

**EUROPEAN SOCIAL PARTNERS<sup>1</sup>:**

# **FRAMEWORK OF ACTIONS ON YOUTH EMPLOYMENT**

**JUNE 2013**

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<sup>1</sup> The ETUC delegation includes representatives of the EUROCADRES/CEC Liaison Committee

ETUC – THE EUROPEAN TRADE UNION CONFEDERATION

BUSINESSEUROPE – THE CONFEDERATION OF EUROPEAN BUSINESS

UEAPME – EUROPEAN ASSOCIATION OF SMALL AND MEDIUM-SIZED ENTERPRISES

CEEP – THE EUROPEAN CENTRE OF EMPLOYERS AND ENTERPRISES PROVIDING PUBLIC SERVICES

## INTRODUCTION

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Youth unemployment is one of Europe's most pressing problems. In the current economic and financial crisis the lack of job opportunities has affected young people more than any other group in society; this is reflected in high and increasing youth unemployment rates and levels of precariousness.

In Europe, more than 5.68 million young people are unemployed. The average rate of youth unemployment (23.4%) is more than double the overall unemployment rate (10.7%). Even before the crisis the youth unemployment rate was particularly high (17% compared with an average rate of 7% in 2008).

Those with jobs are strongly represented in temporary and part-time work with 42% on temporary contracts and 32% in part-time contracts, especially young women.

This shows that there are structural reasons including lack of job opportunities, in particular in some regions, making it difficult for young people to fully integrate into labour markets. The crisis has exacerbated this youth unemployment challenge in many countries especially for disadvantaged groups. More than half of young men and women on the labour markets are now unemployed in some countries. Urgent action is required to provide more and better jobs for the young and avoid scarring effects both to young people and European economies and societies as a whole.

When they enter into the labour market, many young people lack work experience. Therefore, in order to achieve a quick introduction of new recruits into labour market, it is necessary to address this issue. In addition, insufficient basic skills, lack of focus on learning outcomes in education and training, as well as a negative perception of initial vocational education and training (IVET) can lead to difficult integration into the labour market.

Contracts of indefinite duration are the majority form of employment relationships. For some young people, temporary contracts could provide a helpful stepping stone into the labour market. However, supporting young people to develop their career from there is important so as to limit as much as possible the proportion of young people who may well find themselves stuck without longer-term prospects. Social partners should support them in doing this and ensure the adequate protections apply to these contracts.

Longer and unpredictable transitions to the labour markets can have a negative impact on young people's confidence in the future and daily lives, notably in terms of access to a regular income, risk of poverty, possibility of forming a family, and health. Moreover, without a job and adequate social protection, more young people are dependent on their families for a longer time and are more likely to slip into poverty.

According to Eurofound, the cost of 7.5 million young people (15-29) who are not in education, employment or training (NEETs) is more than €153 billion a year, or 1.2% of EU GDP. We risk missing a great deal of the potential of the young generation of Europeans. If this risk materialises, European economies would be losing a part of the young to social exclusion. This would also undermine Europe's competitiveness and innovation potential for the next decades.

Active labour market policies are part of the solution, but reducing youth unemployment is not possible without a strong commitment to education, growth and recovery. Adequate financial resources should be allocated at the appropriate level taking into account fiscal discipline and the objectives of the Europe 2020 strategy.

Employability is a valuable way for young people to invest in their future. Measures and targeted incentives should be put in place to stimulate employment and achieve a better match between young people's aspirations and available vacancies.

## 1. CHALLENGES

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The crisis together with the on-going process of economic transformation coincides with profound demographic, cultural and social changes throughout Europe.

Youth unemployment is a key European concern that needs to be addressed. Two main objectives are to create the right conditions to foster employment opportunities for young people and to ease their transitions between education and work.

European social partners aim to address three inter-related challenges:

1. Create more and better jobs and attractive career opportunities for young people;
2. Strengthen the quality and relevance of education and training at all levels to address skills mismatches;
3. Optimise the role of industry, in particular SMEs, and of high-performing public services in Europe as a driver of sustainable and inclusive growth.

More specific challenges include the following:

***Creating more and better jobs and the right framework conditions for smoother transitions into employment.*** With more than 26 million people unemployed, the main challenge remains the stimulation of a job-rich growth pattern and the creation of jobs. In this context, social partners together with institutions should engage at European, national and local levels to foster economic growth, productivity and competitiveness in order to improve the quality and increase the number of jobs. This will make it possible for young people to fully integrate into the labour market.

***Promoting the attractiveness of vocational education and training (VET) and ensuring its quality.*** This will contribute to improving the learning environment and providing young people with relevant skills and competences.

***Promoting the acquisition of transversal and specific competences and skills:*** The evolution towards process-oriented and interdisciplinary work organisation increasingly requires transversal and technical competences, problem-solving and communication skills, and teamwork. Transversal and specific competences and skills should be promoted on a lifelong learning basis including in the work place.

***Dealing with the increasing need for highly skilled workers:*** Together with medium-skill, high-skill jobs are very likely to be on the rise in the coming decades (CEDEFOP forecasts 2020). Preventing young people from dropping out from school and training and incentivising them to achieve medium and high educational attainments, be it through higher vocational education and training or university pathways, will contribute to reinforcing the EU's competitive edge through higher added value and quality production and services. Higher educational attainments will also contribute to their personal and social development.

***Improving the matching between skills supply and demand:*** Closing this gap will help fill the current 2 million job vacancies in European labour markets. In some regions in particular, even qualified young people face difficulties integrating in labour

markets due to a lack of jobs or skills mismatches. This requires increasing collaboration between educational institutions and social partners so that young people acquire the right skills. Closing the skills gap will also require better information to young workers on possible attractive career prospects of sectors/areas they may not have considered. This will increase the chances for employers to find the right candidates and for employees to choose the career they aspire to.

## **2. SOCIAL PARTNERS' APPROACH**

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The European social partners reject the inevitability of a lost generation. That is why they have included this Framework of Actions as the first priority of the Work Programme for 2012-2014. They agreed to “focus on the link between education, young people’s expectations and labour market needs, while taking account of young people’s transition from school into the labour market, in an effort to increase employment rates in general”.

In this respect, European social partners fully support the objective of article 3 of the TEU of working for a highly competitive social market economy and article 9 of the TFEU of promoting “a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health.”

With this Framework of Actions, we call on national social partners, public authorities and other stakeholders to act together to achieve concrete progress in favour of youth employment. A multi-pronged approach is needed with measures and appropriate resources to secure high quality learning outcomes, promote vocational education and training, and create jobs.

The European social partners are thus committed to putting forward practical solutions to address youth unemployment taking into account the specific situation of each country, in order to contribute to growth, employment and social cohesion.

This Framework of Actions is based on existing and new practices. European social partners aim to promote the most effective initiatives identified across Europe that could be used as inspiration for designing solutions by national social partners in their respective contexts. We also include recommendations to other relevant actors such as the EU institutions and Member States.

### **BUSINESSEUROPE, UEAPME, CEEP and ETUC:**

- are convinced that investing and creating more and better jobs is the way forward to improve the situation of young people on labour markets,
- consider that much can be achieved by high-performing education and training systems to deliver the right skills for young people, while taking into account their expectations, and the efficiency and resilience of labour markets,
- stress the importance of measures and means aiming to stimulate sustainable and inclusive growth and job creation in Europe,
- want to contribute to setting the right incentives and framework conditions to make the hiring of young people a more attractive option for employers, particularly through collective bargaining between social partners,
- aim to promote adaptability of both enterprises and workers, and opportunities to workers through more dynamic careers,

- recall that inclusive, open and efficient labour markets are fundamental for improving young people's access and sustainable integration in employment,
- affirm the joint responsibility of social partners at all levels in policy development through constructive autonomous social dialogue, in line with the diversity of national industrial relation systems,
- acknowledge the broader dimension of the challenge, which calls for close cooperation with public authorities, as well as education, training institutions, employment services and open dialogue with youth organisations at all levels,
- consider that current and future measures taken must comply with the aims of intergenerational solidarity,
- stress the shared responsibility of employers, public authorities and individuals to invest in skills development.

### **3. PRIORITIES**

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#### **PRIORITY 1: LEARNING**

Young people need to be equipped with basic competences, transversal competences, as well as technical and specific competences for their own personal development and employability.

Well-designed education and training curricula, with social partner involvement, responsive to labour market and young people's needs can contribute to reducing the skills mismatch.

Work-based learning, including apprenticeships and traineeships, can also contribute to smoother transition into the labour market for the young and reduce the risks of long transitions.

#### **Primary and secondary education**

Access to basic education is a fundamental right and discrimination should be prevented.

Education is a value which benefits the individual and contributes to achieving the Europe 2020 targets. Therefore, governments must provide a well-functioning universal, free and quality general public education – both primary and secondary – and invest in vocational training that prepares pupils properly for further general or vocational education and training pathways.

Young people dropping out of school or vocational education and training before having acquired basic skills are more likely to be confronted with difficult transitions from school to the labour market or to face unemployment later on in life.

Coordinated action towards the design, implementation and monitoring of curricula and education programmes must ensure that learning outcomes foster young people's aspirations and employability.

#### **Initial vocational education and training**

In work-based learning models, such as dual learning systems, a significant part of the education takes place in an enterprise. The principle is to alternate between learning and training in school and on-the-job learning while working in an enterprise.

High-quality initial vocational education and training systems have shown merits in a number of countries, involving social partners in their design and functioning.

In particular, well-established dual learning systems can contribute to lower youth unemployment levels.

It is difficult to transfer the dual learning system from one country to the other. The concept of work-based learning needs to be tailored to the context of each individual country, where applicable on a tripartite basis. The idea is to allow all countries that want to review/improve their systems to do so while being fully aware of the characteristics of other countries' systems.

### **Apprenticeships**

Well-designed apprenticeships systems have proved to be effective in easing young people's transitions into work.

The preconditions are the existence of places in enterprises and that pupils have acquired the necessary basic skills.

The agreement between young people and individual employers is to be quality-assured, inter alia through well-defined learning objectives between the apprentice, the training centre and the enterprise.

Social partners have a key role to play in the setting of quality regulatory frameworks at national level and in the design of procedures that limit excessive legal or administrative requirements. Additionally national governments should enforce these frameworks to ensure that the conditions are right to offer apprenticeships placements and comply with the agreed rules, to the benefit of the employer and the apprentice.

The European Commission and European social partners have a role to play to encourage the sharing and the improvement of national practices on apprenticeships.

### **Traineeships**

European social partners take note of the Commission's intention to propose a Council Recommendation on the European quality framework on traineeships and support Member States' actions aiming to improve the quality of traineeships.

### **Mobility**

Programmes such as Lifelong Learning Programme and specific sub-programmes like Leonardo, Grundvig, Erasmus and Comenius as well as the Youth in Action programme have proven their added value. European social partners support a next generation of EU education and training programmes focusing on learning mobility, cooperation for innovation, as an engine for growth.

## **I. Social Partners' Actions**

### **a. Short term**

- Take part in the monitoring and evaluation of vocational education and training (VET) to ensure smooth transitions from education to further training and/or work within quality regulatory frameworks at national level.
- Participate in the governance of apprenticeship systems.
- Identify and address barriers to the development of apprenticeship systems in each country.
- Contribute to designing and participating in setting up the EU alliance for apprenticeships.
- Envisage taking further joint actions towards the Council and the European Parliament based on the upcoming Commission's proposal for a Council Recommendation on a European quality framework on traineeships.
- Ensure that apprenticeship agreements between young people and enterprises clearly define the terms of the apprenticeship and learning objectives of the work-based part of the education.
- Promote the attractiveness of and work on the image of science, technology, engineering and mathematics fields at secondary school and in higher education levels. This should include attracting more women into STEM disciplines.

**b. Long term**

- Promote education which better meets labour market and young people's needs whilst fostering young people's personal development and employability.
- Strengthen dual learning elements in existing work-based learning models.

**II. Recommendations**

**a. Short term**

- The European Commission should add the "share of work-based learning" as one of the variables in its proposed employability benchmark.
- The European Commission should adequately involve European social partners in the management of the next generation of education and training programmes.
- The EU and Member States should ensure that EU funding programmes such as ESF provide initial funding for setting up or reforming apprenticeship systems.
- The European Commission and Member States should support and coordinate European and national campaigns for changing the perception of vocational education and training in European societies, and promote quality work-based learning.
- Eurostat and CEDEFOP should cooperate to provide accurate and harmonised data and policy analysis on the share of workplace-based training at all levels of education and training.
- Member States in cooperation with social partners could consider establishing national and/or sectoral training funds.
- Member States should encourage employers to take on more apprentices and trainees, in consultation with social partners.
- Member States should devise, in consultation with the relevant social partners, framework conditions for apprenticeship and traineeship that are attractive for enterprises and young people, in line with the diversity of industrial relations systems and taking into account their learning objectives.

- Member States should fully implement national qualifications frameworks to improve learning outcomes at all levels of education and training.
- Member States should ensure quality initial vocational education and training (IVET) to increase the qualifications and employability of young people and reduce skills mismatches with the involvement of social partners.
- Member States should promote the attractiveness of and work on the image of initial vocational education and training (IVET) and apprenticeship systems towards young people, their parents and enterprises with the involvement of social partners.
- Member States should improve the labour market relevance of the education and training systems' output as a matter of priority, by putting a focus on investment in education and skills to address increasing skills' mismatches, in line with the Europe 2020 strategy and in the context of the European semester.
- Member States should offer early leavers from school and training and low skilled young people ways and means to re-enter education and training or second-chance education programmes in order to reduce skills mismatches.

#### **b. Long term**

- The EU and Member States should spread the principles of work-based learning models and dual learning systems both in secondary and in higher education and training throughout Europe, including apprenticeship schemes and efficient, highly qualifying and sustainable initial and continuous vocational education and training (VET) systems.
- The EU and Member States should encourage cross-border mobility of teachers and trainers, as well as young people's learning mobility and study of foreign languages.
- Member States should ensure quality and inclusiveness in primary and secondary education and training so that pupils possess the necessary basic skills and to reduce early school-leaving.
- Member States should on the first hand encourage employers to offer more and better apprenticeship placements while on the other hand easing administrative procedures for enterprises and in particular for small and medium-sized enterprises (SMEs) regarding the provision of apprenticeships.
- Member States, in cooperation with social partners, employer organisations, enterprises, crafts chambers and chambers of commerce and VET providers should work together at national level to ensure apprenticeships improving career opportunities for young people and enterprises' performance.

### **Priority 2: TRANSITION**

Change has become a constant feature of our economies and societies. This makes it important to ease and support transitions into and within the labour market with reliable, efficient unemployment insurance and social safety nets which are financially sustainable in the longer term.

Labour market transitions usually refer to periods between the exit from the education system and entry into the labour market as well as between different jobs. Under this priority, the focus is put on the transition between education and work.

Transition measures, including in the area of guidance, training and employment integration, are limited in time and agreed, monitored and performed by various actors in accordance with national industrial relations systems.



## **EU Youth Employment Initiatives**

European social partners support the European institutions' determination to address the youth unemployment challenge, while making sure that EU support will go where it is most urgently needed, in particular by enhancing territorial and social cohesion.

In particular, EU social partners welcome the Youth Employment Initiative which was adopted by the European Council on 8 February 2013 in the framework of the discussions on the Multi-Annual Financial Framework for 2014-2020.

## **Youth Guarantee**

Transitions from school to work have become longer and more complex for many young people.

As agreed by the EPSCO Council on 28 February 2013, the objective of a youth guarantee is to ensure that young job-seekers do not remain outside the labour market for long by providing them with a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education.

Only a job-rich recovery and growth can reduce unemployment sustainably. With that in mind, youth guarantee schemes should take into account the following basic principles:

- a targeted approach for young people, especially those who are at the margins of the labour market,
- a partnership approach including the involvement of social partners,
- identification and allocation of the appropriate means,
- early intervention to prevent long-term unemployment,
- time-bound schemes with measurable outcomes,
- fostering of employability and mobility to prevent or reduce youth unemployment,
- promotion of employment opportunities for young people which enable them to become independent.

Considering the severity of the situation for young people nowadays, a focus on activation measures targeting the young through the setting-up of a youth guarantee and/or similar measures at national level is necessary in many countries. The youth guarantee may also contribute to the achievement of some Europe 2020 strategy objectives, namely a reduction of early school-leavers, an increase in the employment rate of the population aged 20-64 and a lifting-out of poverty and social exclusion. Measures and actions related to the youth guarantee represent a certain cost which needs to be weighed against the high social and economic cost of inaction.

The youth guarantee must be adapted to the situation in each Member State. Social partners should actively participate in its design and implementation, in partnership with public authorities and other relevant stakeholders. Financing the cost of these measures is primarily the responsibility of public authorities.

## **Guidance and information**

Establishing better guidance and information for all young women and men, and tailored career service centres focusing on employability is a good way to strengthen

the links between secondary, further and higher education and training and the labour market.

This is particularly evident in some sectors including public services. Young people are often unaware about the scope of possible careers and activities offered by both private and public employers and enterprises.

Disadvantaged groups of young people, such as socially marginalised young people, those lacking basic skills and school drop-outs, need special attention in guidance and information.

### **Identification of new skills and new jobs**

Identifying new skills and new jobs and anticipating their development can represent a complex task given the difficulty for social partners and training providers to anticipate future skills needs. Numerous and changing socio-economic and technological factors must be taken into consideration, making it challenging to compile reliable data in this area. Nevertheless this exercise is imperative.

As described in the Framework of Actions for lifelong development of competences and qualifications<sup>2</sup>, this anticipation takes place at two levels: the enterprise level and the national and/or sectoral level.

## **I. Social Partners' Actions**

### **a. Short term**

- Promote the attractiveness and value of jobs in “shortages” areas as future careers (e.g. in green economy, ICT, health, education, industry, etc.) by organising, where relevant, awareness-raising campaigns, open days, “taster” opportunities, initiatives between social partners and schools/colleges, etc., and/or restore the image of a sector or occupation in all their aspects, ensuring that health and safety regulations are respected in all sectors.
- Contribute to governments' actions aiming to implement youth guarantee schemes at national level.
- Take part in the design, monitoring, evaluation and review of youth guarantee measures implemented at national level to monitor their effectiveness and value for money, in light of their performance in activating the young unemployed.

### **b. Long term**

- Achieve a lifelong learning culture by informing and advising their members.
- Prioritise support for young job seekers who wish to shift their career orientations and adapt their skills towards sectors in demand in order to address existing job vacancies, without discriminating against other age groups.
- Enhance the cooperation between human resource managers, private and public employment services, educational institutions, social counsellors,

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<sup>2</sup>The Framework of Actions on lifelong development of competences and qualifications was adopted by the European social partners in 2002

employers' and workers' representatives and external/internal coaches and/or mentors.

- Contribute to the design, implementation and monitoring of education, training and lifelong learning curricula, policies and programmes.
- Cooperate with governments and education and training institutions to provide young people with targeted information on available career opportunities and skills needs on labour markets, and on apprentices', trainees' and workers' rights and responsibilities.

## **II. Recommendations**

### **a. Short term**

- The EU and Member States should ensure that a share of ESF resources can be set aside to provide initial funding for Member States that have already introduced or wish to introduce a youth guarantee.
- The European Commission and Member States should involve European and national social partners in the design and implementation of the Youth Employment Initiative in order to ensure its success.
- Member States should examine and, where needed, address the interplay between tax and benefit systems in a fiscally neutral way, also respecting wage policies, in order to encourage young people's employment participation while ensuring full access to social protection.
- Member States should provide effective career guidance within the education systems to help young people make better informed decisions both in lower secondary education and in higher education. Career guidance materials should include clear information about available jobs and career prospects on the labour markets.
- Member States in partnership with employment services should include job search techniques in school curricula to better equip young people in their search for a first job.
- When introducing a youth guarantee or equivalent measures, Member States should follow an approach targeted firstly on young people who are at the margins of the labour market.

### **b. Long term**

- The EU and Member States could develop networks to collect information and exchange experiences aiming at fostering partnership with education and training providers at all levels.
- Member States should foster partnership between social partners and employment services to find effective ways to address vacancies.
- Member States should organise public employment services as effective "transition management agencies", with the capacity to provide tailored advice to young people to facilitate their transition from the world of education and the world of work and between jobs.
- Member States should consult relevant actors in the administration of traineeship and apprenticeship programmes in order to ease administrative procedures for employers while respecting the social protection and rights of trainees and apprentices.
- Member States should seek to prevent young people without any qualification dropping out of schools with measures such as youth coaching and mentoring at school, compensatory measures such as bridging

programmes, and systemic measures such as further training for teachers on the issue of early school-leavers and early warning system.

### **PRIORITY 3: EMPLOYMENT**

With more than 26 million Europeans unemployed, a key condition is to create more and better jobs in addition to the 2 million vacancies in Europe.

The level of youth unemployment is rising across Europe in many countries, a situation which has been exacerbated by the financial and economic crisis. Young people's integration into the labour market is made more complicated in many countries due to a lack of jobs. Dynamic, open and mobile labour markets should aim to encourage job creation and job search without undermining social protection systems.

Adequate macro-economic policies and targeted measures for productive investment are needed to foster growth and a job-rich recovery. The competitiveness of EU products and services depends significantly on investment in research & development, innovation, education and training.

It is the responsibility of national social partners and governments, in accordance with industrial relations practices, to determine terms of employment, including labour costs, with the aim of helping young people to enter and develop in the labour market.

There is a lack of certain key competences and a shortage of adequate skills in certain sectors and regions in Europe, in particular related to new industries' and specific public services' needs. In order to fill in the existing vacancies, European social partners fully support EU and national efforts to provide the adequate (re)training and promote mobility opportunities for young jobseekers who are considering moving and working within and between Member States.

Well-designed and well-functioning employment regulations, and tax and social protection systems are essential for effective labour markets and for the promotion of more opportunities for young people to obtain a job. Labour market reforms, where needed via collective bargaining or legislation in consultation with social partners, could reduce segmentation and enhance access to labour markets for young people. When devising solutions to maximise youth employment opportunities, it is important to respect agreed social and labour rights.

Active labour market policies are also needed to promote young people's access to employment, which enables them to become independent.

Lifelong learning is a shared responsibility which lies with all actors: enterprises, workers and their representatives, public authorities and individuals. Each employee should be aware of and encouraged to develop her/his competences in the course of her/his working life.

Coaching, tutoring and mentoring, including through intergenerational cooperation, can facilitate the integration of young people in their first job. Such an approach can help enterprises promote simultaneously young and older workers' employment. Moreover, individual competence development plans can allow employers and employees to identify the required competences of the young worker in a given work situation.

A diversity of contractual arrangements can help to better match employers' and young workers' needs, for example to cope with changing demand for goods and services, to

fill in for absent employees due to sickness or family duties, or to allow young people to better reconcile work with private life or education duties.

However, some young people may well find themselves stuck in a succession of short term and/or limited-hours contracts, accepting these working arrangements due to a lack of other opportunities, thus hampering their possibilities to embark on an autonomous life and kick-start a secure professional development.

Social partners and public authorities need to ensure that the conditions are right for job creation and that permanent, temporary and short-term contracts are regulated in a way that fosters sustainable integration of young people in employment.

## **I. Social Partners' Actions**

### **a. Short term**

- Agree specific terms and conditions of employment support for young job-seekers to promote their access to a first job including special programmes designed to support and qualify the young people to access jobs.
- Promote contracts of indefinite duration to ensure that they remain the general form of employment relationships.
- Ensure, according to the national industrial relations systems, an optimal balance between flexibility and security including the provision of employment protection for all employment relationships in order to tackle segmented labour markets.
- Support mentoring initiatives to allow and recognise the contribution of an older and/or more-experienced worker in transmitting his/her knowledge and expertise to a younger employee.
- Promote smoother integration of young recruits in the workplace through induction and coaching.
- Promote individual competence development plans jointly agreed by the employer and the worker.
- Continue to engage at European level in on-going discussions on transparency and recognition of formal and non-formal competences and qualifications, by promoting the development of Europe-wide means of recognition and validation of competences and qualifications across general and vocational education and training systems.
- Contribute to European initiatives aiming to promote the potential benefits of mobility of young job-seekers and workers, such as via the “your first EURES job” initiative whilst avoiding brain-drain in some countries which would hamper their future development.

### **b. Long term**

- Conclude bi- or tripartite agreements and/or contribute to the design and implementation of labour market reforms aiming to reduce segmentation and enhance access to labour markets for young people while maintaining the agreed level of social and labour rights.
- Tackle the causes of bogus self-employment to avoid detrimental effects for both employers and employees.
- Take part in the monitoring, evaluation and review of national job plans for young people.

## **II. Recommendations**

### **a. Short term**

- The EU and Member states should foster job-rich economic growth through sound macroeconomic policies.
- The EU and Member States should work together to make youth employment a more attractive option for employers and promote training of young people as an investment for both enterprises and individuals.
- The EU and Member States should design specific employment policies for young people in close consultation with the social partners, in line with industrial and sectoral needs.
- The EU and Member States should invest in innovation, research & development, and education and training in order to make it easier for young workers to get their first job and gain work experience.
- The EU should associate European and national social partners in the design, implementation and evaluation of the 6 billion euros targeted on youth employment measures in the Multiannual Financial Framework for 2014-2020.

### **b. Long term**

- The EU should foster and ease young workers' geographical and occupational mobility, in particular for those wishing to move and work abroad. This can play an important role in helping to match labour supply with demand, while preventing possible brain-drain effects and recognising the rights of and benefits for mobile individuals.
- Sending Member States that are affected by brain-drain effects should take action so as to limit the negative consequences for their labour markets.
- Member States should address youth employment challenges as part of their national jobs plans.
- Member States should foster active labour market programmes and ensure a balance between the necessary support for job seekers and effective incentives to employment. Specific mechanisms should be foreseen for young people dropping out of activation schemes.
- Member states should ensure that effective and proportionate sanctions are foreseen in case of non-compliance with applicable employment regulations, including in situations of bogus self-employment.

## **PRIORITY 4: ENTREPRENEURSHIP**

Fostering entrepreneurial thinking and promoting entrepreneurship skills have a positive impact on the employability of young people and on job creation. Nevertheless, it is only one element of comprehensive youth employment strategies.

Entrepreneurship should be promoted as early as at school level and further integrated into secondary and tertiary education, be it general education or vocational education and training.

Guidance and mentoring for new entrepreneurs should be made available in order to provide them with information on existing legislation, on potential funding opportunities and with all further necessary advice for creating and managing a successful and responsible business. This includes providing user-friendly tools and promoting simple and easy-to-use administrative requirements to create an enterprise.

Creativity should be encouraged along with entrepreneurship as a mind-set that promotes genuine individual initiatives and self-employment, and positive attitudes towards sustainable risk-taking while respecting labour legislation and workers' rights.

Apprenticeship can lead to entrepreneurship due to the first-hand work experience in an enterprise in their field of work and favour the start of a business.

### **Other forms of entrepreneurship**

“Intrapreneurship”, which is about promoting entrepreneurial attitudes of employees, and employee-driven/social entrepreneurship, can be successful examples of employee participation schemes aiming to achieve the economic and social goals of the organisations they work for.

However, the boundaries between a worker and an employer can be blurred in cases of bogus self-employment.

## **I. Social Partners' Actions**

### **a. Short term**

- Foster training and mentoring services for young entrepreneurs in order to increase chances of young enterprises to continue activity and grow after the first years of their creation.
- Promote entrepreneurial mind-sets at school and in the society as a whole, aiming to avoid stigmatisation of young entrepreneurs in case of failure.

### **b. Long term**

- Promote partnerships between large and small enterprises aiming to identify and support market and growth opportunities with special attention to the high value added industrial and services sectors.
- Encourage female entrepreneurship and entrepreneurship from groups at risk of being excluded by specific accompaniment and mentoring advice.
- Address social and environmental challenges as part of activities that enterprises choose to undertake in the area of Corporate Social Responsibility.

## **II. Recommendations**

### **a. Short term**

- Member States should find a right balance between administrative and regulatory requirements, and the guarantee of a favourable environment for the creation and/or handover of small enterprises, including the development of one-stop web portals (e-administration services).
- Member States should implement targeted tax incentives and enhance support in terms of access to finance for young entrepreneurs to set up an enterprise.
- Member States should set up entrepreneurship courses as part of schools curricula and promote entrepreneurship in work-based learning models, in line with the new Entrepreneurship 2020 Action Plan launched by the European Commission in January 2013.

## **b. Long term**

- The EU, including the European Investment Fund, and Member States should develop further existing instruments and, where relevant, establish new ones to support creation and growth of young enterprises, such as for example the Microfinance Facility and the Programme for the Competitiveness of enterprises and SMEs (COSME).
- Member States should organise and promote local, regional and national competitions between young entrepreneurs.
- Member States should integrate entrepreneurship in VET schools so that VET students can choose to become entrepreneurs.
- Member States could promote socially and environmentally responsible entrepreneurship as part of higher education curricula.
- Member States should make sure that the status of the self-employed is enforced where it exists.

## **4. PROMOTION, ACTIONS AND FOLLOW-UP**

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### **Promotion**

BUSINESSEUROPE, UEAPME, CEEP and ETUC (and the liaison committee EUROCADRES/CEC) will promote this Framework of Actions in Member States at all appropriate levels taking account of national practices, through joint and separate actions, as appropriate.

Regional seminars will be organised by the EU social partners to make their members aware of this Framework of Actions. Additional national meetings can be organised in each country by national social partners themselves.

The EU social partners will also transmit this document to all relevant players at European and national levels, including EU sectoral social partners, EU and national public authorities.

### **Actions**

The signatory parties of this Framework of Actions invite national social partners - members of BUSINESSEUROPE, UEAPME, CEEP and ETUC (and the liaison committee EUROCADRES/CEC) to act upon the four priorities identified in this Framework of Actions to foster youth employment and smoother transitions between education and work.

Moreover, European and national social partners will cooperate with EU institutions and/or national public authorities on the basis of the recommendations included in this Framework of Actions.

### **Follow-up**

After three annual reports, the European social partners will evaluate the impact on both employers and workers. This evaluation can lead to an update of the priorities identified and/or an assessment on whether or not additional action is required in one or more of the priority areas.



The European social partners will be entrusted with the preparation of the overall evaluation report during the fourth year after the adoption of this Framework of Actions. In the case of absence of reporting after four years, European social partners will encourage their members in the countries concerned to keep them informed about their follow-up activities until actions have been undertaken at national level.

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