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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Youth on the Move**  
**An initiative to unleash the potential of young people to achieve smart, sustainable and  
inclusive growth in the European Union**

{SEC(2010) 1047}

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inclusive growth in the European Union**

**1. INTRODUCTION**

The Europe 2020 Strategy sets ambitious objectives for smart, inclusive and sustainable growth. Young people are essential to achieve this. Quality education and training, successful labour market integration and more mobility of young people are key to **unleashing all young people's potential** and achieving the Europe 2020 objectives.

Europe's future prosperity depends on its young people. There are close to 100 million in the EU, representing a fifth of its total population<sup>1</sup>. Despite the unprecedented opportunities which modern Europe offers, young people face challenges – aggravated by the economic crisis - in education and training systems and in accessing the labour market. **Youth unemployment is unacceptably high** at almost 21%<sup>2</sup>. **In order to reach the 75% employment target** for the population aged 20-64 years, the transition of young people to the labour market needs to be radically improved.

By 2020, it is estimated that 35% of all jobs will require high-level qualifications, combined with a capacity to adapt and innovate, compared to 29% today. This means 15 million **more jobs requiring high-level qualifications**<sup>3</sup>. An increasing number of jobs require e-skills, but the EU economy is hampered by a shortage of highly qualified ICT practitioners<sup>4</sup>. Fewer than one person in three in the EU (31.1%<sup>5</sup>) has a higher education degree compared to over 40% in the US and over 50% in Japan. The EU has a lower share of researchers in the labour force than its competitors<sup>6</sup>. The Europe 2020 Strategy has agreed the EU headline target that by 2020, **at least 40% of 30-34 years olds should have completed tertiary or equivalent education**.

Too many young people leave school early, increasing their risk of becoming unemployed or inactive, living in poverty and causing high economic and social costs. Currently, 14.4% of 18-24 years old in the EU have less than upper secondary education and are not in further education and training<sup>7</sup>. The EU benchmark is to **reduce early school-leaving to 10%**. Europe also has to do better on **literacy** – 24.1% of 15-year olds are low performers in reading literacy and this share has increased in recent years<sup>8</sup>.

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<sup>1</sup> Eurostat, 2009, 15-30 year olds.

<sup>2</sup> Eurostat, June 2010, < 25 y.

<sup>3</sup> CEDEFOP projections.

<sup>4</sup> eSkills Monitor study, European Commission, 2009.

<sup>5</sup> Eurostat, 2008, 30-34 year olds.

<sup>6</sup> MORE study, European Commission, 2010.

<sup>7</sup> Eurostat, 2009.

<sup>8</sup> OECD, PISA, 2006.

The implementation of national strategies for lifelong learning remains a challenge for many Member States, including developing more **flexible learning pathways** to allow people to move between different education levels and attract non-traditional learners.

### 1.1. Focus of the initiative

Youth on the Move is the EU's flagship initiative to respond to the challenges young people face and to help them succeed in the knowledge economy. It is a **framework agenda announcing key new actions, reinforcing existing activities and ensuring the implementation of others** at EU and national levels, while respecting the subsidiarity principle. Candidate countries should also be able to benefit from this initiative, through the appropriate mechanisms. It will harness the financial support of the relevant EU programmes on education, youth, and learning mobility, as well as the Structural Funds. All existing programmes will be reviewed to develop a more integrated approach to support the Youth on the Move initiative under the next Financial Framework. Youth on the Move will be implemented in close synergy with the "Agenda for New Skills and Jobs" flagship initiative, announced in Europe 2020.

Youth on the Move will focus on four main lines of action:

- Smart and inclusive growth depends on actions throughout the **lifelong learning** system, to develop key competences and quality learning outcomes, in line with labour market needs. Europe needs to extend and broaden learning opportunities for young people as a whole, including supporting the acquisition of skills through non-formal educational activities. Youth on the Move will support these actions, *inter alia*, by proposing a **Council Recommendation** to encourage Member States to **tackle the high level of early school leaving**, through the **2011 European Year of Volunteering** and with a **Council Recommendation** on the **validation of non-formal and informal learning**. The Commission is also promoting **apprenticeship-type vocational training** and **high quality traineeships** as workplace learning experiences, building bridges to the labour market.
- Europe needs to raise the percentage of young people participating in **higher education or equivalent** to keep up with competitors in the knowledge-based economy and to foster innovation. It also needs to make European higher education more attractive and open to the rest of the world and to the challenges of globalisation, notably by promoting student and researcher mobility. Youth on the Move will seek to improve the quality, attractiveness and responsiveness of higher education and promote more and better mobility and employability, *inter alia* by proposing a **new agenda for the reform and modernisation of higher education**, including an initiative on **benchmarking university performance** and a **new EU international strategy** to promote the attractiveness of European higher education and to foster academic cooperation and exchanges with world partners.
- The EU's support for learning **mobility** through programmes and initiatives will be reviewed, expanded and linked up with national and regional resources. The international dimension will be reinforced. Youth on the Move will support the aspiration that by 2020 all young people in Europe should have the possibility to spend a part of their educational pathway abroad, including via workplace-based training. A **Council Recommendation aimed at removing obstacles to mobility** is proposed as part of the Youth on the Move package, accompanied by a '**Mobility Scoreboard**' to measure Member States' progress in

this regard. A dedicated **website on Youth on the Move** giving access to information on EU mobility and learning opportunities<sup>9</sup> will be set up and the Commission will propose a **Youth on the Move card** to facilitate mobility. The new intra-EU initiative "**Your first EURES Job**" will support young people to access employment opportunities and take up a job abroad, as well as encouraging employers to create job openings for young mobile workers. The Commission will also consider transforming the preparatory action "Erasmus for young entrepreneurs" into a programme to promote entrepreneurs' mobility.

- Europe must urgently improve the **employment situation of young people**. Youth on the Move presents a framework of policy priorities for action at national and EU level to reduce youth unemployment by facilitating the transition from school to work and reducing labour market segmentation. Particular focus is put on the role of **Public Employment Services**, encouraging a **Youth Guarantee** to ensure all young people are in a job, in education or in activation, creating a **European Vacancy Monitor** and **supporting young entrepreneurs**.

## 2. DEVELOPING MODERN EDUCATION AND TRAINING SYSTEMS TO DELIVER KEY COMPETENCES AND EXCELLENCE

There is a need for **better targeted, sustained and enhanced levels of investment** in education and training to achieve high quality education and training, lifelong learning and skills development. The Commission encourages Member States to consolidate and, where necessary, expand investment, combined with strong efforts to ensure the best returns to public resources. In a climate of pressure on public funds, diversification of funding sources is also important.

In order to **reduce early school leaving to 10%**, as agreed under the EU 2020 Strategy, action should be taken early, focused on prevention and targeting pupils identified as being at risk of dropping-out. The Commission will propose a **Council Recommendation to reinforce Member State action to reduce school drop-out rates**. The Commission will also **establish a High-Level expert Group to make recommendations on improving literacy** and will present a **Communication to strengthen early childhood education and care**.

Young people are confronted with an increasing number of educational choices. They need to be enabled to take informed decisions. They need to get **information about education and training paths**, including a clear picture of job opportunities, to lay the basis for managing their career. **Quality career guidance services and vocational orientation** need to be further developed, with strong involvement of labour market institutions, supported by actions to improve the image of sectors and professions with employment potential.

High quality learning and teaching should be promoted at all levels of the education system. **Key competences for the knowledge economy and society**, such as learning to learn, communication in foreign languages, entrepreneurial skills and the ability to fully exploit the potential of ICT, e-learning and numeracy<sup>10</sup>, have become ever more important<sup>11</sup>. The

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<sup>9</sup> Linking to existing PLOTEUS portal on learning opportunities. The Commission has also published on the 'Your Europe' portal, an 'education and youth' section containing information on rights and opportunities for students and young people in Europe.

<sup>10</sup> The Commission will in 2010 establish a thematic working group of policy-makers and experts from the Member States to examine the causes of low performance of school students in maths (including numeracy) and science.

Commission will present a **Communication on competences supporting lifelong learning** in 2011, including proposals to develop a common language between the world of education and the world of work<sup>12</sup>.

The demand for qualifications is being driven upwards, including in low-skilled occupations. Projections foresee that around 50% of all jobs in 2020 will continue to depend on medium-level qualifications provided through **vocational education and training (VET)**. The Commission has underlined in its 2010 Communication on European cooperation in VET<sup>13</sup> that it is vital for this sector to modernise. Priorities include ensuring that pathways and permeability between VET and higher education are facilitated, including through the development of national qualifications frameworks, and maintaining close partnerships with the business sector.

Early workplace experience is essential for young people to develop the skills and competences required at work<sup>14</sup>. Learning at the workplace in **apprenticeship-type training** is a powerful tool for integrating young people gradually into the labour market. The provision and quality of apprenticeship-type training greatly varies among Member States. Some countries have recently started to set up such training schemes. The involvement of **Social Partners** in their design, organisation, delivery and funding is important for their efficiency and labour market relevance. These actions should be further pursued in order to increase the skills base in vocational pathways, so that **by the end of 2012 at least 5 million young people in Europe** should be able to enrol in apprenticeship training (currently, the figure is estimated to be 4.2 million<sup>15</sup>).

Acquiring initial work experience through **traineeships** has gained importance for young people in recent years, allowing them to adjust to labour market demands. Some Member States have also set up work experience schemes in response to reduced job openings for young people. These schemes should be accessible to all, of high quality and with clear learning objectives and should not substitute regular jobs and probation periods.

Unemployment among graduates from different levels of education and training is increasingly a cause for concern. European systems have been slow to respond to the requirements of the knowledge society, failing to adapt curricula and programmes to the changing needs of the labour market. The Commission will propose an **EU benchmark on employability** in 2010 in response to the Council request of May 2009.

Youth on the Move should also aim to expand career and life-enhancing learning opportunities for young people with fewer opportunities and/or at risk of social exclusion. In particular, these young people should benefit from the expansion of opportunities for **non-formal and informal learning** and from strengthened provisions for the recognition and **validation** of such learning within national qualifications frameworks. This can help to open

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<sup>11</sup> Recommendation of the European Parliament and of the Council of 18 December 2006 (OJ L 394, 30.12.2006).

<sup>12</sup> European Skills, Competencies and Occupations taxonomy (ESCO).

<sup>13</sup> COM(2010) 296.

<sup>14</sup> See own initiative European Parliament report by Ms E Turunen "Promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status", June 2010.

<sup>15</sup> Report from the Working Group on Mobility for Apprentices, February 2010 (European Commission).

the doors to further learning on their part. The Commission will propose a **Council Recommendation** to facilitate the validation of this type of learning<sup>16</sup>.

**Key new actions:**

- **Propose a draft Council Recommendation on reducing Early School leaving (2010):** The Recommendation will set out a framework of effective policy responses related to the different causes of high school drop-out rates. It will focus on pre-emptive, preventive as well as remedial measures.
- **Launch a High Level Expert Group on Literacy (2010)** to identify effective practice in Member States to improve reading literacy among pupils and adults and formulate appropriate recommendations.
- **Raise the attractiveness, provision and quality of VET** as an important contribution to the employability of young people and the reduction of early school leaving: The Commission, together with Member States and the social partners, will re-launch cooperation in the area of VET, at the end of 2010, and propose measures at national and European level.
- **Propose a quality framework for traineeships**, including addressing the legal and administrative obstacles to transnational placements. **Support better access and participation** in high quality traineeships, including by stimulating companies to offer traineeship places and be good host enterprises (e.g. through quality labels or awards), as well as through Social Partner arrangements and as part of a Corporate Social Responsibility (CSR) policy.
- **Propose a draft Council Recommendation on the promotion and validation of non-formal and informal learning (2011)** to step up Member State action to promote recognition of skills acquired through these learning activities.

### **3. PROMOTING THE ATTRACTIVENESS OF HIGHER EDUCATION FOR THE KNOWLEDGE ECONOMY**

Higher education is a major driver of economic competitiveness in the knowledge-driven economy, making high quality third-level education essential in achieving economic and social objectives. With an increasing number of jobs requiring high-level skills, **more young people will need to enter and complete higher education** in order for the EU to reach the Europe 2020 target of **40% attainment of higher education or equivalent**. In addition, research should attract and retain more young people by providing attractive employment conditions. Realising these objectives will require a multi-faceted approach, aiming at modernising higher education, ensuring quality, excellence and transparency and stimulating partnerships in a globalised world.

Some European universities are amongst the best in the world, but are hampered in realising their full potential. Higher education has suffered a long period of under-investment, alongside major expansion in student numbers. The Commission reiterates that for a modern and well-performing university system, a **total investment of 2% of GDP** (public and private funding combined), is the minimum required for knowledge-intensive economies.<sup>17</sup> Universities should be empowered to diversify their income and take greater responsibility for their long-term financial sustainability. Member States need to step up efforts to **modernise**

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<sup>16</sup> Volunteering, participation, activities within youth organisations and youth work provide opportunities for learning outside formal structures. They can help reinforce other activities of Youth on the Move and engage young people otherwise at risk of being bypassed. The **European Year of Volunteering 2011** will provide fresh impetus to develop these activities further.

<sup>17</sup> COM(2005) 15.

**higher education**<sup>18</sup> in the areas of curricula, governance and funding, by implementing the priorities agreed in the context of the Bologna process, supporting **a new agenda for cooperation and reform** at EU level and focusing on the new challenges in the context of the Europe 2020 Strategy.

Maintaining a high level of quality is crucial for the attractiveness of higher education. **Quality assurance** in higher education needs to be reinforced at European level, by supporting cooperation among stakeholders and institutions. The Commission will monitor progress and set out priorities in this field in a report to be adopted in 2012, in response to a Recommendation of the European Parliament and of the Council<sup>19</sup>.

In a more global and mobile world, transparency regarding performance of higher education institutions can stimulate both competition and cooperation and be an incentive for further improvements and modernisation. However, existing international rankings can give an incomplete picture of the performance of universities, over-emphasising research, while excluding other key factors that make universities successful, such as teaching quality, innovation, regional involvement and internationalisation. The Commission will present in 2011 the results of a feasibility study to **develop an alternative multi-dimensional global university ranking system**, which takes into account the diversity of higher education institutions.

Europe's innovation capacity will require knowledge partnerships and stronger links between education, research and innovation (the 'knowledge triangle'). This includes fully exploiting the role of the European Institute of Innovation and Technology (**EIT**) and the **Marie Curie Actions**, while drawing out the lessons learned in both. In this context, the Commission will reinforce and extend the activities of the European platform for dialogue between universities and business (**EU Forum for University Business Dialogue**), with a view to increasing the employability of students and to developing the role of education in the 'knowledge triangle'.

Higher education is becoming increasingly internationalised. More mobility, international openness and transparency are needed to attract the best students, teachers and researchers, to create and reinforce partnerships and academic cooperation with universities from other parts of the world. This will require a specific emphasis on reinforcing international cooperation, programmes and policy dialogue in higher education. A **Communication setting out the key challenges and actions needed for higher education in Europe** in a 2020 perspective will be presented in 2011, including an **EU internationalisation strategy**<sup>20</sup>.

**Key new actions:**

- **Support the reform and modernisation of higher education, by presenting a Communication (2011), which will set out a new reinforced agenda for higher education:** This will focus on strengthening the employability of graduates, encouraging mobility, including between academia and industry, promoting transparent and high quality information on study and research possibilities and the performance of institutions. It will also focus on opening up opportunities to non-traditional learners and facilitating access for disadvantaged groups, including through adequate financing. The reinforced agenda will also propose an EU internationalisation strategy, promoting the attractiveness of European higher education.

<sup>18</sup> COM(2006) 208.

<sup>19</sup> Recommendation of the European Parliament and of the Council of 15 February 2006 on further European cooperation in quality assurance in higher education (2006/143/EC) (OJ L 64, 4.3.2006).

<sup>20</sup> Council Conclusions on the internationalisation of higher education of 11 May 2010.



- **Benchmark higher education performance and educational outcomes:** The Commission will present the results of a feasibility study in 2011, to develop a multi-dimensional global university ranking system, taking into account the diversity of higher education institutions.
- **Propose a multiannual Strategic Innovation Agenda (2011),** defining the role of the EIT in Europe's multi-polar innovation context and laying down priorities for higher education, research, innovation and entrepreneurship over the next seven years.

#### 4. SUPPORTING A STRONG DEVELOPMENT OF TRANSNATIONAL LEARNING AND EMPLOYMENT MOBILITY FOR YOUNG PEOPLE

While mobility among the overall population in the EU is not particularly high, studying and working abroad is particularly attractive for young people. The majority of 'mobile' people in the EU are between 25 and 34 years old. This age group tends to have better knowledge of languages and fewer family obligations. Increased mobility is also due to increasingly open borders and more comparable education systems. This trend should be supported by providing young people with access to more opportunities for enhancing skills or finding a job.

##### 4.1. Promoting learning mobility

Learning mobility is an important way in which young people can **strengthen their future employability** and acquire new professional competences, while enhancing their development as active citizens. It helps them to access new knowledge and develop new linguistic and intercultural competences. Europeans who are mobile as young learners are more likely to be mobile as workers later in life. Employers recognise and value these benefits. Learning mobility has also played an important role in making education and training systems and institutions more open, more European and international, more accessible and more efficient<sup>21</sup>. The EU has a long and successful track record of supporting learning mobility through various programmes and initiatives, of which the best known is the Erasmus programme<sup>22</sup>. Future schemes, such as the creation of the European Voluntary Humanitarian Aid Corps foreseen by the Lisbon Treaty, could also contribute to this process. Some Member States also use the Structural Funds, particularly the European Social Fund, for transnational learning and job mobility. Mobility and exchanges of higher education staff and students between European and extra-European universities is supported under the Erasmus Mundus and Tempus programmes.

The Commission's aim is to extend opportunities for learning mobility to *all young people in Europe by 2020* by mobilising resources and removing obstacles to pursuing a learning experience abroad<sup>23</sup>.

<sup>21</sup> See COM(2009) 329 for references to studies and research.

<sup>22</sup> They include the following: higher education (Erasmus, Erasmus Mundus, Marie Curie) for students, doctoral candidates and staff; higher education and research (Marie Curie, mobility within Networks of Excellence and Technology Platforms); from higher education to business (placements within Erasmus and Marie Curie); vocational education and apprentices (Leonardo); second level education (Comenius) adult learning and senior volunteering (Grundtvig); the cultural sphere (Culture Programme); youth exchanges and volunteering (Youth in Action); volunteering (European Voluntary Service within the Youth in Action Programme); the civil society (Europe for Citizens Programme) and the preparatory action "Erasmus for Young Entrepreneurs".

<sup>23</sup> [http://ec.europa.eu/commission\\_2010-2014/president/about/political/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/president/about/political/index_en.htm)

The **Green paper on Learning Mobility** (July 2009)<sup>24</sup> launched a public consultation on how best to tackle obstacles to mobility and open up more opportunities for learning abroad. This led to over 3,000 responses, including from national and regional Governments and other stakeholders<sup>25</sup>. These show a widespread **wish to boost learning mobility in all parts of the education system** (higher education, schools, vocational education and training), but also in non-formal and informal learning settings, such as volunteering. At the same time, the responses confirm that many obstacles to mobility remain. Therefore, in conjunction with this Communication, the Commission is proposing a **Council Recommendation on Learning Mobility**, as a basis for a new concerted campaign among Member States to finally remove obstacles to mobility. Monitoring of progress will be reflected in a '**Mobility Scoreboard**', which will provide a comparative picture of how Member States are progressing in dismantling these barriers.

To improve understanding of the rights of students studying abroad, the Commission is publishing, alongside this Communication, **guidance on relevant European Court of Justice rulings**. This deals with issues such as access to educational institutions, recognition of diplomas and portability of grants, to help public authorities, stakeholders and students understand the implications of established case law.

The "Bologna" Ministers for Higher Education, representing 46 countries, set a benchmark in 2009 that *at least 20% of those graduating in the European Higher Education Area should have had a study or training period abroad by 2020*<sup>26</sup>. In response to the Council request of May 2009, the Commission will propose in 2010 **EU benchmarks on learning mobility**, focusing in particular on students in higher education and VET.

European **instruments and tools to facilitate mobility**, such as European Credit Transfer and Accumulation System (ECTS), the European Qualifications Framework for lifelong learning (EQF) and Europass, should be fully implemented in order to provide their full benefit for mobile learners<sup>27</sup>. Virtual mobility, through the use of ICT and e-learning, should be promoted to complement physical mobility. The Commission will develop existing Europass elements into a **European skills passport**, to increase transparency and transfer of competences acquired through both formal and non-formal learning across the European Union. In this context, it will develop tools to identify and recognise competences of ICT practitioners and users, including a European Framework for ICT Professionalism in line with the EU e-skills strategy<sup>28</sup>. The Commission will also seek to develop a **Youth on the Move card** to speed up the integration process for mobile learners when moving abroad and provide other advantages in line with national youth or student cards.

EU funding supports student, researcher, youth and volunteer mobility through a number of programmes, although the number of young people who are able to benefit from these remains relatively small at around 380,000 per annum. The Commission will **improve the**

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<sup>24</sup> COM(2009) 329.

<sup>25</sup> See Commission Staff Working Paper SEC(2010) 1047 for an analysis of the responses received.

<sup>26</sup> [http://www.ond.vlaanderen.be/hogeronderwijs/bologna/conference/documents/Leuven\\_Louvain-la-Neuve\\_Communique\\_April\\_2009.pdf](http://www.ond.vlaanderen.be/hogeronderwijs/bologna/conference/documents/Leuven_Louvain-la-Neuve_Communique_April_2009.pdf)

<sup>27</sup> In particular, the European Qualifications Framework for Lifelong Learning (EQF), the Europass, the Diploma Supplement, the European Credit Transfer and Accumulation System (ECTS, for higher education), the European Credit System for Vocational Education and Training (ECVET) and Youthpass.

<sup>28</sup> Announced in the Digital Agenda - COM(2010) 245; "e-Skills for the 21<sup>st</sup> Century" COM(2007) 496.

**efficiency and functioning of these programmes** and promote an integrated approach to support Youth on the Move under the next Financial Framework.

**Key new actions:**

- **Set up a dedicated Youth on the Move website for information on EU learning and mobility opportunities** (2010): This website should give full transparency to all relevant EU programmes, opportunities and rights related to learning mobility for young people, and be progressively developed, e.g. linking EU actions to national and regional initiatives, providing information about funding possibilities, education and training programmes across Europe (taking account of ongoing work on transparency tools and the existing PLOTEUS portal), listing quality enterprises providing traineeships and similar.
- **Propose a draft Council Recommendation on promoting the learning mobility of young people** (2010), addressing obstacles to learning mobility at national, European and international level. This builds on the feedback from the 2009 public consultation on the Green Paper "Promoting the learning mobility of young people". Through regular monitoring, a "**Mobility Scoreboard**" will benchmark and measure progress in removing these obstacles in the Member States.
- **Develop a Youth on the Move card** to facilitate mobility for all young people (i.e. students, pupils, apprentices, trainees, researchers and volunteers), helping to make the integration process of mobile learners smoother.
- **Publish guidance on the European Court of Justice rulings on the rights of mobile students** (2010): This covers issues such as access, recognition and portability of grants.
- **Propose a European Skills Passport** (2011), based on existing elements of Europass, to record in a transparent and comparable way the competences acquired by people throughout their lives in a variety of learning settings, including e-skills and informal and non-formal learning. This should facilitate mobility by easing the recognition of skills across countries.

#### **4.2. Promoting employment mobility**

As underlined most recently in the Monti report<sup>29</sup>, even in the economic downturn, jobs remain unfilled in the EU. This is partly due to a lack of labour mobility within the Union. However, a majority of Europeans (60%) think that people moving within the EU is a good thing for European integration, 50% think it is a good thing for the labour market and 47% think it is a good thing for the economy<sup>30</sup>.

Working abroad is particularly attractive for young people. Yet there are still many obstacles that, in practice, hinder free movement: these need to be removed to **make it easier for young workers to move and work** within the Union and acquire new skills and competences. Young people are often willing to work abroad, but do not take up job opportunities in other countries because they are not aware of them, and because of the costs of moving. Advice and financial support to cover the relocation costs of young job applicants in the new country, as well as some of the integration costs usually borne by the employer, could contribute to **better matching labour supply with labour demand**, while giving young workers valuable **experiences and skills**.

Young labour market newcomers and businesses often do not connect easily, and Public Employment Services (PES) do not always offer services suited to young people and do not engage companies enough in recruiting young people all over Europe. **EURES** and the

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<sup>29</sup> "A new strategy for the single market", report by M. Monti, 9 May 2010, p. 57.

<sup>30</sup> "Geographical and labour market mobility", Special Eurobarometer 337, June 2010.

employment opportunities it offers are not fully exploited by the PES, even if 12% of Europeans know about it and 2% have actually used it<sup>31</sup>.

Facing future labour shortages, Europe needs to retain as many **highly skilled workers** as possible and also attract the right skills for the expected increase in labour demands. Special efforts will be needed to attract highly skilled migrants in the global competition for talent. A wide range of aspects beyond traditional employment policy contribute to the relative attractiveness of a work location. As certain professions see too many Europeans emigrating and too few third country immigrants coming in, policies should address this. This includes **raising awareness of citizens' rights when moving within the EU**, in particular in the field of social security coordination and free movement of workers, **simplified procedures for social security coordination** taking into account new mobility patterns, reducing obstacles to free movement of workers (e.g. access to jobs in the public sector), improving information to young people about **professions in demand**, raising the attractiveness of jobs in professions which see **brain-drain** (e.g. scientific and medical professions) and identifying within the New Skills and Jobs initiative those occupations with shortages to which young talent within and outside the EU should be attracted.

**Key new actions:**

- **Develop a new initiative: "Your first EURES job"**, as a pilot project (subject to it receiving the required financial support by the budgetary authority) to help young people with finding a job in any of the EU-27 Member States and moving abroad. Looking for a job abroad should be as easy as searching in one's own country: "Your first EURES job" will provide advisory, job search, recruitment and financial support to both young jobseekers willing to work abroad and companies (in particular SMEs) recruiting young European mobile workers and providing a comprehensive integration programme for the newcomer(s). This new mobility instrument should be managed by EURES, the European job mobility network of Public Employment Services.
- Create in 2010 a **"European Vacancy Monitor"**, to show young people and employment advisers where the jobs are in Europe and which skills are needed. The European Vacancy Monitor will improve transparency and information on available jobs for young jobseekers by developing an intelligence system on labour and skills demand all over Europe.
- **Monitor the application of the EU legislation on freedom of workers**, to ensure that incentive measures in Member States for young workers, including in vocational training, are also accessible to mobile young workers, and **identify, in 2010, areas for action to promote youth mobility** with Member States in the Technical Committee on the free movement of workers.

## 5. A FRAMEWORK FOR YOUTH EMPLOYMENT

While all Member States have youth employment policies in place, and many have taken additional action during the crisis - often with close involvement of the Social Partners -, much still needs to be done<sup>32,33</sup>. Measures for **reducing high youth unemployment** and **raising youth employment rates** in times of tight public budgets must be efficient in the short term and sustainable in the longer term to address the challenge of demographic change. They should cover in an integrated manner the sequence of steps for young people in the

<sup>31</sup> Special Eurobarometer 337, June 2010.

<sup>32</sup> Sources: Youth Employment Study (2008) providing an inventory of main policies in place for all EU-27 Member States. The Employment Committee report on youth employment (2010) gives an overview of recent measures enacted in Member States.

<sup>33</sup> OECD series of thematic reviews on Youth Employment in selected OECD countries (2008-2010)

transition from education into work and ensure safety nets for those who risk dropping out from education and employment. The existing EU legislation to protect young people at work must be implemented fully and adequately<sup>34</sup>.

Evidence shows that **robust policy coordination at European level** within the common principles for **flexicurity** can make a real difference for young people. Together with stakeholders including Public Employment Services (PES), Social Partners, and NGOs, **specific EU and national endeavours** are needed. They should be based on the following **priority actions** to reduce youth unemployment and improve youth job prospects. The priorities for action should be seen as a contribution towards the **employment target of 75%** set out in Europe 2020.

The lack of decent job opportunities for young people is a widespread challenge throughout the global economy. Raising youth employment in our partner countries and notably in the EU's Neighbourhood will not only benefit them, but also have a positive impact for the EU. Youth employment has come even further **to the fore of the global political debate** in response to the crisis and recovery, underlining a convergence of policy priorities and stimulating policy exchange. This was highlighted by the ILO Global Jobs Pact, recommendations from the G20 Employment and Labour Ministers, the G20 Global Training Strategy or the OECD Youth Forum.

### **5.1. Help to get the first job and start a career**

After finishing secondary school, young people should either get a job or enter further education - and if not, they must receive appropriate support through **active labour market or social measures**, even if they are not entitled to benefits. This is important, particularly in Member States with few job openings, so that young people are not left behind at an early stage. A prerequisite is to ensure that young people have wider, earlier access to these measures, even if they are not registered as jobseekers. For young people with a migrant background or belonging to specific ethnic groups, more tailored measures may be needed to improve the progress made by this fast growing youth population, who often experience particular difficulties in starting their career.

Graduates from vocational pathways and from higher education also need support to move as quickly as possible into their first full-time job. Labour market institutions, especially **Public Employment Services**, have the expertise to inform young people about job opportunities, and to give them job search assistance – but they need to adapt their support to the specific needs of young people, particularly through partnerships with training and education institutions, social support and career guidance services, trade unions and employers, who can also offer this kind of support as part of their **Corporate Social Responsibility (CSR)** policy.

Employers, when offered a choice between an experienced worker and a novice, will often prefer the former. **Wage arrangements** and **non-wage labour costs** can provide an incentive to employ new entrants, but should not contribute to precariousness. Collective bargaining can also play a positive role in setting agreed differentiated entry wages. Such measures should also be complemented by secondary benefits and access to training to help young people remain in a job.

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<sup>34</sup> The Commission will soon present an analysis (through a staff working paper) of the application of Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work.

Young workers are very often hired via **temporary contracts**, which may allow firms to test skills and productivity of workers before offering them an open-ended job. However, too often, temporary contracts are just a cheaper alternative to permanent ones, particularly in countries where the gap in dismissal regulations between these contracts is high (i.e. severance pay, notice periods, possibility to appeal to courts): then the result is a **segmented labour market**, where many young workers experience a sequence of temporary jobs alternating with unemployment, with little chance of moving to a more stable, open-ended contract and incomplete contributions to pension provisions. Young women are particularly at risk of falling into this segmentation trap. The successive use of such contracts should be limited, since it is bad for growth, productivity and competitiveness<sup>35</sup>: it has long-lasting negative effects on human capital accumulation and earnings capacity, as young temporary workers tend to receive lower wages and less training. Possible ways to tackle this are to introduce fiscal incentives to firms using permanent contracts or for the conversion of temporary contracts into permanent ones. In order to shed further light on this particular context, the Commission will present in 2010 a **comprehensive analysis of factors affecting the labour market outcomes** for young people and the risks of labour market segmentation affecting young people.

## 5.2. Support youth at risk

Indicators for youth labour market performance do not fully capture the fact that an astonishing 15% of European 20-24 year olds are disengaged from both work and education (NEET youth: neither in employment, education or training) and risk being permanently excluded from the labour market and dependent on benefits. It is essential, as a first priority, to tackle this problem, to **provide suitable pathways for these young people to get back into education and training if needed or to bring them in contact with the labour market**. Every effort should also be made to ensure as many **young people with disabilities** or health problems as possible are in work, to minimise risks of future inactivity and social exclusion. Public Employment Services are crucial to boost and coordinate such efforts. One option is to develop partnerships and agreements with employers who are offered special support for recruitment of youth at risk.

## 5.3. Provide adequate social safety nets for young people

**Active inclusion** of young people, with particular focus on the most vulnerable groups, requires a combination of adequate income support, inclusive labour markets and access to quality services<sup>36</sup>. Many unemployed young people, especially if they have never worked, have no access to unemployment benefits or other income support. To address this problem, **access to social benefits**, where appropriate, **should be ensured, and where necessary, expanded** to provide income security, while, at the same time, effective and efficient **activation measures** and **conditionality** should ensure that benefits are only awarded if the young person is engaged in active job search or in further education or training. This is of key importance to avoid benefit traps. Modernisation of social security systems should address the precarious situation of young people.

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<sup>35</sup> See Directive 1999/70/EC.

<sup>36</sup> Commission Recommendation on the active inclusion of people excluded from the labour market of 03.10.2008 (OJ L 307, 18.11.2008), endorsed by the Council on 17 December 2008 and by the European Parliament in its Resolution of 6 May 2009.

A growing number of young people are being moved onto (permanent) **disability benefits**. While some may not be able to work fully, even with suitably adapted workplaces, others could find a way back to the labour market through well designed activation policies.

#### 5.4. Support young entrepreneurs and self-employment

A life-time job with the same employer is certainly not going to be the norm: most workers will change companies several times, and most current and future jobs are in SMEs and micro-enterprises. In addition, self-employment is an important driver of entrepreneurship and can thus significantly contribute to job creation, especially in the services sector.

**Self-employment** offers a valuable opportunity for young people to make use of their skills and shape their own job. It is also an option to be considered seriously by those helping young people to plan their career paths. The interest and potential of young people to become entrepreneurs needs to be strongly encouraged by fostering entrepreneurial mindsets and attitudes in education and training. This should be supported by the public and private sectors. To this end, young people need more opportunities to have entrepreneurial experiences, to receive support and **guidance on business plans, access to start-up capital and coaching within the starting period**. Here also, Public Employment Services have an important role, in informing and advising young jobseekers about entrepreneurship and self-employment opportunities.

##### Key new actions:

###### *The Commission will:*

- In order to address public spending constraints, work with Member States to **identify the most effective support measures**, including job placement, training programmes, recruitment subsidies and wage arrangements, security measures and benefits combined with activation and propose adequate follow-up actions.
- Establish a **systematic monitoring of the situation of young people not in employment, education or training (NEETs)** on the basis of EU-wide comparable data, as a support to policy development and mutual learning in this field.
- **Establish, with the support of the PROGRESS programme, a new Mutual Learning Programme for European Public Employment Services (2010)**, to help them reach out to young people and extend specialised services for them. This programme will identify core elements of good practices in Public Employment Services and support their transferability.
- **Strengthen bilateral and regional policy dialogue on youth employment** with the EU's strategic partners and the European Neighbourhood, and within international fora, particularly the ILO, OECD and G20.
- Encourage the greater use of support to **potential young entrepreneurs via the new European Progress Micro-finance Facility**<sup>37</sup>. The Facility increases the accessibility and availability of microfinance for those wanting to set up or further develop a business, but having difficulties in accessing the conventional credit market. In many Member States young micro-entrepreneurs who seek funding under the Micro-finance Facility will also benefit from guidance and coaching with the support of the ESF.

###### *In the framework of Europe 2020 and the European Employment Strategy, Member States should focus on:*

- Ensuring that all young people are in a job, further education or activation measures **within four months of leaving school** and providing this as a “**Youth Guarantee**”. To this end, Member States are asked to identify

<sup>37</sup>

[www.ec.europa.eu/epmf](http://www.ec.europa.eu/epmf)

and overcome the legal and administrative obstacles that might block access to these measures for young people who are inactive other than for reasons of education. This will often require extending the support of PES, using instruments adapted to the needs of young people.

- Offering a good **balance between rights to benefits and targeted activation measures** based upon mutual obligation, in order to avoid young people, especially the most vulnerable, falling outside any social protection system.
- In segmented labour markets, introducing **an open-ended "single contract"** with a sufficiently long probation period and a gradual increase of protection rights, access to training, life-long learning and career guidance for all employees. Introducing minimum incomes specifically for young people and positively differentiated non-wage costs to make permanent contracts for youngsters more attractive and tackle labour market segmentation, in line with common flexicurity principles.

## 6. EXPLOITING THE FULL POTENTIAL OF EU FUNDING PROGRAMMES

Several existing programmes already support the Youth on the Move objectives. For education and training, the Lifelong Learning programme (including Erasmus, Leonardo da Vinci, Comenius and Grundtvig), Youth in Action, Erasmus Mundus, Tempus and Marie Curie Actions address specific target groups. Their objectives should be strengthened, rationalised and better used to support the Youth on the Move objectives.

Teachers, trainers, researchers and youth workers can act as **mobility multipliers** at different levels: persuading young people to participate in a mobility experience, preparing the participants, staying in contact with the host institution, organisation or enterprise. In the next generation of mobility programmes, the Commission will propose a greater focus on increasing mobility of multipliers, such as teachers and trainers, to act as advocates for mobility.

The Commission will examine the possibility to step up the promotion of **entrepreneurship** mobility for young people, in particular by increasing Erasmus work placement mobility, promoting entrepreneurship education in all levels of the education system and in the EIT, enhancing business participation in Marie Curie actions and by supporting the "**Erasmus for young entrepreneurs**" initiative.

These programmes alone, however, will not be able to cater for all demands. Hence, there is a need to **link up funding from many sources** and **have wider engagement** of public authorities, civil society, business and others in support of the Youth on the Move objectives, to achieve the critical mass required.

The **European Social Fund** (ESF) provides considerable help to young people. It is the main EU financial instrument to support youth employment, entrepreneurship and the learning mobility of young workers, to prevent school drop-out and raise skill levels. A third of the 10 million ESF beneficiaries supported each year are young people, and about 60% of the entire ESF budget of 75 billion euros for 2007-2013 plus national co-financing benefits young people. The ESF also significantly supports the reforms of Member States' education and training systems and participation in life long learning, contributing 20.7 billion euros.

Yet the potential of the **ESF must be maximised**, given the drastic deterioration in the situation of young people since the design of ESF programmes. To this end, the Commission will carry out a stock-taking of current ESF measures and then work with Member States to identify the key target measures and policy actions which should urgently receive ESF



support. This will be done through the ESF reporting and the Europe 2020 multilateral surveillance. Awareness-raising must also be stepped up, so young people can make the most of the opportunities offered by the ESF.

The Commission will examine, together with the Member States and the regions, how to better support youth employment, educational opportunities and higher education infrastructure through other structural and cohesion funds, in particular the European Regional Development Fund. In addition, PROGRESS and the new European Micro-finance Facility will be exploited further, as should national and regional funding.

The Commission is also examining whether to create at EU level, in cooperation with the European Investment Bank, a **student lending facility** as a complement to Member State schemes. The availability of study loans for young people could be increased and contribute to more cross-border mobility in education, including the option for students to undertake an entire study programme abroad. Complementarity with the existing EU programmes on education and training should be ensured. A study is currently being carried out, with results expected in 2011.

The Commission has announced that it will propose measures, in its recently adopted Communication "A Digital Agenda for Europe"<sup>38</sup>, for 'light and fast' access to EU research funds in ICT, making them more attractive to SMEs and young researchers.

A coordinated **review of existing education and training programmes** will be undertaken with a view to developing an **integrated approach** under the post-2013 Financial Framework underpinning the Youth on the Move strategy. The aim is to **support wider learning and mobility opportunities** for all young people in Europe, as well as **supporting the modernisation of education and training systems** and the **development of the youth sector**, in particular through transnational and international cooperation projects and networks. This would include the creation of education partnerships, capacity building actions, international policy dialogue and the promotion of Europe as an attractive study and research destination.

The Commission will **launch a public consultation** in September 2010, to allow all interested parties to express their views on the future education and learning programmes. It will present proposals in 2011.

In the next programming period, **ESF support** should be linked even more closely to the policy priorities of the Integrated Guidelines and the EU and national employment and education targets of Europe 2020.

**Key new actions:**

- Given the growing importance of the issue, the Commission and the Member States will examine ESF interventions and make a **proposal to increase awareness of and maximise the potential of the ESF** to support young people.
- **Member States should ensure that ESF swiftly supports** young people and the achievement of Europe 2020 targets. The Commission will identify good practices for the efficient use of money to enhance youth employment opportunities and inspire their application more widely in the Member States' programmes.

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<sup>38</sup> COM(2010) 245.

- **Undertake a review of all relevant EU programmes** fostering learning mobility and education, including via an open consultation of stakeholders, to be launched in September 2010, and make proposals in 2011 for the new Financial Framework.
- **Examine the feasibility for the creation of an EU-level student loan facility**, in cooperation with the EIB Group and other financial institutions, to reinforce transnational student mobility and improve young people's access to higher education, complementing Member State schemes. Results of a feasibility study are expected in 2011.

## 7. MONITORING AND REPORTING ARRANGEMENTS

The Commission and the Member States should cooperate on the follow-up to the Youth on the Move initiative in the context of the follow-up to the Europe 2020 Strategy, the existing arrangements for the Strategic Framework for European cooperation in Education and Training ('ET 2020'), the European Employment Strategy and the EU Youth strategy<sup>39</sup>. The new **Integrated Guidelines**, especially the employment guidelines, are the framework for coordinated policy actions, most of which are the responsibility of Member States. The Commission will support Member States in the design and implementation of actions through **funding** and the **open methods of coordination**, notably through reinforced **mutual learning** and **peer reviews** with national governments, regional and local policy makers and other stakeholders and practitioners, as well as through regular monitoring of, and co-operation on, ESF programmes.

The actions announced in this Communication will be **reviewed and updated over time**, within the 2020 horizon.

## 8. INFORMATION CAMPAIGN

The Commission will launch an **information campaign** in 2010 to support the Youth on the Move initiative for the next decade. The campaign will include a specific **Youth Employment awareness-raising and mobilisation action** in 2011, directed at young citizens and labour market stakeholders in the Member States, to focus national and EU efforts on reversing youth unemployment trends and to encourage young people to take up opportunities. The campaign will actively involve national and regional authorities, the business sector, in particular SMEs, and other key stakeholders.

## 9. CONCLUSION

The Europe 2020 flagship initiative Youth on the Move puts young people at the centre of the EU's agenda to create an economy based on knowledge, research and innovation, high levels of education and skills in line with labour market needs, adaptability and creativity, inclusive labour markets and active participation in society. All these represent key components of Europe's future prosperity. Urgent action is needed from Member States and where relevant from candidate countries, at both national and regional levels, as well as the EU level, to address the challenges faced by young people outlined in this Communication and ensure that education and training systems, as well as labour market structures, are equipped for economic recovery and beyond. Given the global nature of these challenges for the EU, dialogue, exchanges and cooperation with the EU's external partners should be promoted.

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<sup>39</sup> COM(2009) 200.

This initiative counts on the support of other European institutions and on the active participation of all stakeholders to make it a success.