking Union to rebuild capacity to invest in peripheral Member States;

Youth Guarantee

8. Welcomes the Council Recommendation of 28 February 2013 on Establishing a Youth Guarantee; calls for the swift implementation of Youth Guarantee schemes in all Member States; emphasises that the Youth Guarantee is not a job guarantee but an instrument ensuring that all unemployed EU citizens and legal residents up to the age of 30, receive a good-quality offer of employment, continued education or apprenticeship within four months of becoming unemployed or leaving formal education; stresses in particular that Youth Guarantee schemes should effectively improve the situation of young people who are not in employment, education or training (NEETs), as well as those from particularly

vulnerable social groups;

9. Takes the view that Union funding of Youth Guarantee schemes should play a key role, calls, as a matter of urgency, for the frontloading of the EUR 6 billion allocated for the new Youth Employment Initiative in the first two years of the Multiannual Financial Framework in order to address youth unemployment and implement youth guarantees in NUTS 2 regions which have youth unemployment rates of more than 20% in 2012 (hereinafter the ‘eligible regions’), or in NUTS 3 regions that have youth unemployment rates of more than 22.5% in 2012;
10. Welcomes the EUR 6 bn allocated to the Youth Employment Initiative; stresses however, that the costs of implementing Youth Guarantees across the Eurozone alone are estimated at EUR 21 billion by the ILO and therefore that significant further funds are needed; Stresses that social investment in favour of NEETs would reduce the present loss to the economy caused by the disengagement of young people from the labour market, which is estimated by Eurofound to amount to EUR 153 billion, or 1.2 % of EU GDP; calls, therefore, for the allocation of the Youth Employment Initiative to be revised upwards in the context of a revision of the Multiannual Financial Framework, in which flexibility must be given, especially in the context of fighting youth unemployment;
11. Further underlines that the European Social Fund (ESF) in particular should be structured to enable the Youth Guarantee to be financed, and that the ESF should therefore be allocated at least 25% of cohesion policy funding; believes, however, that there should be an appropriate balance between EU and Member State funding;
12. Encourages the European Investment Bank to contribute to the implementation of the Youth Guarantee for instance by linking loans to the creation of jobs and training places, or supporting the development of dual education systems; underlines that such loan mechanisms could be extended to all bank credits; stresses however that EIB loans should be seen as a supplement to and not a replacement for EU funding in the form of grants;
13. Insists that Youth Guarantee schemes should be accompanied by a quality framework in order to ensure that the education, training and jobs offered include appropriate pay, working conditions and health and safety standards;
14. Calls for the early inclusion of social partners in the course of implementing Youth Guarantee schemes at regional, national and European level;

Combating Youth employment at national level

15. Stresses that investment in youth employment must be a key component of national social investment strategies; inclusive growth has to protect those sectors of society that are able to bring society forward, therefore, calls on Member states to exclude investments in education and training from national deficit targets; urges the Member States to take strong measures to fight youth unemployment, in particular through preventive action against early dropout from school or from training or apprenticeship schemes (e.g. by implanting a dual educational system or other equally efficient types of framework), and to develop comprehensive strategies for young people who are not in employment, education or training (NEETs); further stresses the important role of social partners at

combating youth unemployment; stresses also the responsibility of enterprises of contributing that young people experience high quality on-the-job training;

16. Notes that social investment in youth may take a wide range of forms, including: developing partnerships between schools, training centres and local or regional businesses; providing targeted quality training and high-quality youth internship programmes; vocational schemes in cooperation with enterprises; senior employee sponsorship schemes aimed at the recruitment and training of young persons on the job or at securing a better transition from education to work; encouraging young people's participation in society; and promoting regional, European and international mobility, by means of further progress towards the mutual recognition of qualifications and skills; also stresses that social investment can go hand in hand with efficient incentives, such as employment subsidies or insurance contributions for young people that will guarantee decent living and working conditions, in order to encourage public and private employers to hire young people, invest in both quality job creation for young people and continuous training and upgrading of their skills during employment, and support entrepreneurship among youth;

17. Instructs its President to forward this resolution to the Council and the Commission.