



Committee on Budgetary Control

2017/2039(INI)

28.11.2017

OPINION

of the Committee on Budgetary Control

for the Committee on Employment and Social Affairs

on implementation of the Youth Employment Initiative in the Member States
(2017/2039(INI))

Rapporteur: Derek Vaughan

PA_NonLeg

SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas since the introduction of the European employment strategy in 1997, the Commission has supported a number of measures designed to improve young people's employment and education prospects¹; whereas, since the crisis, the EU's efforts have placed particular emphasis on the Youth Guarantee (YG) and the Youth Employment Initiative (YEI);
- B. whereas the YEI is an initiative to support young people who are not in education, employment or training (NEETs), long-term unemployed youngsters and those not registered as job-seekers living in regions where youth unemployment was higher than 25 % in 2012;
- C. whereas the YG and YEI cover different actions, with the YG intended to encourage structural reform in education while the YEI is a funding instrument, serving as a short-term measure to combat youth unemployment; whereas the YG is financed through the ESF, national budgets and the YEI, while the YEI can finance the direct provision of jobs, apprenticeships, traineeships or continued education for the YEI target group in the eligible regions; whereas while the YG applies to all 28 Member States, only 20 Member States are eligible for YEI support; whereas, finally, YEI intervention has no predefined duration, while the YG requires an offer to be made within four months; notes that it has not been possible, in any country, to guarantee that all young people not in employment, education or training have an opportunity to take up an offer within the four-month period, basically owing to budget deficits;
- D. whereas the YG has led to the implementation of structural reforms in the Member States, with a view to, notably, aligning their education and training models with the labour market so as to achieve its objectives;
- E. whereas in 2015, in order to speed up the mobilisation of YEI actions, a decision was taken to increase the resources made available to pre-finance the initiative by EUR 1 billion, which represented a rise from the initial 1-1.5 % to 30 % for eligible Member States;
- F. whereas external factors, such as the particular economic situation or the production model of each region, influence the achievement of the goals set out in the YG;
- G. whereas the implementation of the YG has not so far delivered uniform results, and in some circumstances it has been difficult to identify and assess the contribution it has made;
- 1. Notes that the youth unemployment rate and in particular the share of young people neither in employment nor in education and training remains unacceptably high in some

¹ Other measures include the 'Youth on the Move' initiative launched in September 2010, the 'Youth Opportunities Initiative' launched in December 2011 and the 'Youth Action Teams' launched in January 2012.

Member States; welcomes, therefore, the extension of the YEI until 2020; is of the opinion that youth unemployment should be taken into account in the next multiannual financial framework (MFF) in order to ensure continuity and a cost-effectiveness analysis of the scheme;

2. Underlines the fact that the main objectives of the YEI are to boost job creation for young people and to assist Member States to establish proper systems for identifying young peoples' needs and corresponding support; stresses, therefore, that the effectiveness of the YG and the YEI should, in future, be assessed on the basis of achievements towards creating or improving Member States' systems for supporting young people in the school-to-work transition; takes the view that, for the YG to function properly, local public employment services must also function effectively;
3. Welcomes the fact that the YEI was frontloaded in the years 2014 and 2015 as well as the increase in the initial pre-financing designed to ensure a swift mobilisation of resources; underlines that as of now YEI is the best performing among all European Structural and Investment (ESI) Funds in terms of financial implementation;
4. Welcomes the fact that YEI measures have provided support to more than 1.4 million young people and led to Member States consolidating operations amounting to over EUR 4 billion;
5. Notes the existence of delays in the implementation of the YEI in the Member States caused by procedural reasons and by the late adoption of the current MFF, the legislative framework and the consequent delayed appointment of the relevant authorities; considers this a shortcoming of the legal basis of the YEI and that it should be overcome by the Member States through speedy implementation of frontloaded financing;
6. Notes that it would be desirable for Member States that have not yet done so to establish a definition of a 'quality offer'; urges the Member States and the Commission to use the existing networks to work on the development of commonly agreed characteristics for this concept, taking into consideration the various existing sources and in cooperation with relevant stakeholders¹, based on characteristics such as an offer that matches participants' qualification level, profile and labour market needs, offering opportunities for work that enable them to earn a living income, to enjoy social protections and to be offered prospects for development, leading to sustainable, well-matched integration in the labour market;
7. Notes that the mismatch between the skills available and labour-market demands continues to be a challenge in many Member States; asks the Commission, within the framework of the Employment Committee of the European Union (EMCO), to promote the exchange of best practices between the Member States and the relevant stakeholders in order to address this issue, and to focus on initiatives that will facilitate young people's transition into work;
8. Calls for specific expertise and capacity to be developed in the Member States within public employment services (PES) in order to support people that cannot find a job within

¹ Such as the European Quality Framework for Traineeships, the joint statement of the European social partners entitled 'Towards a Shared Vision of Apprenticeships' and Court of Justice case law on precarious employment.

four months of becoming unemployed or leaving formal education;

9. Notes that a lack of information on the potential cost of implementing a scheme in a Member State can result in inadequate funding for implementing the scheme and achieving its objectives; stresses, therefore, the need to set up a system of indicators and measures to assess and monitor the effectiveness of both public employment schemes and the YG, since even though provision was made for such a system from the start, there are still many shortcomings; calls on the Member States to make an ex-ante analysis and to establish an overview of the cost of implementing the YG;
10. Is concerned that data on the beneficiaries, outputs and results of the YEI are sparse and often inconsistent; calls on the Commission and the Member States to take the necessary measures to set up less administratively burdensome and more up-to-date monitoring systems for the remaining YEI funding;
11. Calls for a focus on results achieved by the YEI programme, through the definition of concrete indicators in the form of new services and support measures on the labour market in the Member States, obtained from the programme, and the number of permanent contracts offered;
12. Believes that, in order to assess the scheme's effectiveness, all aspects need to be evaluated, including the value for money of the scheme; takes note of previous estimates provided by the International Labour Organisation and Eurofound and asks the Commission to confirm or update these projections;
13. Observes that most reforms at Member-State level have not yet been fully implemented and that considerable efforts and national and European financial resources are needed in the long term to achieve the YG objectives;
14. Calls for funding to be ensured for the post 2020 period in the framework of the next MFF;
15. Calls on the Commission and Member States to set realistic and achievable goals, to assess disparities, to analyse the market before implementing schemes, to improve supervision and notification systems, and to improve the quality of data so that the results can be measured effectively.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.11.2017
Result of final vote	+ : 12 - : 1 0 : 0
Members present for the final vote	Zigmantas Balčytis, Martina Dlabajová, Ingeborg Gräßle, Jean-François Jalkh, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Bart Staes, Marco Valli, Derek Vaughan
Substitutes present for the final vote	Caterina Chinnici, Julia Pitera, Miroslav Poche

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

12	+
EPP	Ingeborg Gräßle, Julia Pitera, Petri Sarvamaa, Claudia Schmidt
S&D	Zigmantas Balčytis, Caterina Chinnici, Georgi Pirinski, Miroslav Poche, Derek Vaughan
ALDE	Martina Dlabajová
VERTS/ALE	Bart Staes
EFDD	Marco Valli

1	-
EFDD	Jean-François Jalkh

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention