

**Meeting of the Chairpersons of the Committees on
Employment and Social Affairs**

Monday 23 February 2015, Riga

Speech

Ladies and gentlemen,

First of all I would like to thank warmly the Latvian Presidency for having organised this event in Riga today. Thanks to this initiative, I have the privilege to address all together Chairs and Members of the Employment and Social Affairs committees of Member States and of candidate countries but also a Member of the European Parliament and, as special guest, a Member of the Norwegian Parliament.

The Employment and Social Affairs policy is by definition a responsibility shared between the European Union and the Member States and their regions who are the first line actors to implement our programmes. Therefore, I consider essential to maintain close and regular contacts with our national partners.

I have heard that the two first sessions on Inclusion of the Most Vulnerable Groups into the Labour Market and on Social Entrepreneurship were very successful. Let me turn now to the third topic regarding the Youth Guarantee Initiative.

Today in the European Union, more than 1 in 5 young people cannot find a job. Over seven and a half million young people are neither in employment, nor in education or training (so-called "NEETs"). Yet this coincides with 2 million unfilled vacancies. One of the main reasons for this situation is that people lack the right skills to take up available jobs.

This is something that is clearly unacceptable, as highlighted in the European Commission President's Political Guidelines. It is also why almost two years ago the Commission and Member States agreed on the Youth Guarantee: a commitment to ensure all young people receive a good-quality offer of a job, traineeship, apprenticeship or the chance to continue education within four months of becoming unemployed or leaving formal education.

A lot has been achieved over the past 22 months. The first year was devoted to putting in motion this innovative approach – and all 28 EU Member States presented Youth Guarantee Implementation plans by mid-2014.

From 2014, the focus has shifted to implementation. Member States are putting in place the support provided for under the Youth Guarantee, and genuine Youth Guarantees are **becoming a reality**. This EU initiative has given impetus to **bold structural reforms**.

Member States have strengthened the capacity of Public Employment Services and adopted a range of incentives to stimulate job creation.

They have taken steps to improve Vocational Education and Training systems, and to build better links with employers in order to smooth the transition to work including by increasing the number of quality apprenticeships and traineeships.

I am pleased to say Latvia started to implement almost all Youth Guarantee measures in 2014.

For example you are offering second chance vocational education programs for young neither in employment, education or training and implementing work based learning pilots in several schools, paving the way for a broader reform of your Vocational Education and Training system.

But challenges undoubtedly remain. In particular reaching out to those less likely to have access to the support offered, but most likely to benefit from it, has been a challenge across many Member States, including Latvia. Addressing this issue requires sufficiently ambitious outreach measures for the non-registered NEETs.

I am aware that in Latvia you will be using an innovative ESF-funded measure to help with outreach, with the involvement of

all the key actors (the Youth Agency, coordinating in particular municipalities and NGOs).

The visibility of such measures is really essential. This is why next month the Commission will launch pilot awareness raising activities in four countries, including Latvia, to help support outreach towards non registered NEETs and invite them to register with relevant Youth Guarantee services.

Despite the progress, implementation challenges remain and we must step up our efforts to secure the results that we have committed to. Complacency cannot be an option. This is why the European Commission, alongside Member States, will continue to push for reform.

In 2014, under the European Semester most Member States received **country-specific recommendations** relating to the reforms needed to implement the Youth Guarantee in areas like the out-reach challenge or on ensuring the quality of offers and avoiding labour market segmentation.

The effective delivery of a Youth Guarantee in the 28 Member States will again be a priority for this year's recommendations.

We also need enhance our evaluation mechanisms to be able demonstrating the added-value of this essential initiative for our young generations.

In cooperation with Member States we recently agreed on an Indicator Framework for Monitoring the Youth Guarantee.

This will provide for regular data for 2015 and beyond, helping both the Commission and the Member States to assess the results achieved from the Youth Guarantee.

This information will feed into the Commission's 2016 report on the implementation of the Youth Guarantee.

The EU actively supports Member States to implement the Youth Guarantee through the European Social Fund, and through the Youth Employment Initiative, which together provide a budget of 6.4 billion euros to support those regions with the highest levels of youth unemployment.

Last year, the Commission worked hard with Member States to approve these programmes. The Commission also listened to the concerns of Member States having experienced difficulties to start some actions and projects due to severe budgetary constraints.

This is why on my initiative, the Commission adopted on the 4th February a proposal to increase the advanced payment of the Youth Employment Initiative specific budget by 30%, corresponding to one third of the financial envelope or 1 billion euros.

With this proposal, we hope to increase quickly the number of young people without employment, education or training who benefit from the Youth Employment Initiative by as many as 650,000.

I would also like to acknowledge the role of the European Parliament in establishing the Youth Guarantee and spreading good practices. On the request of the European Parliament, the Commission financed last year 18 pilot projects in 7 Member States.

With most of these projects now finished, we can start drawing some lessons.

They showed how a well-designed Youth Guarantee scheme can make a difference:

- in Hartlepool, north England, 91% of participants – 16 year old young people from a disadvantaged background - managed to continue their education following intensive mentoring.
- In Vilnius, innovative partnerships between local authorities and businesses led to 44% of the project participants finding a job or setting up their own enterprise

Ensuring that people in Europe have the skills they need for both today's jobs and those of the future is a key element of our strategy. This is why we launched, under the umbrella of the Youth Guarantee, the **European Alliance for Apprenticeships** and the **Quality Framework for Traineeships**.

This alliance aims to increase the quality and supply of apprenticeships and change attitudes towards this type of learning.

23 Member States have submitted concrete commitments to increase quantity, quality and supply of apprenticeships; and 45 organisations pledged to expand apprenticeship opportunities for many people.

I encourage you to use Erasmus+, the European Social Fund or the Youth Employment Initiative to make enterprises aware of the apprenticeship opportunities.

Let me also remind you of the Council Recommendation on a **Quality Framework for Traineeships** (QFT), agreed by Member States in March last year.

This recommendation proposed guidelines for traineeships to provide a high quality learning and fair working conditions.

I would like to conclude by stressing the shared priority we must give to addressing the problems the Youth Guarantee aims to tackle.

We cannot afford the waste of talent, now and in the future, implied by large-scale youth unemployment.

But EU funds alone will not be sufficient, it is crucial that Member States use their national resources to support this goal.

I call on you to help ensuring that national budgets give the necessary support to youth employment.

Thank you.