



2016/2242(INI)

19.7.2017

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Budgetary Control

on control of spending and monitoring of EU Youth Guarantee schemes' cost-effectiveness
(2016/2242(INI))

Rapporteur: Jana Žitňanská

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SUGGESTIONS

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

- A. whereas a high youth unemployment rate – 18.7 % in the EU in 2016 – is detrimental for society and the individuals concerned, with lasting negative effects on employability, income stability and career development; whereas the economic crisis disproportionately affected young people and in some Member States more than one quarter of young people are unemployed;
 - B. whereas from a quantitative perspective, the take-up of the Youth Guarantee (YG) has been uneven and varies considerably from country to country; whereas implementation of integration services listed under the YG is often only partial, too narrow in the range of eligible participants, dependent on the existing capacity and efficiency of public employment services (PES) and on the speed of European-level procedures; whereas Member States should continue their efforts to strengthen and reform their PES;
 - C. whereas in April 2013 EU Member States committed to ensuring a successful transition of young people into the labour market through the establishment of YG schemes; whereas the audit carried out by the European Court of Auditors (ECA) has been premature as the period which is the subject of the investigation is too close to the launch of national guarantee schemes and limited only to certain Member States; whereas it would, for this purpose, have been more useful to perform an initial assessment of their implementation before proceeding with the audit;
 - D. whereas the annual investment required for the implementation of the YG in Europe has been estimated at EUR 50.4 billion¹, which is significantly lower than the annual economic losses caused by the disengagement of young people from the labour market in Europe, which could reach at least EUR 153 billion²; whereas Youth Employment Initiative (YEI) funds amount to just EUR 6.4 billion in 2014-2018, and, including European Social Fund (ESF) contributions, an additional EUR 2 billion until 2020;
 - E. whereas external factors, such as the specific economic situation or production model of each region, influence the achievement of the goals set in the YG;
 - F. whereas the EU should improve its marketing and advertising of socio-political measures to the target group in order to ensure that its actions are more visible to the people of the EU;
 - G. Whereas there are substantial differences between the regions of Europe; whereas in some cases territories with high unemployment will not qualify as a region eligible for EU funding at NUTS level;
1. Stresses that effective mechanisms to discuss and resolve difficulties experienced when

¹ Social inclusion of young people (Eurofound 2015).

² NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe (Eurofound 2012).

implementing YG schemes are needed; underlines the need for strong, yet realistic and achievable, political and financial commitment from the Member States in order to implement the scope of the YG in full, including by ensuring early intervention mechanisms, the quality of job, further education and training offers, clear eligibility criteria and partnership-building with the relevant stakeholders; whereas this should be done by ensuring effective outreach, strengthening administrative capacity where needed, taking account of local conditions, facilitating skills enhancement and establishing proper monitoring and evaluation structures during and after the implementation of said measures;

2. Expresses concern, however, that YG schemes have not yet reached all young people who have left school or become unemployed; stresses that all young people not in employment, education or training (NEETs) should be able to benefit from the YG schemes; therefore encourages the regions which do not qualify for EU co-financing to participate in the YG;
3. Recalls that the YG benefits from EU financial support through the ESF and the YEI, which supplement national contributions; supports programming work undertaken as part of the Union's Common Strategic Framework through peer learning, networking activities and technical assistance;
4. Underlines the fact that allocating the necessary resources and assessing the overall funding is an important part of implementing the YG schemes successfully, bearing in mind that evaluating the overall funding can be hampered by difficulties in distinguishing between the different kinds of measures targeting young people at national level;
5. Calls for effective multilateral surveillance of compliance with the Council's recommendation establishing a YG within the European Semester and for the specific country recommendations to be addressed where needed;
6. Stresses that, in order to reap the benefits of the YG and ensure that young people make a successful transition from school to work and from inactivity to work, proactive and preventive measures and structural reforms by the Member States are needed with a view to ensuring the quality of the services and offers provided under the YG; stresses, in this regard, the importance of endowing public employment services (PES) with the appropriate resources, of forging strong partnerships between key stakeholders, of training PES personnel to devise special, tailor-made services and of the PES working together with all other stakeholders in an integrated fashion;
7. Calls on the Commission to provide an itemisation of the national contributions to the YEI that each Member State needs to make in order to implement the YG effectively, taking into consideration the estimate of the International Labour Organisation (ILO);
8. Recalls the importance of cooperation between all levels of governance (EU, the Member States and local entities) and of the Commission's technical assistance in implementing the YG effectively;
9. Calls on the Commission to propose, in collaboration with EMCO, quality criteria standards for prospective YG offers;
10. Calls on the Commission and the Member States to develop best practices to their full

potential, including by identifying and disseminating best practices in implementing YG schemes as regards monitoring, reporting and eliminating administrative burdens; encourages the sharing of best practices through EMCO and the Mutual Learning Programme of the European Employment Strategy; notes in this respect the importance of mutual learning aimed at activating the most vulnerable groups;

11. Calls on the Commission and the Member States to ensure sufficient funding is available in order to ensure the successful integration of all young workers who are unemployed or do not have access to a suitable training or educational offer; stresses that in order to ensure sustainable outcomes, the YG should build on the existing evidence and experiences and be continued in the long term; underlines the fact that this requires an increase in the public funds available for active labour market policies at EU and Member State level;
12. Notes that a more diversified and customised approach in the provision of services to different groups among the youth demographic is needed in order to avoid cherry-picking or creaming off and discriminatory selection; calls for a stronger, more barrier-free and dedicated outreach to young people facing multiple barriers and those furthest from the labour market; stresses, in this regard, the importance of coordinating the YG with other policies, such as anti-discrimination policies, effectively, and of broadening the range of interventions proposed within YG offers;
13. Calls on the Member States to ensure the provision of follow-up data to assess the long-term sustainability of outcomes from a quality and quantity perspective, and to facilitate the development of more evidence-based youth policies; calls for more transparency and consistency in data collection, including gender-disaggregated data collection, in all the Member States; notes with concern that the sustainability of 'positive exits' in the YG has been deteriorating¹;
14. Considers that the decision to prolong the YG or to launch other new initiatives to boost youth employment should be based on thorough assessments of possibilities and means, and that the objectives of such initiatives should be as realistic as possible;
15. Takes the view that any repeated take-up of the YG must not go against the spirit of labour market activation and the aim of transition into permanent employment; calls on the Council to take advantage of the review of the multiannual financial framework (MFF) to allocate appropriate resources to the YG; calls on the Member States to ensure that young people, including those up to the age of 30, receive good-quality offers that match their profiles and qualification level, as well as the labour market demand, in order to create sustainable employment and prevent repeated take-up of the YG;
16. Calls for an assessment of the effectiveness of the YG to be carried out in each participating Member State so as to prevent the exploitation of young people by certain companies who are using bogus training schemes to benefit from state-funded labour; proposes, to that end, that the job prospects of young people who have been beneficiaries of the programme be monitored and mechanisms established requiring participating employers, whether public or private, to convert a minimum percentage of traineeships

¹ Paragraph 164, ECA Special report No 05/2017, entitled: 'Youth unemployment – have EU policies made a difference?'

into employment contracts as a condition for continuing to benefit from the programme;

17. Reiterates its commitment to monitor closely all Member State activities in order to make the YG a reality and invites youth organisations to keep Parliament updated on their analysis of Member State action; urges the Member States and the Commission to involve youth stakeholders in policymaking; recalls that the involvement of youth organisations in the communication, implementation and evaluation of the YG is crucial for its success;
18. Considers that youth unemployment should be dealt with as a priority issue from the outset of future European Structural and Investment Funds (ESIF) operational programmes;
19. Advocates ensuring that the young people covered by the YG continue to contribute to and have access to the social and labour protection systems in force in their Member State, thus reinforcing the shared responsibility of all involved, and young people and employers in particular;
20. Acknowledges the ECA Special report on the impact of the YG and YEI on youth employment and notes that, three years on from the adoption of the Council recommendation, the YG has yet to fulfil expectations; notes the ECA's comment that it is impossible to reach all NEETs by using EU budget resources alone; notes that the current situation does not reflect the expectations created by the introduction of the YG, namely to ensure that all NEETs receive, within four months, a good-quality offer of training or employment;
21. Stresses that persistent mismatches between participants' profiles and YG offers contribute to their return to NEET status; notes that there is no universally accepted, common definition of what constitutes a 'good-quality offer' under the YG; believes that a good basis for such a definition is to suggest that offers are considered to be of good quality if they match the participant's qualification level and profile, and labour market needs, and lead to sustainable, well-matched integration into the labour market; believes that developing a definition does not in itself guarantee a positive outcome of participation in the YG, as sufficient economic growth is a pre-requisite for the sustainable integration of NEETs into the labour market;
22. Calls on the Member States to make monitoring and reporting systems more efficient in order to make the aims of the YG more quantifiable and facilitate the development of more evidence-based activating policies aimed at young people, and, in particular, to improve the capacity to follow up on participants that exit the YG in order to reduce the number of unknown exits as far as possible and to have data on all participants' ongoing situations; calls on the Commission to revise its guidance on data collection and on the Member States to revise their baselines and targets in order to minimise the risk of overstating results;
23. Acknowledges that for some Member States the YG has become a driver for policy changes and better coordination in the fields of employment and education; stresses the importance of: setting realistic and measurable targets in promoting policies and frameworks such as the YG, identifying the main challenges and the appropriate action that should be taken to overcome them and assessing those challenges with due regard for improving employability; notes that in some circumstances it has been difficult to pinpoint

and assess the contribution the YG has made so far and that quality statistics should help the Member States to frame more realistic and effective youth policies without giving rise to false expectations;

24. Calls on the Member States to ensure that the YEI/ESF funds available do not replace Member States' public expenditure in conformity with Article 95 and recital 87 of the Common Provisions Regulation (Regulation (EU) No 1303/2013) and in line with the additionality principle; stresses that programmes such as the YG must not be a substitute for Member States' own efforts to fight youth unemployment and sustainable integration into the labour market;
25. Takes note that the NEET group is highly heterogeneous; calls on the Member States to conduct a comprehensive analysis of the NEET demographic and suggests that a more accurate definition of NEETs would be welcome; highlights the need to provide tailored solutions for a diverse group of young people, by taking into account the local and regional context, for example by ensuring closer involvement of local employers' representatives, local training providers and local authorities; calls on the Member States to design the individual pathway for each candidate, while giving national public employment services the flexibility that they need to adjust profiling models;
26. Calls on the Member States to establish appropriate outreach strategies and to step up efforts to identify the NEET population, especially inactive NEETs not covered by existing systems, with the aim of registering them and monitoring the situation of young people leaving the YG schemes at specific intervals (after 6, 12 and 18 months) in order to promote sustainable integration into the labour market; highlights the need for tailored solutions for a diverse group of young people and to make the non-registered a key target group; calls on the Member States to ensure that available ESF funds do not replace public spending and notes that sufficient economic growth is a pre-requisite for the effective integration of NEETs into the labour market;
27. Calls for efficient and transparent scrutiny, reporting and monitoring of how funds allocated at European and national levels are spent so as to prevent abuses and the wasting of resources;
28. Highlights the importance of strengthening cooperation between all relevant stakeholders, including at a regional and local level, such as public and, where relevant, private employment services, education and training institutions, employers, youth organisations and NGOs that work with young people in order to reach the entire NEET population; encourages stronger integration of stakeholders through a partnership approach in the design, implementation and evaluation of the YG; calls for enhanced cooperation between education institutions and entrepreneurs to tackle the skills mismatch; reiterates the idea that the partnership approach is aimed at better reaching the target population and ensuring the provision of quality offers;
29. Takes the view that problems related to the skills mismatch could be solved by better identifying individuals' competences and by correcting the flaws in national training systems; emphasises that increased mobility of young people could improve their skill sets, and, together with the recognition of qualifications, could help to tackle the existing geographical skills mismatch; encourages the Member States to make greater use of EURES in this regard.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	21.6.2017
Result of final vote	+: 36 -: 4 0: 2
Members present for the final vote	Guillaume Balas, Brando Benifei, Mara Bizzotto, Vilija Blinkevičiūtė, Enrique Calvet Chambon, Lampros Fountoulis, Elena Gentile, Marian Harkin, Czesław Hoc, Danuta Jazłowiecka, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Ádám Kósa, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Terry Reintke, Sofia Ribeiro, Robert Rochefort, Anne Sander, Sven Schulze, Siôn Simon, Romana Tomc, Ulrike Trebesius, Marita Ulvskog, Jana Žitňanská
Substitutes present for the final vote	Heinz K. Becker, Lynn Boylan, Miapetra Kumpula-Natri, António Marinho e Pinto, Tamás Meszerics, Joachim Schuster, Michaela Šojdrová
Substitutes under Rule 200(2) present for the final vote	Xabier Benito Ziluaga, Monika Smolková, Milan Zver

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ALDE	Enrique Calvet Chambon, Marian Harkin, António Marinho e Pinto, Robert Rochefort
ECR	Czesław Hoc, Ulrike Trebesius, Jana Žitňanská
EPP	Heinz K. Becker, Danuta Jazłowiecka, Ádám Kósa, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Elisabeth Morin-Chartier, Marek Plura, Sofia Ribeiro, Anne Sander, Sven Schulze, Michaela Šojdrová, Romana Tomc, Milan Zver
S&D	Guillaume Balas, Brando Benifei, Vilija Blinkevičiūtė, Elena Gentile, Agnes Jongerius, Jan Keller, Miapetra Kumpula-Natri, Georgi Pirinski, Joachim Schuster, Siôn Simon, Monika Smolkova, Marita Ulvskog
Verts/ALE	Jean Lambert, Tamás Meszerics, Terry Reintke

4	-
GUE/NGL	Xabier Benito Ziluaga, Lynn Boylan, Rina Ronja Kari, João Pimenta Lopes

2	0
ENF	Mara Bizzotto
NI	Lampros Fountoulis

Key to symbols:

+ : in favour

- : against

0 : abstention