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**COMMISSION STAFF WORKING DOCUMENT**  
*Accompanying the document*

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

**Moving Youth into Employment**

{ COM(2012) 727 final }

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**Moving Youth into Employment**

This Staff Working Document accompanies the Communication "*Moving Youth into Employment*"<sup>1</sup> and gives more detailed information on the implementation of the Youth Opportunities Initiative (YOI)<sup>2</sup> at EU level and in the Member States as well as an overview of youth specific country recommendations.

This Staff Working Document has three annexes:

**1. IMPLEMENTATION OF YOI ACTIONS**

It contains a detailed table on the state of play on the implementation of Youth Opportunities Initiative, one year after being adopted (Annex I).

**2. YOUTH-RELATED COUNTRY SPECIFIC RECOMMENDATIONS (CSR)**

In 2012, nearly all Member States received CSRs specifically aimed at improving the situation of young people (An overview can be found in Annex II).

**3. 28 COUNTRY FICHES**

These fiches contain individual data from the 27 Member States and Croatia on current trends in youth unemployment (the youth unemployment situation in 2012 is represented through the latest available monthly unemployment rate for those aged 15-24 in seasonally adjusted terms), commitments made with a view to combating and preventing youth unemployment (mostly done under the YOI), progress in the implementation of these commitments, the mobilisation of funds and amendments. The country fiches were prepared on the basis of Member States' replies to a questionnaire sent to them in July 2012 (Annex III).

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<sup>1</sup> COM(2012) 727 of 5 December 2012

<sup>2</sup> COM(2011) 933 final of 20 December 2011

## Annex I: Implementation of the Youth Opportunities Initiative (YOI) – State of play November 2012

	YOI Action Box	Action already taken	Next steps
	<i>Mobilising the ESF to support skills development and school-to-work transitions</i>		
1	Several Member States could make greater use of available EU funding, including through <b>re-programming</b> and <b>accelerating implementation</b> , to <b>create larger scale support schemes</b> for young people focusing on <b>fighting early school leaving</b> and <b>developing employability</b> . This is particularly important for Member States where youth unemployment and disadvantage are very high. The Commission is ready to work with Member States using <b>fast-track procedures for operational programmes modifications</b> , provide <b>technical assistance</b> from the EU and <b>fast-track recovery of unspent money</b> .	"Action teams" and "bilaterals" with 15 Member States in February 2012  Reporting of preliminary results in SWD YOI of April 2012  Questionnaire to MS in July 2012  Country fiches prepared and will be annexed to the chapeau Communication	Fiches for all MS plus Croatia in Annex III of this SWD
2	The Commission will use:  <b>EUR 1.3 million of ESF Technical Assistance</b> to support <b>setting up apprenticeship-type schemes through the ESF</b> , while another  <b>EUR 3 million of ESF Technical Assistance</b> will focus, among others, on <b>setting up support schemes for young business starters and social entrepreneurs</b> .	Call for Tenders TA Apprenticeship published, bids received and evaluated  Call for Tenders TA Support Schemes under preparation	Contracting  Launch Call for Tenders
3	The Commission will support Member States on defining youth-related measures in the <b>preparation of their programmes for the next ESF period</b> .	Commission Position Papers to Member States are under preparation since June/July; finalisation in November foreseen. They will be presented to and discussed with MS in the course of programming preparation	Sending of Position Papers to MS

		for the 2014-2020 period.	
	<i>Supporting the transition from education to work</i>		
4	Member States, in cooperation with social partners, should strive to <b>substantially increase the supply of apprenticeships in the EU</b> and ensure that they represent real opportunities for young people to gain specific, on-the-job training and work experience leading to more stable forms of employment. An increase by at least 10% in the EU by the end of 2013 would add a total of <b>370,000 new apprenticeships</b> . <sup>3</sup>	Some bilateral initiatives are under way in the EU, mainly between DE and other MS (ES, IT)  ESF has been reprogrammed in many MS, inter alia, to support more traineeships and apprenticeships.	Set up of a European Alliance for Apprenticeships
5	Social Partners should examine, where appropriate with the Member States' authorities, how best to implement the specific objective of <b>'promoting more and better apprenticeships and traineeship contracts'</b> as part of their autonomous agreement on 'inclusive labour markets' (2010).	The EU social partners' 2012-2014 work programme (adopted in March 2012) includes joint work on youth employment. The social partners have started negotiations on a framework of actions on youth in September 2012.  1 <sup>st</sup> stage SP consultation on Quality Framework for traineeships (QFT) in Sept 2012	2 <sup>nd</sup> stage SP consultation on a QFT
6	The Commission will substantially reinforce support to learning mobility of higher education and vocational training students. By gearing funds as much as possible towards placements in enterprises, an additional 30% of placements would be within reach, targeting at least <b>130,000 placements in 2012 under ERASMUS and Leonardo da Vinci</b> .	EUR 120 million additional funds were made available for mobility under the 2012 Budget with the main objective to fund more placements.  This objective has been relayed to the participating institutions and organisations.  In 2012 there have been 83,090 placements selected through the	With continued increase in Leonardo and Erasmus mobility, the 2012 target of 130,000 is expected to be reached by the end of the academic year.

<sup>3</sup> European Commission (2012), *Apprenticeship supply in the Member States of the European Union*.

		Leonardo programme and more than 45,000 traineeships are expected to take place under Erasmus during the academic year 2012/2013.	
7	The Commission will launch a <b>EUR 1.5 million campaign</b> addressed to enterprises in early 2012 to raise <b>business awareness of ERASMUS and Leonardo da Vinci placements</b> and encourage potential host companies to host European trainees.	<p>Launch event of the "We Mean Business" Campaign in April.</p> <p>The website is up and running, with help for companies and advice on how to get involved. There is press campaign around the national events and a social media campaign.</p>	The final website will also be transferred across to the Europa website. A mapping of potential services that bodies can give in each Member State will also be put on the website. A contact group might be set up amongst several National Agencies.
8	The Commission will present in 2012 a <b>quality framework supporting the provision and take-up of high quality traineeships</b> , including an EU panorama on traineeships increasing the transparency on the conditions for trainees throughout the EU.	<p>Public Consultation April 2012 with more than 250 replies</p> <p>1<sup>st</sup> stage SP Consultation Sept 2012</p>	2 <sup>nd</sup> stage SP consultation
9	Member States and labour market actors need to step up efforts to implement the <b>Youth Guarantee</b> ensuring that young people are either in a job, education or (re-)training within four months of leaving school, especially for early leavers from education and training and other vulnerable youth. The Commission will launch in 2012 a <b>preparatory action</b> for "Activation measures targeting young people - implementing Youth on the move initiative" focusing on Youth Guarantees with a <b>budget of EUR 4 million</b> .	Call for Proposals launched August 2012	<p>Selection of projects until beginning of 2013</p> <p>Signature of grant agreements in the first trimester of 2013</p>
10	The Commission will invest a significant share of the EUR 6 million budget for <b>social innovation</b> in innovative <b>projects, targeting youth in disadvantaged situations and areas</b> .	<p>Call for proposals on social policy experimentation: award of three grants to proposals experimenting youth activation measures.</p> <p>Launch of another call for proposals for</p>	Follow-up of proposals selected in 2012 and evaluation of applications to the 2012 call.

		social policy experimentation in November 2012: promotion of youth activation measures is one of its three priorities.	
11	The budget allocation for the European Voluntary Service will be reinforced in order to provide at least <b>10,000 volunteering opportunities in 2012.</b>	Revision of the 2012 budget of the Youth in Action Programme, with a view to increasing the share allocated to the European Voluntary Service  Increase (vs. 2012 revised budget) of the share allocated to the European Voluntary Service in the 2013 budget of the Youth in Action Programme	On-going implementation by the network of National Agencies implementing the Youth in Action Programme (2012 outputs available in 2013)
	<i>Supporting labour market mobility</i>		
12	EURES and the European Job Mobility Portal is currently posting over 1.2 million vacancies and 700,000 CVs. In the course of 2012, Member States should put in place specific EURES recruitment services and support measures to ensure that <b>at least 100,000 of these EURES jobs are successfully filled by young people</b> , hence making an intensified use of EURES.	The members of the EURES network have been strongly encouraged to focus on and give priority to the placement of young jobseekers. There are currently no statistics available regarding the achievement of this particular action point.	The Commission will continue to monitor placements of youngsters through the annual reports of the EURES Network in the context of the current exercise 2009-2013. Once the EURES reform comes into effect, PES will be requested to carry out much more targeted placement actions for jobseekers, including youth, and it is hoped that this will help to achieve the target of 100.000 mentioned in the Employment Package by 2020.
13	Starting in 2012, the "Your first EURES job" scheme launched by the Commission in 2011 will financially help directly around <b>5,000 young people to fill vacancies in other Member States during 2012-2013.</b> This will serve as a pilot for further developing the scheme and increasing the number of job placements.	Four EU employment services (DE, DK, ES and IT) selected and granted in the follow up of the 2011 call for proposals.  The scheme was officially launched by the Commission in May 2012. Further info at: <a href="http://ec.europa.eu/social/yourfirsteuresjob">http://ec.europa.eu/social/yourfirsteuresjob</a>	Evaluation of second call for proposals. Signature of grant agreements with selected applicants by early 2013  Evaluation of tender bids (in progress)  Kick-off of the evaluation in January 2013 (16 months)  Monitoring of projects and results (on-going)  Launch of third call for proposals in 2013

		<p>Job placement activities are already being implemented</p> <p>Second call for proposals closed on 20 September 2012</p> <p>Restricted tender for the evaluation of 'Your first EURES job' published in October 2012</p>	
14	<b>Erasmus for entrepreneurs</b> is expected to finance around <b>600 further exchanges in 2012.</b>	<p>The Programme is already running since 2009. Cycle 3 of the Programme will come to an end on 31<sup>st</sup> October 2012, whilst cycle 4 has started on 1<sup>st</sup> May 2012 and will run until 31<sup>st</sup> January 2014.</p> <p>Out of the 600 planned exchanges for 2012, 415 have already been reached by end of September.</p>	<p>The results of this year's call (for Cycle 5) will soon be published. Cycle 5 will start on 1<sup>st</sup> February 2013 (for 24 months). Another call for proposals will be launched in the first quarter of 2013.</p> <p>With the current trend of 20-25 new exchanges agreed per week, it is considered that the objective of 600 exchanges in 2012 can be achieved.</p>
	<i>Strengthened policy delivery as part of the European Semester</i>		
15	The Commission will carry out further <b>assessment and analysis of the measures taken by the Member States</b> to fight youth unemployment and will report on this to the informal Council of Employment and Social Affairs Ministers in April 2012.	SWD (2012) 98 "Implementing the Youth Opportunities Initiative: first steps taken" as part of Employment Package	<i>completed</i>
16	The Commission invites <b>Member States to discuss the necessary adjustments to their education and training systems</b> within the Strategic Framework of European Cooperation in Education and Training ("ET2020").	<p>Adoption of a list of priority areas to be translated into action in the course of the period 2012 - 2014; many of these areas are directly relevant for improving the opportunities of young people (e.g. improving the quality and efficiency of education and training).</p> <p>Commission has entered into a</p>	<p>A report with key findings to inform the work in ET 2020-working groups in the field of higher education and VET</p> <p>A report with new empirical evidence and analysis (the "Education and Training Monitor") that assesses Member States' progress in improving the performance of their</p>

		<p>discussion on the outcome of the 2012 European Semester and in particular the key challenges identified in the 2012 CSRs.</p> <p>European Survey on Language Competences</p>	education systems
17	<p>The Commission will provide <b>specific guidance to Member States on measures to fight youth unemployment</b> during the <b>bilateral contacts</b> preparing the National Reform Programmes 2012.</p>	<p>Bilateral meetings with Member States in early 2012, including technical level discussions.</p> <p>Policy recommendations from the ESF Youth Network</p> <p>The Commission presented and debated in EMCO two studies related to youth employment: apprenticeship supply and traineeship arrangements in Member States.</p>	<p>Multilateral surveillance in the governance of employment and social policies will be strengthened through thematic and country peer reviews in the Employment and Social Protection Committees. Thematic reviews will be an opportunity to look into how the Member States have addressed the CSRs or MoU commitments.</p> <p>Bilaterals were/are going to be held with Member States:</p> <ul style="list-style-type: none"> <li>- in October to take stock and go through the 2012 CSRs, to understand how Member States intend to implement the CSRs in their policies and in next year's budget;</li> <li>- in December/January 2013 to review the state of play of the implementation of the 2012 CSRs and discuss with each Member State how they will react to the Annual Growth Survey and how its priorities will be reflected in their National Programmes.</li> <li>- in April 2013 following the Spring European Council endorsement/adjustment of the 2013 Annual Growth Survey priorities to hear how Member States intend to finalise their National Reform Programmes and cross-check with each Member State the Commission's preliminary analysis in key areas.</li> </ul>
18	<p>The Commission will address the <b>youth dimension</b> in its <b>country specific recommendations</b> to Member States in May 2012.</p>	<p>22 youth-related CSRs on skills development, adapting education and training systems and young people's skills to the labour market needs, availability of apprenticeships, incentives for companies to hire young</p>	<p>As part of the upcoming thematic reviews and bilateral meetings on Member States' progress towards implementing the 2012 CSRs, the Commission will follow up on the progress made by Member States on the priorities related to youth employment as set by the 2012 Annual Growth Survey package and the CSRs.</p>



		people, promotion of self-employment, etc. (Overview in Annex II of this SWD)	Youth will be a key priority set out in the 2013 Annual Growth Survey Package (tbc) and in the CSRs of the 2013 European Semester.
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**Annex II: Overview of the country-specific recommendations (CSRs)  
adopted by the Council on 10 July 2012**

Country	Council doc n°	Youth-specific CSRs (employment, education, social inclusion)
Austria	11241/12	(5) Continue to implement measures to improve educational outcomes, especially of disadvantaged young people. Take measures to reduce drop-outs from higher education.
Belgium	11244/12	(5) [...] Pursue the initiated reform of the unemployment benefit system to reduce disincentives to work and strengthen the focus of employment support and activation policies on older workers and vulnerable groups, in particular people with a migrant background. Take advantage of the planned further regionalisation of labour market competencies to boost interregional labour mobility and to strengthen the coherence between education, lifelong learning, vocational training and employment policies. Extend existing activation efforts to all age groups.
Bulgaria	11245/12	(3) Accelerate the implementation of the national Youth Employment Initiative. [...]  (4) Speed up the reform of relevant legal acts on schools and higher education and of accompanying measures by focusing on modernising curricula, improving teacher training, and ensuring effective access to education for disadvantaged groups. [...]
Cyprus	11247/12	(5) [...] Take further measures to address youth unemployment, with emphasis on work placements in companies and promotion of self-employment. [...]
Czech Republic	11248/12	(6) Adopt the necessary legislation to establish a transparent and clearly defined system for quality evaluation of higher education and research institutions. Ensure that the funding is sustainable and linked to the outcome of the quality assessment. Establish an improvement-oriented evaluation framework in compulsory education.
Denmark	11250/12	(3) Implement announced measures, without delay, to improve the cost-effectiveness of the education system, reduce drop-out rates, in particular within vocational education, and increase the number of apprenticeships.
Estonia	11251/12	(2) [...] Increase the participation of the young and the long-term unemployed in the labour market.  (3) Link training and education more effectively to the needs of the labour market, and enhance cooperation between businesses and academia. [...]
Finland	11252/12	(3) Implement the on-going measures to improve the labour market position of young people and the long-term unemployed, with a particular focus on skills development. [...]
France	11253/12	(3) [...] improve youth employability especially for those most at risk of unemployment, by providing for example more and better apprenticeship schemes which effectively address their needs [...]
Germany	11255/12	(3) [...] Take measures to raise the educational achievement of disadvantaged groups, in particular through ensuring equal opportunities in the education and training system. [...]

<i>Greece</i>	<i>Programme country</i>	
Hungary	11257/12	(6) Prepare and implement a national strategy on early school-leaving by ensuring adequate financing. Ensure that the implementation of the higher education reform improves access to education for disadvantaged groups.
<i>Ireland</i>	<i>Programme country</i>	
Italy	11259/12	(3) Take further action to address youth unemployment, including by improving the labour-market relevance of education and facilitating transition to work, also through incentives for business start-ups and for hiring employees. Enforce nation-wide recognition of skills and qualifications to promote labour mobility. Take measures to reduce tertiary education dropout rates and fight early school leaving.  (4) Adopt the labour market reform as a priority to tackle the segmentation of the labour market and establish an integrated unemployment benefit scheme. [...]
Latvia	11261/12	(3) Take measures to reduce long-term and youth unemployment by fighting early school leaving, promoting more efficient vocational education and training and its apprenticeship component, enhancing the quality, coverage and effectiveness of active labour market policy and its training component and through an effective wage subsidy scheme.  (7) Continue reforms in higher education, <i>inter alia</i> , by implementing a new financing model that rewards quality, strengthens links with market needs and research institutions, and avoids fragmentation of budget resources. [...]
Lithuania	11262/12	(3) Tackle high unemployment, in particular among youth, low-skilled and long-term unemployed, by focusing resources on active labour market policies while improving their efficiency. Enhance the effectiveness of apprenticeship schemes. Amend the labour legislation with regard to flexible contract agreements, dismissal provisions and flexible working time arrangements.  (4) Increase work incentives and strengthen the links between the social assistance reform and activation measures, in particular for the most vulnerable, to reduce poverty and social exclusion.
Luxembourg	11263/12	(4) Continue efforts to reduce youth unemployment by reinforcing stakeholders' involvement, and by strengthening training and education measures, in particular for those with low education levels, with the aim of better matching young people's skills and qualifications to labour demand.
Malta	11265/12	(3) Take steps to reduce the high rate of early school leaving. Pursue policy efforts in the education system to match the skills required by the labour market. [...]
The Netherlands	11275/12	<i>none</i>
Poland	11267/12	(3) To reduce youth unemployment, increase the availability of apprenticeships and work-based learning, improve the quality of vocational training and adopt the proposed lifelong learning strategy. Better match education outcomes with the needs of the labour market and improve the quality of teaching. To combat labour market segmentation and in-work poverty, limit excessive use of civil law contracts and extend the probationary period to permanent contracts.

<i>Portugal</i>	<i>Programme country</i>	
<i>Romania</i>	<i>Programme country</i>	
Slovakia	11271/12	<p>(4) Enhance the administrative capacity of public employment services with a view to improving the targeting, design and evaluation of active labour market policies to ensure more individualised employment services for the young [...]</p> <p>(5) Adopt and implement the youth action plan, in particular as regards the quality and labour market relevance of education and vocational training, including through the introduction of an apprenticeship scheme. Improve the quality of higher education by strengthening quality assurance and result orientation.</p> <p>(6) Take active measures to improve access to and quality of schooling and pre-school education of vulnerable groups, including Roma. Ensure labour market reintegration of adults through activation measures and targeted employment services, second-chance education and short cycle vocational training.</p>
Slovenia	11272/12	<p>(4) Adjust employment protection legislation as regards permanent contracts in order to reduce labour market segmentation, in consultation with social partners and in accordance with national practices. Further tackle the parallel labour market caused by student work.</p> <p>(5) Improve the matching of skills with labour market demand, particularly of low-skilled workers and tertiary graduates, and continue reforms of vocational education and training.</p>
Spain	11273/12	<p>(6) [...] Implement the Youth Action Plan, in particular as regards the quality and labour market relevance of vocational training and education, and reinforce efforts to reduce early school-leaving and increase participation in vocational education and training through prevention, intervention and compensation measures.</p>
Sweden	11274/12	<p>(3) Take further measures to improve the labour market participation of youth and vulnerable groups, e.g. by improving the effectiveness of active labour market measures, facilitating the transition from school to work, promoting policies to increase demand for vulnerable groups and improving the functioning of the labour market. Review the effectiveness of the current reduced VAT rate for restaurants and catering services in support of job creation.</p>
United Kingdom	11276/12	<p>(3) Continue to improve the employability of young people, in particular those not in education, employment or training, including by using the Youth Contract. Ensure that apprenticeship schemes are taken up by more young people, have a sufficient focus on advanced and higher-level skills, and involve more small and medium-sized businesses. Take measures to reduce the high proportion of young people aged 18-24 with very poor basic skills.</p>

The documents for all countries are available at:

[http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm)

## **Annex III: Country fiches**

# AUSTRIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	9.9% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	8.3	+0.3
<b>Youth unemployment ratio</b>	5.0	+0.1
<b>NEET rate</b>	6.9	-0.2
<b>Early Leavers from Education and Training</b>	8.3	-1.8
<b>Tertiary Education Attainment</b>	23.8	+1.6

## 2. Commitments made with a view to combating and preventing youth unemployment

In its 2011 National Reform Programme Austria made two commitments in the area of youth employment:

- “Training Guarantee” for apprentices: young people until the age of 18, who cannot find a company-based apprenticeship, are invited to learn an apprenticeship trade in a supra-company training institution;
- “Future for Youth” programme: targeted PES measures to fight unemployment in the age group of 19 to 24 years.

In 2012, the commitments were extended by several other measures such as “Production Schools”, youth and apprentice coaching, apprenticeship support measures, and youth foundations.

## 3. Progress in the implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

In 2011, 11,465 young people up to 25 years benefitted from subsidised employment and 96,861 from a qualification measure offered by the Public Employment Services (PES). In addition, the Federal Social Welfare Service offered employment, qualification and assistance measures to about 18,000 young people with disabilities in 2011.

A “Training Guarantee” for future apprentices until the age of 18 was introduced in 2008 and gives young people who cannot find a company-based apprenticeship the opportunity to learn an apprenticeship trade in designated training centres financed by the PES. In the school year 2011/2012, 14,814 young people participated in this measure. The budget used in 2011 was EUR 150 million, EUR 140 million are foreseen for 2012. Within this measure 3,100 apprentices with special needs benefitted from an integrated training scheme involving partial or prolonged apprenticeships in 2011.

“Production Schools” aim at reintegrating young people having dropped out from school or apprenticeship into the education and training system and the world of work. So far 20 of those schools have been established in Austria with a capacity of 3,000 pupils. On average,

two thirds of the participants have a migration background and one fifth has not completed compulsory school.

A pilot project called “Youth Coaching” started in 2012 in Vienna and Styria and is planned to be extended to the rest of Austria in 2013. It aims at early intervention against school drop-out and supporting young people in their transition from school to work. The target groups are young people in their last year of compulsory education, NEETs until the age of 19 and young people with special educational needs or disabilities. In these first months, 2,500 young people have participated in the measure.

The revisited concept of Youth Placement Foundations targets registered unemployed in the age group of 19 to 24 years. Companies having trouble to find adequate staff for certain posts cooperate with PES in finding the best suitable participants in order to subsequently provide them with closely job-related qualification measures. Enrolment has only just started.

### ***3.2. Youth traineeships and apprenticeships***

Alongside basic subsidies, quality-related and labour market-related incentives are offered to encourage employers to establish additional apprenticeship places and improve the quality of training for ca. 130,000 apprentices per year. In addition, the PES supports the integration of disadvantaged groups and young women who take up apprenticeships in male-dominated professions (8,800 young people between January and July 2012).

A pilot project called "Apprentice Coaching" is starting in the provinces of Upper Austria, Styria, Tyrol and Vienna providing additional support to apprentices and to companies offering apprenticeship places including legal advice services, mediation and crisis intervention. In addition, training manuals have been drafted for some of the most important sectors with best practice examples about ways of designing training within a company. A central clearing office for final apprenticeship exams and a certificate for examiners are being developed. Traineeships abroad are supported by reimbursing the relevant apprenticeship remuneration to the sending companies.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

In 2011, approximately 5,400 young people participated in the integration subsidies (temporary limited wage cost subsidies at the time of hiring). About 430 young people participated in the business start-up programme of the PES. In addition, about 4,000 young people benefitted from employment in social enterprises in 2011.

### ***3.4. Mobilisation of funds***

The budget spent on active and activating labour market policy for youth was EUR 452 million in 2011. The ALMP funds together with those provided for additional measures to support labour market integration of youth (see chapters above) add up to a total of EUR 632 million spent in 2011. EUR 638 million are foreseen for 2012.

Even though there is no budget allocation for young people in the Austrian ESF, it is estimated that about one third of the funds of the Employment Operational Programme is invested in measures for this target group and about one fifth of the ESF Phasing Out Programme for Burgenland (ESF and national co-financing by the end of 2011: EUR 255.6 million and EUR 7.4 million respectively). Programme changes were made in reaction to the financial and economic crisis in 2009, putting the focus among others on young people with placement difficulties.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

No developments have been reported.



# BELGIUM

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	18.0% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	18.7	+0.7
<b>Youth unemployment ratio</b>	6.0	unchanged
<b>NEET rate</b>	11.8	+1.7
<b>Early Leavers from Education and Training</b>	12.3	+0.3
<b>Tertiary Education Attainment</b>	42.6	+0.3

## 2. Commitments made with a view to combating and preventing youth unemployment

Among the various elements put forward by the Belgian authorities in recent official publications (NRP, NSR, etc.), the following key priorities are laid out:

- Strengthening incentives for young unemployed to take up work by tightening eligibility conditions for the tide-over allowance (in force since 1 January 2012);
- Closer follow-up and guidance of job-seeking efforts of youth by the regional PES;
- Enhancing support to self-entrepreneurship;
- Increasing investment in vocational training and in-company traineeships to enhance employability and remedy skill mismatches.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk<sup>4</sup>

At the end of July 2012, the Federal government budgeted the means to create 10,000 subsidised traineeships as of 2013 for youngsters exiting the education system without a secondary education degree, to be implemented in close cooperation with the regions. Implementation arrangements are still under discussion. The government has also committed the resources necessary to increase the existing reductions of social security contributions for low-qualified young job seekers as of 2013. A new social security contribution reduction will be introduced for medium qualified youngsters.

Although the various regional PES offer labour market mediation services to all age groups below the regional ceiling<sup>5</sup>, the intensity and type of support offered varies according to the risk profile of the job seeker in question. Typically, young job seekers (especially those with low educational attainment level and/or an educational background for which demand on the labour market is low) are followed up more rapidly and intensely to prevent long-term unemployment and remedy skill mismatches. At the regional level, the main novelty is the renewed Flemish "Career Agreement" for 2012-2014, which provides for closer follow-up of low-qualified youth.<sup>6</sup>

<sup>4</sup> Answers provided by Federal government, Wallonia (WAL), Flanders (FL), Brussels (BRU) and German-speaking Community and complemented on the basis of Commission sources.

<sup>5</sup> 50y in WAL and BRU, 58y in FL.

<sup>6</sup> As of 2008, young jobseekers with low and medium skills are invited for a collective information session on career orientation possibilities, available vacancies, counselling trajectories, etc. This is followed by an individual dialogue with a personal counselor, no later than 4 months after registration as jobseeker. A similar procedure was implemented for young job seekers with

### **3.2 Youth traineeships and apprenticeships<sup>7</sup>**

Support for apprenticeships is provided in all regions and communities, notably through various schemes of subsidised Individual Vocational Traineeships. The regional government subsidises the apprentice's wages and social contributions provided certain conditions with regard to training and ulterior employment are met. The concrete modalities and amount of government support vary by region and by target group. As part of the Career Agreement, **Flanders** has earmarked a total of EUR 3.9 million/year and has set at 17,000 the total number of traineeships to be subsidised by 2014 (around 12,250 in 2011).

### **3.3. Support to job creation (incl. entrepreneurship and self-employment schemes<sup>8</sup>)**

The **Walloon Region** has started to implement the "Plan Airbag" (June 2012), aiming to provide financial support to the launching of self-employment activities (for people below 30 or above 50). To date, 70 dossiers have been introduced. The administrative side of the initiative is dealt with by the PES. In **Flanders**, the Flemish Agency for Entrepreneurial Training (SYNTRA) provides young people aged 15-25 with training to become entrepreneurs. In 2012, this type of training has been provided to 547 youngsters.

### **3.4. Mobilisation of funds<sup>9</sup>**

The **Federal Government** only allocates means from its own budget. Until end-2011, around EUR 1.3 billion have been disbursed across all the measures currently under way.

In **Brussels**, young people are a priority target in the framework of the ESF OP, but a precise figure for the support to actions targeting young people is not available<sup>10</sup>. In the **Walloon Region**, ESF also supports young people, mainly through individualised guidance (former Job Tonic initiative). For the period 2009-2011, around EUR 1 million (of which 50% from ESF) has been disbursed in support of this initiative. **Flanders** relies on ESF for a series of measures targeting young people, including the Career Agreement referred to above, the "Work@telier" (budget of around EUR 350,000, of which one third is ESF support), targeted at long-term unemployed youth<sup>11</sup>, and measures for work placement and traineeship to early school leavers. The **German-speaking Community** has allocated roughly EUR 1 million of its ESF programme to measures focused on young job seekers (15 different initiatives).

### **3.5. Amendments to the legislative framework facilitating labour market entry for young people<sup>12</sup>**

Since January 2012, the reform of the tide-over allowance is implemented (**Federal level**). Eligibility conditions are tightened in several ways: (i) the 9-month 'waiting period' becomes a 12-month 'vocational development phase', during which significant steps should be taken to find a job, (ii) a regular evaluation of the efforts conditions the extension of the unemployment benefit scheme and (iii) the duration is limited to 3 years (with exceptions). In the **Walloon Region**, the implementation of the "Plan Airbag" initiative has called for the adoption of legislative measures at regional level. No changes are reported for **Flanders** in 2012.

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a higher education degree since January 2009. As of January 1, 2013 the youth with no degree, who did not manage to build up any significant work experience, will be guided towards the existing vocational training, in-company training and/or apprenticeship schemes. The ambition is to have the entire target participate in an intensive activation trajectory (work experience or vocational training) by June 2013.

<sup>7</sup> Answers provided by FL and German-speaking Community only and complemented on the basis of own sources.

<sup>8</sup> Answers provided by WAL, FL and German-speaking Community only.

<sup>9</sup> Answers provided by Federal government, WAL, FL, BRU and German-speaking Community.

<sup>10</sup> The PES of BRU, WAL, Germany and Austria are involved in a PROGRESS project "Labo Jeunes" (2011-2013), aiming at better understanding school-to-work transitions.

<sup>11</sup> i.e. for more than six months.

<sup>12</sup> Answers provided by Federal government, WAL and FL.

# BULGARIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	29.7 % (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	25.0	+13.1
<b>Youth unemployment ratio</b>	7.3	+3.5
<b>NEET rate</b>	22.6	+5.2
<b>Early Leavers from Education and Training</b>	12.8	-2.0
<b>Tertiary Education Attainment</b>	27.3	+0.2

## 2. Commitments made with a view to combating and preventing youth unemployment

In response to the Europe 2020 strategy and the Youth Opportunities Initiative, Bulgaria adopted a national initiative "Employment for Youth" in March 2012. It presents a coherent policy framework for the implementation of wide-scale measures targeting youth. In the framework of the initiative, largely funded by the ESF, Bulgaria has committed to decrease the youth unemployment rate (15-24 years) to 23% and the share of young people who are neither in employment, nor in education or training (15-24 years) to 19% by the end of 2013. It has been agreed with Bulgarian authorities that speeding up ESF implementation should remain the key priority, which will help achieve the above targets.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

A recently signed (June 2012) national agreement "First job" has united the efforts of the government and the social partners towards increasing youth employment by promoting opportunities for first professional experience. As a result, about 22,000 young people under the age of 29 will be involved in employment measures during 2012-2013. In particular, the social partners have committed to guide and encourage employers to hire unemployed people (aged up to 29 years) under an employment (permanent, temporary, or a traineeship) contract for a period not less than six months in order to acquire initial work experience following their secondary or higher education studies. An Agreement on exchange of information between the Ministry of Education, Youth and Science (MEYS) and the Ministry of Labour and Social Policy (MLSP) was signed in July 2012 to facilitate the implementation of the "European Youth Guarantee". Within four months of leaving school, young people will be offered employment mediation services, training and subsequent employment. In the period January-July 2012, 6,753 young people under the age of 29 were included in employment measures funded by the national budget and 2,077 inactive young people under the age of 29 were activated.

### ***3.2 Youth traineeships and apprenticeships***

Under national budget measures, 421 young people were employed as trainees in the first half of 2012. Under the ESF-supported Human Resources Development Operational Programme (HRD OP) there are four on-going operations promoting youth traineeships, including for disadvantaged groups. The operations target 53,670 secondary school and 73,300 university students who will be involved in traineeships and apprenticeships until the end of 2013; 9,500 young people will receive mediation services; and, 8,550 trainees are expected to be employed. Up to July 2012, 2,100 people under 29 (of which 988 under 24) were employed under the ESF operations.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Two operations were launched in the second half of 2012 under the HRD OP to boost youth employment: "First job" and "New working place". Both operations strive to provide jobs for young unemployed under 29 by ensuring incentives to employers for their recruitment. Main activities include providing vouchers for vocational training and key competencies training as well as providing funds at the amount of the minimum insurable income and the employers' social security payments for 6 to 12 months. Expected results in 2012-2014 include: 4,530 young people involved in training and 4,100 young people employed after training. Unemployed young people who wish to start their own business are included in the training and have access to specialised services (provision of start-up capital and relevant vocational training) under the scheme "Promotion of self-employment" within HRD OP. Approximately 2,400 people under 29 were included since the launch of the project.

### ***3.4. Mobilisation of funds***

EUR 4.9 million were allocated from the national budget for the implementation of youth employment measures in 2012 and EUR 2.3 million were disbursed until the end of July. For its part, the ESF HRD OP (2007-2013) has so far allocated EUR 106 million (ESF: EUR 90 million, National Funding: EUR 16 million) supporting youth employability directly or indirectly. The total amount of contracts signed under ten on-going operations is EUR 70.5 million. Most operations are in the beginning of their implementation and the payments to beneficiaries account for EUR 2 million. The target group includes more than 0.5 million young people.

More than EUR 39 million was allocated for the implementation of the agreement "First job", of which about 75% from ESF and 25% from the national budget. As regards traineeship measures, EUR 392,638 from the national budget was spent during January-July 2012. HRD OP support to traineeships extends to EUR 69 million (ESF: EUR 58.6 million, national funding: EUR 10.4 million) over 2010-2014. HRD OP support to job creation under the above-mentioned key operations amounts to EUR 19.4 million (ESF: EUR 16.5 million, National Funding: EUR 2.9 million). EUR 2.6 million was allocated from the national budget in 2012 for a first job in public administration to 1,720 unemployed university graduates under the age of 29 years. During the period January-July 2012, 1,131 young people worked under the programme "Career Start" and EUR 1.6 million were disbursed.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

A working group under the national initiative "Employment for Youth" has initiated discussions on potential changes to the Labour Code, the Employment Promotion Act (EPA)

and the Corporate Income Tax Act (CITA). The Labour Code will introduce an apprenticeship contract for people under 29. The EPA will include two new measures to support youth employment: part-time employment of young long-term unemployed (under 29) and apprenticeships for young people with low or no skills. The CITA will see the introduction of tax incentives for employers who hire young unemployed under 29.

# CYPRUS

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	29.3% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	22.4	+13.4
<b>Youth unemployment ratio</b>	8.5	+4.7
<b>NEET rate (15-24)</b>	14.4	+4.7
<b>Early Leavers from Education and Training</b>	11.2	-2.5
<b>Tertiary Education Attainment (30-34)</b>	45.8	-1.3

## 2. Commitments made with a view to combating and preventing youth unemployment

- Setting up a new incentive scheme for the employment of the long-term unemployed and the young;
- Establishing post-secondary Institutes of Vocational Education and Training;
- Establishing a new Apprenticeship System.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

The "Scheme for the Job Placement and Training of Tertiary Education Graduates" (Human Resource Development Authority, HRDA) is a consolidated programme focused on the integration of highly qualified young people into the labour market by providing on-the-job experience in a company for a period of 12 months. During 2009-2011, 2,432 graduates participated in it. For 2012, the target is to have 670 participants. The scheme is considered to be a good practice since it helps graduates find suitable employment and, at the same time, helps host companies increase their awareness of new knowledge. According to an external ex-post evaluation study, 93.5% of graduates who participated in 2009-2010 were still employed after completing the scheme, and 84.1% were employed by the same enterprise.

The HRDA is implementing a number of training programmes for improving the employability of the unemployed. Under the accelerated initial training programmes for newcomers and other unemployed people in occupations currently in demand, priority is given to young people under 25 years. During 2011, there were 392 participants. Under the scheme for improving the employability of the unemployed through training and work experience programmes, which is implemented with ESF support, the aim is for at least 30% of participants to be under 30 years of age. During 2011, there were 997 participants.

Under the ESF co-financed Operational Programme, post-secondary Institutes of Vocational Education and Training are to be established (Ministry of Education and Culture). During 2012-2013, it is expected that around 200 people will be enrolled. Young unemployed people will be awarded extra points, to facilitate their enrolment in a study programme.

### ***3.2 Youth traineeships and apprenticeships***

A subsidy scheme co-financed by the ESF and implemented by the Cyprus Productivity Centre (CPC) is in place to promote employment and in-company training of apprenticeship students. From June 2011 to July 2012, 81 students aged 15-18 participated in the scheme.

The HRDA subsidises wages paid by employers to apprentices who attend classes in technical schools. In 2011, 111 apprentices participated in the scheme. The HRDA also funds practical training of final year students who follow the practical direction of technical schools. In 2011, 188 students participated in this scheme. The enterprise-based practical training of students of the Higher Hotel Institute of Cyprus is also subsidised by the HRDA. 142 students took part in the scheme in 2011.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Young people are offered grants to promote their integration in the labour market through entrepreneurship. Moreover, in general, efforts are made to create an environment of cooperation with employers that will help youth into employment or training.

A new incentive scheme for the employment of the long-term unemployed and the young has been set up by the Labour Department of the Ministry of Labour and Social Insurance in the framework of the ESF co-financed OP "Employment, Human Capital and Social Cohesion", with a budget of EUR 8 million. It targets young people up to 29 years who have been registered as unemployed for at least 3 months, and people registered as unemployed for at least 7 months. 19 people between 15-24 years and 114 people over 24 years participated in the scheme until 1 August 2012.

### ***3.4. Mobilisation of funds***

Until August 2012, EUR 276,344 of ESF and national funding was committed to the incentive scheme for the employment of the long-term unemployed and the young. EUR 176,545 has been committed to the CPC scheme for apprentices. The HRDA 2012 budget for measures relevant to youth employment and employability amounts to approximately EUR 14 million, out of which EUR 5.7 million is committed to the scheme on job placement and training of tertiary education graduates. The budget allocation for the post-secondary Institutes of Vocational Education and Training amounts to EUR 4.4 million (ESF and national funding).

The ERDF co-financed intervention "Promotion of Youth Entrepreneurship" (Ministry of Commerce, Industry and Tourism) has a total budget of EUR 6 million. The ERDF also co-finances a number of interventions with a youth component: "Women entrepreneurship" (EUR 5 million), "SMEs in the manufacturing sector" (EUR 23 million), "Promotion of innovative actions in SMEs" (EUR 4 million), "Research and innovation" (EUR 53 million), "Agrotourism" (EUR 15 million).

In the framework of the planned modification of the two Operational Programmes, the Cypriot authorities are currently exploring the possibility of shifting funds between Priority Axes, which will allocate additional funding to youth measures.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

No recent developments can be reported.

# CZECH REPUBLIC

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	19.3% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	18.1	+ 8.2
<b>Youth unemployment ratio</b>	5.4	+ 2.3
<b>NEET rate</b>	8.3	+ 1.6
<b>Early leavers from education and training</b>	4.9	- 0.7
<b>Tertiary education attainment</b>	23.8	+ 8.4

## 2. Commitments made with a view to combating and preventing youth unemployment

No specific commitments were made by the Czech Republic. However, within the framework of the Europe 2020 strategy, the Czech Republic set the following national targets for 2020 concerning youth: the number of early-school leavers at 5.5%; tertiary educational attainment at 32%; and reducing youth unemployment by a third.

The 2012 Czech National Reform Programme foresees:

- strengthening active employment policy, putting emphasis on youth employment and expanding the use of flexible working arrangements to facilitate the reconciliation of professional and family life;
- developing innovative tools for active labour market policy, implementing innovative projects focused on staff training, retraining vulnerable groups and supporting youth employment by interlinking education, vocational training and counselling during the transition from school to work;
- completing the National Qualifications Framework and the National Occupations Framework and introducing a lifelong career counselling system by the end of 2015.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

Young people are defined as a priority group within the active employment policy. Individual Action Plans are being used which define the procedure and timetable for implementation of measures to increase job opportunities. It is elaborated and signed if a job applicant is registered as unemployed continuously for more than 5 months.

### *3.2 Youth traineeships and apprenticeships*

In order to offer the possibility of gaining work experience, a new ESF-funded project called 'Traineeships in Companies - education through practice' is to be implemented between September 2012 and October 2014 providing several-months internships in companies. It will have a budget allocation of approx. EUR 32 million and will cover a minimum of 5,000 participants. The project is focused on sectors of the future and will involve mainly graduates, but also other groups who lack work experience to complete their skills profiles. If the project



proves to be successful, the internships might become a 'standard' offer of assistance to the unemployed.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Youth is a priority group of active labour market policy, including job creation programmes (e.g. investment incentives etc.), but data broken down by the number of young people covered is not available.

### ***3.4. Mobilisation of funds***

The second priority axis of the ESF Human Resources Operational Programme predominantly focuses on achieving the objective of reducing unemployment among young people up to 25 years of age. By August 2012, EUR 54.9 million were allocated, EUR 46.6 million committed and EUR 20 million disbursed.

The Education for Competitiveness Operational Programme contributes to integration into the labour market and reducing unemployment of young people through all of its priority axes. By August 2012, EUR 820 million were allocated, EUR 678 million committed, EUR 353 million disbursed.

The Prague Adaptability Operational Programme attempts at increasing the quality of education and vocational training, directly targeting young people. It also addresses, among others, disadvantaged people, including youth. Furthermore, the Programme supports activities aiming at developing lifelong learning systems and strategies in businesses, professional training and services for employees, promoting entrepreneurship and innovation, as well as supporting self-employment. By August 2012, EUR 32.5 million were allocated, EUR 22.7 million committed and EUR 16 million disbursed.

The revisions of the ESF Programmes in 2011 and 2012 focus on strengthening priority axes and areas of intervention when youth is one of the target groups.

There is no information provided on the ERDF funding to youth employment measures.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

The amendment to the Employment Act enables a person getting prepared for a future job (so excluding only pupils within compulsory education) to register at the Labour office to get a full spectrum of its services, thus improving a possibility to acquire professional practice even during studies.

The Amendment to the Labour Code introduced since January 2012 differentiates severance pay according to the length of employment (lower severance pay for employment relation shorter than 2 years). This is aimed to encourage employers to hire young workers, while reducing firing costs.

As of January 2013 the current lower statutory minimum wage levels applicable to those aged 18 to 21 shall be eliminated which may adversely affect the employability of young people to some extent.

# DENMARK

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	14.2 % (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	14.2	+6.2
<b>Youth unemployment ratio</b>	9.6	+3.8
<b>NEET rate</b>	6.3	+2.0
<b>Early Leavers from Education and Training</b>	9.6	-2.9
<b>Tertiary Education Attainment</b>	41.2	+2.0

## 2. Commitments made with a view to combating and preventing youth unemployment

The budget agreement for 2012 placed emphasis on increased employability of young people by making additional resources available for education/training and labour market experience of young people. In August 2012, the Danish Government proposed a Youth Package for the 2013 draft budget agreement with a total value of EUR 90 million. The aim is to help more young people (aged 18 to 30) into education, internship and work. The Youth Package includes the following initiatives:

- bridging education programmes for uneducated young people (EUR 6 million/600 young people);
- placing internship consultants in schools to help young people find an internship (EUR 2.1 million);
- improving adult apprenticeship schemes also covering young adults (EUR 24 million /1,050 people);
- allocating funds for long-term unemployed skilled and un-skilled young people (EUR 3.5 million /1.500 young people);
- improving the job rotation scheme (EUR 36 million/2,100 young people);
- developing graduate job partnerships (EUR 0.8 million/600 young people).

## 3. Progress in implementation of the commitments

### 3.1. *Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

Young people under 30 are entitled to a first interview at a jobcentre within one month of unemployment. Everyone has a right – and duty – to receive active labour market measures within three months of unemployment. Young people under 25 receive lower benefits in order to create an incentive to take up education or find a job. In addition, the 2013 draft budget

agreement, proposed by the Danish Government, provides that an education and apprenticeship guarantee should be offered within the vocational youth education system.

### **3.2. *Youth traineeships and apprenticeships***

In order to increase the employability of young people and lower the drop-out rates, the Danish Government proposed to better target vocational youth education towards the needs on the labour market. Since 2009, the Danish Parliament has agreed upon five agreements focusing on increasing training places in companies. The latest agreement from November 2011 ('Increased efforts for more company training places in 2012'), which has a budget of approximately EUR 347 million, entails:

- the creation of 7,400 internships and 3,000 school-based training positions in 2012 (a 25% increase compared to 2009);
- the continuation of a bonus of up to EUR 9,333 to private and public employers who enter into a training agreement with a trainee.

### **3.3. *Support to job creation (including entrepreneurship and self-employment schemes)***

In 2010/2011, 25 % of the 252,000 young people in upper secondary education and in vocational education and training participated in education programmes or competitions in the field of entrepreneurship. In the same period, 1,908 teachers at the same education system levels participated in entrepreneurship courses. In 2010/2011, 6.3% of the students in Bachelor and Masters-level programmes participated in entrepreneurship courses. In addition, Denmark's overall innovation strategy aims to enhance creativity and entrepreneurship throughout the education system, including in adult education. The ESF is involved in activities to promote the entrepreneurial spirit in the education system.

### **3.4. *Mobilisation of funds***

Denmark is among the countries which has relatively low levels of youth unemployment and which continues to target young people through the ESF. According to recent figures, young people (15-24 years) account for 40 % of the participants in ESF-funded measures (as of December 2011, 11,205 young people had participated in ESF projects). For young people aged 15-24 years a total of EUR 17.4 million has been disbursed for projects with activities related to youth employment and educational and vocational training in the Danish ESF programme. This includes a disbursement of EUR 9.2 million towards activities for young people with special needs.

The Danish ESF programme for the 2007-13 period aims to strengthen youth education and increase employability by adapting youth education to labour market needs. The first results of several ESF projects aiming to reduce drop-out rates in youth education have been very positive (for example mentoring schemes, induction periods and apprenticeships). In 2011, the Danish ESF programme was modified in order to reallocate resources towards youth.

The ERDF may also invest in measures aiming at ensuring a qualified workforce in relation to the three focus areas of the ERDF; innovation and knowledge sharing, use of new technologies and entrepreneurship. There is no specific targeting on youth in the ERDF programme (and there are no statistics on youth participation in the ERDF).

### 3.5. *Amendments to the legislative framework facilitating labour market entry for young people*

The Danish Government has taken considerable steps to combat rising youth unemployment, such as the Youth Packages 1, 2 and 3 from 2009 – 2011 and the recent youth package from August 2012 (see section 2 above).

# ESTONIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	20.2% (August 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	22.3	+ 10.2
<b>Youth unemployment ratio</b>	9.1	+ 4.1
<b>NEET rate (18+24)</b>	11.8	+ 3.0
<b>Early Leavers from Education and Training</b>	10.9	- 3.1
<b>Tertiary Education Attainment</b>	40.3	+ 6.2

## 2. Commitments made with a view to combating and preventing youth unemployment

Estonia has set a national target in the NRP at 10% in 2020 (15% in 2015) on combating youth unemployment. Under the EuroPlus Pact 2012, it furthermore made a commitment to develop new programmes for improving employment among young people with low competitiveness. Programmes will be developed to offer formal education to young people aged 16-29 who lack specialised education, as well as for outreach to at-risk youth and their inclusion in active labour market measures and education.

## 3. Progress in implementation of the commitments

Public employment services' intervention is provided on the basis of individual action plans. Also, in cooperation with youth centres and organisations 11 youth targeted workshops named "tööklubi" ("work clubs") took place with 300 participants during the first half of 2012. As regards ESF support, roughly 23% of all projects have been supported under open calls for proposals since 2009, directly addressing young unemployed participants. In 2010-2011, two special calls for projects targeted youth. In 2011, 31,994 youngsters participated in the activities of the ESF programme "Development of Youth Work Quality", (15,588, 1<sup>st</sup> half of 2012).

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

The KUTSE programme, co-financed from ESF invites students who have dropped out from vocational education back to school to finish their studies. The TULE programme, also co-financed by ESF allows university drop-outs to finish their higher education studies free of charge. The wage subsidy is the main incentive measure for employers to recruit long-term unemployed people. Young unemployed people (aged 16-24) are entitled for a wage subsidy under more favourable conditions.

### 3.2 Youth traineeships and apprenticeships

The process of entering the labour market for young people is most effectively supported through career counselling services and work practice schemes provided by the PES. An apprenticeship training scheme offers unemployed people practical work experience and improves their professional skills and knowledge. Nine pilot projects are running for youth aged 16-29 without any professional education.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Business start-up grants of maximum 4,474 euro are paid to registered unemployed people who are at least 18 years of age and have completed business training, etc.

In order to create business incentives among undergraduate students, a business plan competition “*Ajujaht*” (“Brainhunt”) has been carried out under the Enterprise Estonia awareness programme co-funded by the ESF. The competition is open for teams of 1-7 members of which 50% must have Estonian residency and be aged 17-35<sup>13</sup>.

The new curricula for general education includes an entrepreneurship subject. An internet portal for the entrepreneurial education<sup>14</sup> was introduced in January 2012.

Youth entrepreneurship and self-employment is also supported through the Youth in Action programme (youth initiatives sub-programme: 31 projects in 2011) and the state programme for youth work camps (about 6,000 young people every summer).

### ***3.4. Mobilisation of funds***

ESF resources allocated to ALMPs through ESF programme ‘Increasing the supply of qualified workforce in 2007-2013’ amounts to EUR 97,349,162. Additionally ESF has co-financed employment related vocational training projects EUR 2,143,610 (disbursed: EUR 475,743). Also ESF funds have been allocated to open calls under the measure “Developing Learners-Centred and Innovative Vocational Education and extending the opportunities for Lifelong Learning” EUR 3,459,285. ESF resources allocated to other projects targeting youth unemployment were EUR 2,204,788 (disbursed: EUR 670,487). Under the ESF programme “Development of Youth Work Quality”, EUR 1,020,490 were committed and EUR 776,343 were disbursed. ESF resources allocated to the Programme for Continuing Studies in Vocational Education – KUTSE EUR 1,629,747 and to the Programme for Continuing Studies in Higher Education- TULE EUR 4,553,705.

ERDF investments allocated to non-formal learning infrastructure (e.g. youth centres, hobby schools) were EUR 20,199,276 (disbursed: EUR 15,165,487).

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

In December 2011 the Government approved the Employment Programme 2012-2013, whereby among other target groups young unemployed can benefit from new measures under the programme that are aimed at supporting readiness for work including work clubs, job search workshops, voluntary work etc.

Estonia has an EPP commitment to modernise vocational education curricula, making them outcome-based and linked with the qualification framework with practical studies becoming even more important. By spring 2013 the necessary methodological and legislative basis for the new curricula will be in place and the new Vocational Education Institutions Act will come into force in September 2013.

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<sup>13</sup> <http://www.ajujaht.ee/english>

<sup>14</sup> <http://www.ettevotlusope.ee>

# FINLAND

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	18.9% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	20.1	+3.6
<b>Youth unemployment ratio</b>	10.1	+1.3
<b>NEET rate</b>	8.4	+0.6
<b>Early Leavers from Education and Training</b>	9.8	0
<b>Tertiary Education Attainment</b>	46	+0.3

## 2. Commitments made with a view to combating and preventing youth unemployment

A revamped Youth Guarantee for young people<sup>15</sup> will be launched in January 2013: each person younger than 25 and each recent graduate under 30 will be offered work, a traineeship, or a study, workshop or labour market rehabilitation place, within 3 months of becoming unemployed. The Guarantee also includes an “Education Guarantee”: each comprehensive school graduate will be guaranteed a place in further education, workshop activity, rehabilitation or similar. A temporary “Skills programme for young adults” will be implemented in 2013-2016: additional places will be targeted for those 20-29 year olds who have only attended comprehensive school.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

The Youth Guarantee is aimed at reducing the time a young person spends as a NEET. Finland also uses youth outreach work to reach young people under the age of 29 at risk of exclusion as early as possible and to direct them to low-threshold services that promote their growth and independence as well as access to education and work. About 70% of young people reached out to by youth workers have only basic education.

Youth workshops provide young people with the opportunity to work under guidance and support as well as a tailored pathway to education, help towards completing one’s education by working together with the education provider, or support finding employment through the open labour market. In total, 73% of participants have not completed vocational education. At the moment there are 196 workshops and their activities cover 80% of the municipalities in Finland but they are being extended to cover the whole country. In addition, more training, language courses and counselling will be provided to reduce the NEET risk among young immigrants for whom this risk is four to five times higher than for other young people.

Other measures being implemented include more study places in vocational education, regional re-distribution of the study places according to changes in age groups, changes of the acceptance criteria for vocational education & training, additional resources and more career counselling for young job seekers in the employment offices, increased municipal responsibility in counselling comprehensive school graduates.

<sup>15</sup> See [http://www.tem.fi/files/33973/English\\_version.pdf](http://www.tem.fi/files/33973/English_version.pdf)

### ***3.2 Youth traineeships and apprenticeships***

There were around 3,200 people under the age of 25 in traineeships with labour market subsidy in 2011. Furthermore, the Education Guarantee includes an apprenticeship training pilot project that supports both the training organiser and the employer by providing additional resources. The pilot project's objective is to develop apprenticeship training into a suitable form of training for young basic education graduates. The training compensation for employers of young people covered by the guarantee will rise to EUR 800/month, while the students' number will be around 500.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

The so-called Sanssi ("chance") Card, a wage subsidy measure for lowering employers' threshold for hiring young people, was introduced in 2010 and will now be made permanent. The Sanssi Card supports employment of recently graduated young people under the age of 30 through a pay subsidy system. The card has made pay subsidy more visible for both youth and employers. Between June 2010 and the beginning of 2012, the Card was granted to around 24,000 young people of whom around 5,300 got a job (some 3,100 men and 2,200 women).

Start-up grants of EUR 670–1,080 may be granted for up to 18 months. The percentage of young people from all applicants awarded a start-up grant is approximately 10%, which is about 800 young people per year. Finland estimates that of all labour policy measures, the start-up grant is one of the most effective ways to get a position in the labour market.

### ***3.4. Mobilisation of funds***

EUR 60 million/year will be given for the Youth Guarantee in 2013–2016, and EUR 27 million in 2013 and EUR 52 million/year in 2014–2016 for the temporary "Skills programme for young adults".

Priority 2 of the Finnish ESF OP covers e.g. training for young people and school drop-outs, preventing discrimination in education, training and access to jobs. The share of people under 25 years participating in measures under this priority has been considerably higher than in the others. The ESF and national co-funding allocated by August 2012 is circa EUR 140 million. The amount of ESF and national co-funding paid by August 2012 is circa 57 million euros.

The monitoring system does not allow for reporting on ERDF funding to youth employment measures that usually have an indirect effect on youth employment. No reallocations or reprogramming have been made or are foreseen in the context of the YOI.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

No recent developments can be reported in this respect.



# FRANCE

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	25.7% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	22.9	+3.6
<b>Youth unemployment ratio</b>	8.4	+1.3
<b>NEET rate</b>	12.0	+1.8
<b>Early Leavers from Education and Training</b>	12	+0.5
<b>Tertiary Education Attainment</b>	43.4	+2.2

## 2. Commitments made with a view to combating and preventing youth unemployment

As the last YOI bilateral meeting between French authorities and the Commission coincided with French presidential elections, no specific commitment was made by France at the time as regards youth unemployment. Nonetheless, in the context of the Euro Plus Pact, France announced it would increase the number of young people in combined work and traineeship/apprenticeship programmes from 600,000 today to 800,000 in 2015.

Moreover, youth has been at the core of the new government's priorities and policy. Two of its major reforms target unemployed and disadvantaged young people. The 150,000 full-time "*Emplois d'avenir*" (100,000 in 2013, 50,000 in 2014) are meant for young people aged 16-25 with no or low qualification, living in urban or rural deprived areas with high unemployment rates. They will be open-ended contracts or one-year contracts, renewable over three years, mostly in non-commercial sectors and in areas with social utility and sustainable recruitment perspectives (such as green jobs, social economy or tourism...). The State will pay for 75% of the young person's gross remuneration for three years. The second measure, the "*Contrat de génération*", aims to promote both young and older workers' employment, by providing training for young people (aged under 30) delivered by senior colleagues. It is currently under negotiation with the social partners, who, amongst others, are invited to reflect on means to ensure young people's effective entry into the enterprise (training, interns, work-training combinations or *alternance*).

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

A few projects have been operational for several years and have provided low-skilled young people with personalised support.

The "*Contrat d'insertion dans la vie sociale*" (CIVIS) is a contract between a young person and a local authority, responsible for integrating young people both professionally and socially. 135,000 young people have received a grant from the State with CIVIS in 2012 and 850,000 have been followed up by local bodies ("*missions locales*").

The "*Contrat d'autonomie*" is present in 11 French "départements"<sup>16</sup> where young people face major difficulties in accessing employment. It consists in guidance towards employment, a training leading to qualifications or entrepreneurship, within six months. It has involved 15,000 young people in 2012.

The "*Ecoles de la deuxième chance*" ("second-chance schools") target young people under 26 who left the education system without a diploma or professional skills. 12,000 young people have attended such schools in 2012.

20 centres "*Défense deuxième chance*" offer guidance and training to 2,430 young people with no skills or diploma. They are managed by the "*Etablissement public d'insertion de la Défense*", placed under the authority of the Ministry of Defence. Since February 2012, it has also been taking care of young, underage offenders.

### **3.2 Youth traineeships and apprenticeships**

In France, there are two types of contracts blending training and work experience: the "*Contrat d'apprentissage*" (apprenticeship contract), for young people aged 16 to 25, and the "*Contrat de professionnalisation*" (youth aged 26 years or more). These contracts apply to almost 600,000 young people (430,000 and 160,000 respectively).

New measures were announced in March 2011 to foster apprenticeships and work-training combinations ("*alternance*") for young people, mostly consisting of financial incentives to enterprises and more flexibility. Apprenticeship in enterprises is based on a system of quotas: in case of an insufficient number of apprentices, the company has to pay a fee. Since March 2011, this quota has been raised.

### **3.3. Support to job creation (including entrepreneurship and self-employment schemes)**

There are no specific programmes in France targeting young entrepreneurs. However, the programme "*Nouvel accompagnement pour la création et la reprise d'entreprise*" (NACRE) supports entrepreneurship for people facing employability issues and job seekers. It allows them to build or take over a business through provision guidance at each stage of the process over 3 years. Young people account for 8% of the participants.

### **3.4. Mobilisation of funds**

Young people have accounted for 39% of the ESF beneficiaries in France. EUR 473 million out of the total ESF amount spent since the beginning of the current programming period (EUR 1.5 billion) have been dedicated to youth measures. Taking into account programmed actions, the ESF will involve 3.4 million young people for a total amount of EUR 1.1 billion, out of the EUR 3.5 billion total ESF allocation. Young people also benefit from non-age targeted projects. Out of 17,963 operations, 12,600 involve young people while 1,998 are designed exclusively for them.

Both "*Ecoles de la deuxième chance*" and the centres "*Défense deuxième chance*" are supported by the ESF with EUR 33 million and EUR 62 million respectively.

### **3.5. Amendments to the legislative framework facilitating labour market entry for young people**

No information available.

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<sup>16</sup> The administrative subdivision corresponding to level NUTS 3

# GERMANY

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	8.0 % (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	8.6	-2.0
<b>Youth unemployment ratio</b>	4.5	-1.0
<b>NEET rate</b>	7.5	-0.9
<b>Early Leavers from Education and Training</b>	11.5	-0.3
<b>Tertiary Education Attainment</b>	30.7	+3.0

## 2. Commitments made with a view to combating and preventing youth unemployment

- Implementing *the National Training Pact*, signed between the Federal Government, the Länder and the representative employers' organisations;
- Adapting and extending existing instruments (career start coaches, placement officers) to support and promote young people.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

Some 2,000 schools can now profit from the assistance of career start coaches under the *Career Entry Support* programme to help their students successfully complete the transition to career training. Until March 2012, 87,000 school students participated in the programme.

In addition, Public Employment Services (PES) supported 232,406 young people in preparing and getting qualifications needed on the labour market. Finally, 38,240 participants with disabilities could get the assistance.

The initiative "*Jugend Stärken*" aims to give individual support to disadvantaged young people and to integrate them in the labour market.<sup>17</sup> Some 35 municipalities take place in this initiative.

### 3.2 Youth traineeships and apprenticeships

The well-established dual apprenticeship system attracts 61% of pupils to pursue vocational training. In 2011, 600,000 apprenticeships were offered and 570,000 Vocational Education and Training (VET) contracts were concluded.

*The National Training Pact* aims at increasing the educational attainment of young people. It aims at offering a training or apprenticeship option to every young person who is interested in vocational training and who fulfils necessary requirements. Every year, 60,000 additional

<sup>17</sup> <http://www.jugend-staerken.de/>

apprenticeships are agreed to be provided and the number of training-companies is aimed to be raised by 30,000 per year.

Furthermore, 30,000 additional entry-level qualifications will be provided (plus 10,000 entry level+ qualifications for less performing people). Entry-level qualifications offer 6 to 12 months of company-based pre-training courses in order to qualify individuals for apprenticeships and to improve the matching between applicants and companies. Participating companies receive up to EUR 216 per month to cover the social security contributions.

The Federal Government has doubled the number of placement officers assigned to the ESF programme for matching traineeships with companies seeking trainees. The "*Abschluss und Anschluss – Bildungsketten bis zum Ausbildungsabschluss*" initiative aims to support young people entering the workforce and to prevent long transition periods from school to work

With the *Initiative to Support Structural Change*, low-skilled individuals are helped to acquire vocational qualifications or learn employable skills through modular courses if it is not possible for them to complete a full vocational programme in one go.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Employers can get a wage subsidy for less performing workers in order to compensate their lower productivity. Unemployed people who start a business can get initial financial support as well as an investment grant to start up a business. Additionally, self-employed people can be supported by grants and subsidies, as well as by receiving counselling. These schemes are open to everybody.

### ***3.4. Mobilisation of funds***

The budget line for youth employment measures in Germany is about EUR 3.74 billion (EUR 2.05 billion from the ESF and EUR 1.69 billion from national co-financing).

EUR 1.64 billion of the ESF shares have been already committed and EUR 963.2 million have been already paid.

From the co-financing, more than a half (EUR 939.9 million) is already disbursed.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

The *Career Entry Support* became a regulation instrument as of April 2012 (codified in social code III).

The legal obligation to give career guidance to pupils with special need has been introduced in social code III – in line with the inclusion principle of the UN-convention on rights of people with disabilities.

# GREECE

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	57.0% (August 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	44.4	+22.3
<b>Youth unemployment ratio</b>	13.0	+6.3
<b>NEET rate</b>	17.4	+ 5.7
<b>Early Leavers from Education and Training</b>	13.1	- 1.7
<b>Tertiary Education Attainment</b>	28.9	+ 3.3

## 2. Commitments made with a view to combating and preventing youth unemployment

- Expansion/reinforcement of existing initiatives co-funded by the EU funds operational programmes to support youth unemployment, and a re-allocation of resources across operational programmes (away from non-performing actions towards youth actions);
- Preparation of an action plan consisting of targeted interventions to boost employment and entrepreneurship among young people, to be mainly supported with funds under the Greek National Strategic Reference Framework 2007 – 2013.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

Various schemes, largely co-financed by the ESF, aim to promote youth employment. These schemes comprise various training programmes for skills acquisition, job search assistance to unemployed youth through the Greek Manpower Organisation (OAED), career guidance services offered by vocational training and tertiary education institutions, acquisition of first work experience for vocational education and training graduates and employment subsidy schemes. Furthermore, an on-going ESF co-funded operation is offering work-based training opportunities for students in the upper secondary, post-secondary and tertiary education.

### *3.2 Youth traineeships and apprenticeships*

The Greek PES (OAED) operates 51 vocational education schools combining in-class education and remunerated apprenticeships in undertakings of both the private and public sector. In addition, OAED provides incentives to employers to accept students for internships (where the employer pays 80% of the wage of an unskilled worker to the trainee and OAED reimburses the employer up to 50% of the total amount/wage paid).

The Ministry of Education, Religious Affairs, Sport and Culture operates work-based training schemes for tertiary education, as well as for vocational training students. An ESF co-financed scheme for post-secondary maritime education students is also running.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

The Ministry of Education, Religious Affairs, Sport and Culture operates with ESF support career offices at vocational education and tertiary education institutions, as well as entrepreneurship units for tertiary education students.

A significant part of the Structural Funds' financial envelope is currently allocated to the promotion of entrepreneurship and business creation opportunities for young unemployed and young professionals (in general up to 35 years of age).

Moreover, several schemes, mostly ESF co-financed, provide subsidies for employers to hire unemployed people. Although most of these schemes are targeted to the unemployed in general, selection criteria often present priority for youth.

Three schemes are targeted in particular to youth: a) an ESF co-financed scheme providing support to employers to hire young people aged 15-24 years old, with a total budget of approximately EUR 27 million addressed to 5,000 beneficiaries, b) an ESF co-financed scheme providing support to employers to hire unemployed university graduates aged up to 35 years of age, with a total budget of approximately EUR 68 million, addressed to 5,000 beneficiaries, and c) an ESF co-financed scheme aiming to enhance access to employment and business creation for people threatened by unemployment, unemployed/job-seekers and inactive people. The scheme is addressed to women and youth between 18-35 years of age, has a total budget of EUR 52 million and the expected number of beneficiaries is meant to reach 5,000.

### ***3.4. Mobilisation of funds***

A total of EUR 786 million under the ESF is reportedly committed to actions supporting job-creation, the acquisition of skills and work experience, the promotion of entrepreneurship, and overall facilitating access to employment. However, it is noted that this amount does not correspond to actions targeted only at youth.

Comprehensive information on ESF reallocation/reprogramming actions is not yet available.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

The Economic Adjustment Programme for Greece puts emphasis on the rapid adjustment of labour costs to help overcome the high unemployment rates. In this frame, minimum wages in the private sector for workers under 25 years old have been reduced by 32% compared with previous values defined in the latest General National Collective Agreement (10 percentage points lower than for workers older than 25 years of age). Any benefits connected to the GNCA are also reduced proportionally i.e. unemployment benefits, remuneration for apprenticeships and so forth. Other reforms aiming at rendering the labour market more flexible have also been implemented, but are not targeted only at youth.

# HUNGARY

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	29.0 % (August 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	26.1	+6.2
<b>Youth unemployment ratio</b>	6.4	+1.4
<b>NEET rate</b>	13.3	+1.8
<b>Early Leavers from Education and Training</b>	11.2	-0.5
<b>Tertiary Education Attainment</b>	28.1	+5.7

## 2. Commitments with a view to combating and preventing youth unemployment

- Development and implementation of various initiatives and programmes to support employability of young people;
- New measures for the development of the vocational training system;
- A modification of the ESF Operational Programme aimed at reallocating more sources to Active Labour Market Policy.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

Public Employment Services implement their major active labour market policy programmes aimed at improving employability of disadvantaged people, including youth. Job-seekers receive tailor made support including training, employment subsidies and job-search assistance. According to recent plans, housing subsidy will be introduced in order to promote mobility among others of young people. Young job-seekers will represent 23% (ca. 21,000) of the participants.

Furthermore, advisory system and career services will be provided to students and pupils in order to better plan their education path and prevent early drop-out.

### *3.2 Youth traineeships and apprenticeships*

The Traineeship programme gives opportunity to young career starters to gain work experience as trainees at 2,000 – 4,000 SMEs. The call for proposals will be published in September 2012.

### *3.3. Support to job creation (including entrepreneurship and self-employment schemes)*

The National Employment Fund finances the "START programme" aiming at providing contribution allowances to employers employing young job-seekers. Thanks to the initiative, around 25,000 young entrants were employed in April 2012.

Building on the good experience of the START schemes, in the framework of an action plan to protect jobs, employers who employ people under the age of 25 will be eligible for tax

relief as of 2013. Relevant legislation is under preparation. It is estimated that around 200,000 young employees could benefit from the initiative.

Another programme ("First job guarantee") financed by the Employment Fund supports young job-seekers to gain work experience by ensuring full wage compensation to employers. The programme was launched in September 2012 and will last until the end of the year. It may contribute to the employment of 3.000-3.500 young job-seekers.

A programme to support entrepreneurship provides complex support to young people willing to start their own business. Training programmes start in the 4<sup>th</sup> quarter of 2012 and financial support will be available as of 2013. The programme is expected to reach at least 3,200 participants in training and 1,500 newly established ventures until 2014.

Young people are encouraged to obtain a first job experience in NGOs. The call for proposals is to be launched in the 3<sup>rd</sup> quarter of 2012 targeted to around 2,000 young career starters. Hungary is also going to implement innovative projects supporting – among others – the labour market entry of youth, where strict follow-up of the number of young participants is required.

In addition to the ESF, EAFRD and ERDF are also used to finance youth employment programmes. EAFRD programme aims at encouraging young farmers to start an own venture in the agricultural sector, whereas ERDF supports job creation in SMEs by increasing intensity rate of aid to 70% (from 50%) if at least half of the new employees are young job-seekers.

### ***3.4. Mobilisation of funds***

From national funding, EUR 152.8 million has been allocated and EUR 28.4 million disbursed to youth employment measures.

By ESF co-financed measures, an amount of EUR 189.9 million was allocated and EUR 19.8 million disbursed for the same purposes.

In addition, the ERDF contributed to the target by allocating EUR 32.1 million and EAFRD by EUR 14.2 million to youth employment measures.

A modification of the ESF Operational Programmes has been finished successfully, no further reallocation is envisaged. A total amount of EUR 96.5 million has been reallocated to the priority axis aiming at increasing employability of the labour force. In the priority axis aiming at increasing adaptability, EUR 30.4 million have been reallocated to establish a new traineeship programme for youth.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

There have been several amendments and new initiatives introduced in Hungarian labour law concerning the legal basis of youth employment, aiming at increasing the flexibility in the labour market thus enabling a higher rate of employment including young workers. The new *Act on vocational training* aims at establishing a more effective, dual vocational training system. Measures like lowering the compulsory age in education as well as putting more emphasis on practice-oriented approaches in vocational education and training enable young people to acquire a qualification and step into the labour market already at the age of 17. This goes together with a decrease in the time allocated to acquiring key competences in vocational education and training. The representatives of economic players and chambers will play a more important role in the new vocational education.



# IRELAND

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	34.5% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	29.4	+ 16.1
<b>Youth unemployment ratio</b>	11.7	+ 5
<b>NEET rate</b>	18.4	+3.6
<b>Early Leavers from Education and Training</b>	10.6	-0.7
<b>Tertiary Education Attainment</b>	49.4	+3.3

## 2. Commitments made with a view to combating and preventing youth unemployment

- Modification of the ESF Operational Programme, requested in December 2011, to shift EUR 25 million to “Youthreach” activity to maintain 3,700 training places for early school leavers until end 2013;
- A New Labour Market Education and Training Fund will be co-financed by the European Social Fund (ESF) and create up to 6,500 training places, in particular for the long-term unemployed. Four targeted, sectoral themes have been set out for the provision of this funding, one of which is aimed specifically at those aged under 25..

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

The Irish Government is tackling unemployment generally through the twin strategies: *Action Plan for Jobs* and *Pathways to Work*. The aim of the *Action Plan for Jobs* is to support the creation of 100,000 net new jobs by 2016, while the objective of *Pathways to Work* is to provide those who are unemployed with the appropriate training and skills to avail of the job opportunities which will arise as the economy recovers. The Government is committed to supporting over 85,000 job placements, work experience and Back to Education beneficiaries in 2012, including through the “JobBridge” internship programme. Many young people will benefit from these opportunities. In addition, over 450,000 education and training places will be provided in the higher education, further education and training sectors. These places will include provision for school leavers, although the long-term unemployed are a priority target.

Young people, who are unemployed, once they have been on the Live Register for three months, are referred to the employment service for a guidance interview and additional support in order to identify and address specific difficulties they face in securing employment. The aim is to profile newly unemployed people when they enter the Live Register, as a basis for immediate referral of those most needing assistance.

Young people leaving education with Leaving Certificate or higher qualifications who face difficulty in finding work can register with the employment service for assistance with job search. Access to training and other labour market programmes is not made available

immediately after leaving education, to ensure that labour market programmes are not seen to encourage exit from education.

For early school leavers (under 18 years and with no Leaving Certificate) who seek to register with the employment service, the emphasis is on encouraging them to stay on at school and complete it. If this is not possible, they are considered eligible to register with the employment service and may be referred to specifically designed training programmes, such as Community Training Centres or “Youthreach”.

### ***3.2 Youth traineeships and apprenticeships***

The total population of registered apprentices at the end of May 2012 is 11,653 of which 4,309 are redundant.

For 2012, 587 apprentices were registered at end of May 2012. The main areas with an increase in registrations are in the Engineering, Electrical and Motor Family of Trades.

A special Redundant Apprentice Placement Scheme was continued in 2012 and at the end of May 2012, 717 redundant apprentices are currently placed with employers and 227 redundant apprentices have completed an on-the-job placement. In addition, 43 redundant apprentices of Electrical, Plumbing and Carpentry & Joinery are to complete on-the-job-training in Magdeburg/Germany. A further group of apprentices will follow on in September 2012.

The "Action Plan for Jobs" confirmed a commitment to initiate a review of the Irish apprenticeship model which is now underway.

Traineeships programmes provide entry-level occupation-specific training and integrate formal training from the Irish National Training and Employment Authority (FÁS) and workplace coaching with a host employer. All programmes are fully certified. Traineeships are open to all unemployed people including young job seekers. Funding for circa 5,000 beneficiaries has been allocated to this programme in 2011 and a similar level of funding has been allocated for 2012.

The national “JobBridge”<sup>18</sup> programme provides work experience placements for 6-9 months. The national budget allocation to the “JobBridge” internship programme is EUR 65.7 million in 2012 and 5,000 people participated until end of July 2012.

All these measures are financed through national funding only.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Ireland is implementing a number of measures to enable young people to get access to a first job (see section 3.2) but there are no specific measures to enhance entrepreneurship or job creation for youth. Young people can however make use of the general support for self-employment/small business start-up: Back to Work Enterprise Allowance, entrepreneurship training and advisory and financial support through local County Enterprise Boards.

### ***3.4. Mobilisation of funds***

The committed budget allocation to youth employment measures is EUR 102.6 million from the ESF and EUR 102.6 million from national funding (EUR 205.22 million in total) (see also information under section 2 above).

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<sup>18</sup> JobBridge is explained in more detail in part II of the questionnaire on good practices

***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

No amendments have been reported.

# ITALY

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	35.1 % (September 2012)		
	<b>2011 (%)</b>	<b>Variation (pp.)</b>	<b>2008/2011</b>
<b>Youth unemployment rate</b>	29.1	+7.8	
<b>Youth unemployment ratio</b>	8	+1.4	
<b>NEET rate*</b>	19.8	+3.2	
<b>Early Leavers from Education and Training</b>	18.2	-1.5	
<b>Tertiary Education Attainment</b>	20.3	+1.1	

## 2. Commitments made with a view to combating and preventing youth unemployment

The Italy YOI action team meeting identified a number of actions to boost education and employment of young people, including:

- supporting actions in the field of education for convergence regions through transferring regional resources to the national "Education" operational programme (worth some EUR 300 million); reprogramming the Sicily regional operational programme (worth EUR 452 million) in order to launch a Youth Action Plan;
- extending the tax credit scheme to encourage companies to hire young people and promoting youth entrepreneurship (currently worth EUR 100 million);
- promoting apprenticeship schemes; supporting mobility through the co-financing of Erasmus and Leonardo Da Vinci mobility schemes;
- making better use of available funds to improve the quality of Public Employment Services;
- supporting care services for children and the elderly.

## 3. Progress in the implementation of the commitments

### *3.1 Support to youth guarantees and/or other measures targeting NEETs or other young people at risk*

The Italian Government programme provides for an education and apprenticeship guarantee to young people within the vocational education system. In addition, under the June 2012 Labour Market Reform, public employment services must provide people, within 3 three months after losing their job, with a set of basic services (including vocational training). The Labour Market Reform also includes new provisions to combat early-school leaving and improve the situation of NEETs. The Ministry of Labour allocated EUR 10 million to work placements of up to 6 months for young people aged 24-35 in the four convergence regions (Campania, Puglia, Calabria and Sicily). Some 122,000 NEET could benefit from this measure in fields such as cultural heritage, tourism and social services.

Practically all the regions have taken specific measures to address the situation of NEETs. Actions range from providing orientation and guidance to promoting transition to work (e.g. by increasing participation to apprenticeship-like vocational training), giving incentives to hire young people and fostering self-employment. Several of them are taken in the framework of wider "youth plans", which may encompass other Community/national/regional funds.

### **3.2 Youth traineeships and apprenticeships**

In order to implement the 2011 reform on apprenticeships, the Labour Ministry has put in place a series of support measures under the AMVA programme ("*Apprendistato e Mestieri a Vocazione Artigianale*") worth around EUR 100 million (co-financed by the ESF), including support to employment services, identification of skills requirements, promotion of apprenticeships and financial incentives to companies.

In addition, the FIXO programme ("*Formazione e Innovazione per l'Occupazione*") aims to facilitate school-to-work transition by providing guidance services and other active labour market policies. The programme, worth 36 million EUR, will involve 365 schools (55,000 secondary school graduates), 70 universities (35,000 university graduates) and 800 PhDs. Companies can receive support to hire apprentices in higher education or research. In addition to national initiatives, several regions have taken measures to promote apprenticeships.

Italy has also used the EU Lifelong Learning Programme to support traineeships abroad. Some 14,500 young people in vocational education and 12,238 active young people have taken part in mobility schemes.

### **3.3 Support to job creation (including entrepreneurship and self-employment)**

Apart from the AMVA programme mentioned under section 3.2, Italy adopted a new measure to promote entrepreneurship: people aged under 35 years may start a limited liability company with only EUR 1 capital. In addition, almost all the regions have taken measures to promote entrepreneurship and self-employment ranging from integrated paths for business start-up, support to the creation of spin-off companies, to micro-credit.

### **3.4 Mobilisation of funds**

Italy adopted a Cohesion Action Plan to speed up implementation of structural funds in Italy's southern regions. The first phase (December 2011) focused on reprogramming resources from regional operational programmes towards four priorities (education, employment, railways, and digital agenda) and amounted to EUR 3.7 billion (of which EUR 1.4 billion for actions aimed at boosting education and employment). The second phase (May 2012) focused on reprogramming resources from national and interregional operational programmes and amounted to EUR 2.3 billion (including EUR 600 million for actions directed at young people). Actions of particular relevance under the Cohesion Action Plan include: a youth action plan in Sicily (EUR 452 million); promoting transition from education to work (EUR 99 million); supporting linguistic internships abroad (EUR 186 million); tackling early school-leaving and developing key-competencies (EUR 125 million).

### **3.5 Amendments to the legislative framework facilitating labour market entry for young people**

Italy adopted a major labour market reform in June 2012 aiming to promote an efficient, dynamic and inclusive labour market. Measures focus on tackling labour market segmentation, adapting employment protection legislation, reducing the excessive use of atypical contracts, adapting social protection (unemployment benefits) to the needs of the labour market. The reform provides for a series of measures which will contribute to

facilitating young people's access to the labour market, including promoting apprenticeships as the main route to employment and better regulating internships.

# LATVIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	29.0% (June 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	31.0	+16.5
<b>Youth unemployment ratio</b>	11.2	+5.6
<b>NEET rate</b>	15.7	+4.3
<b>Early Leavers from Education and Training</b>	11.8	-3.7
<b>Tertiary Education Attainment</b>	35.7	+8.7

## 2. Commitments made with a view to combating and preventing youth unemployment

As a part of the YOI, Latvian authorities took commitments to support around 25 thousand young people through:

- A range of Active Labour Market Policy activities to promote inclusion into the labour market;
- Education activities to prevent early school leaving and bring early school leavers back to education.

Latvian authorities have no plans to use ESF to support student mobility grants under the Life-Long Learning programme.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

In order to target the groups at risk, Latvian authorities have implemented multiple projects funded by several funding sources. The ESF supports the improvement and implementation of vocational education programme; promotion of primary vocational education; support measures for social exclusion decrease for youth and integration of disabled youth into education (2,000 more youth participants were attracted to vocational training programmes).

The national budget finances measures to improve education programmes for primary schools (introduction of new education content is planned starting with 2013/2014 academic year); development of general education programmes for distance learning; promotion of career consulting in 11 vocational schools to reduce number of early school leavers; informative measures on creative and innovative youth initiatives and youth work (182 participants); general training measures for youth (1,470 participants).

The Swiss Financing Instrument cooperation project „Support for Development of Youth Initiatives in Peripheral or Disadvantaged Regions" supported 10 seminars organised for youth (incl. unemployed) on stimulation of youth initiative and activity, attracting 191 participants) in 2012.

Studies of Latvian students in Valga Vocational education centre to obtain professional

qualification beginning from 2012-2013 have been funded under a cooperation agreement between the Latvian Ministry of Education and Science and Estonian Ministry of Education.

### ***3.2 Youth traineeships and apprenticeships***

Youth traineeship and apprenticeships have been facilitated by three projects (ESF and national budget funded): the “Training and practice for State Employment Agency (SEA) assistants” project (planned 79 participants in 2012, EUR 250,376), within which young unemployed participate in a 5-day theoretical training course and then have an 18 months internship at the SEA.

The "Support to volunteer work" project (planned 1,563 participants, EUR 404,428) includes participation of young people in voluntary work activities thus improving their competences and competitiveness.

The "Workplace for young people" project (planned 539 participants, EUR 329,068) gives young unemployed people the chance to be employed for a trial period of up to 9 months in order to acquire work experience and to continue in permanent employment after the trial. Priority is given to young people who have been unemployed for more than 4 months, who are trying to return to the labour market after a break for childcare reasons or who are disabled. Employment is based on a work contract remunerated at no less than the national minimum wage, while the employer should pay social contributions. Employers receive a decreasing subsidy (its amount is initially higher at the beginning, to compensate the lack of skills) to cover payment of the young person and a contribution to the costs of a trainer.

Another activity “Youth workshops”, allowing to try three different vocational fields (for maximum 3 weeks each), will be introduced at the end of 2012.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

General measures to support job creation are funded under two activities of the OPs<sup>19</sup>: support to entrepreneurship and self-employment (ESF co-financed) and measures to encourage innovations and business start-ups (ERDF co-financed). In addition, a Micro Crediting Programme for Latvian SMEs, a Crediting Programme of Latvia and Switzerland and the SME Growth Loan Programme are also available. However, none of these programmes are providing more privileged conditions for youth.

### ***3.4. Mobilisation of funds***

By 1 August 2012, EUR 32.93 million has been disbursed to youth measures related to education and EUR 496,127 to employment-related active labour market policy measures. To provide support for youth initiative measures, the over-commitments from the national budget of EUR 90.2 million were assigned to projects implemented under the ESF OP (EUR 26.3 million) and one ERDF OP (EUR 63.9 million) in 2012-2014. ESF and ERDF have been reprogrammed to reach more young people within the existing activities.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

In 2012, the Ministry of Education and Science has drafted a Regulation on traineeships and apprenticeships for vocational education students promoting the attractiveness of vocational education and developing the quality of traineeships and apprenticeships to attract young people to the education process and urge them to obtain a professional qualification that will promote their competitiveness on the job market.

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<sup>19</sup> Due to identified deficiencies by the Commission auditors in both activities using Financial Engineering instrument, these activities are pending possible financial correction



# LITHUANIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	26.0% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	32.9	+19.5
<b>Youth unemployment ratio</b>	9.6	+5.5
<b>NEET rate</b>	12.5	+3.6
<b>Early Leavers from Education and Training</b>	7.9	+0.5
<b>Tertiary Education Attainment</b>	45.4	+5.5

## 2. Commitments made with a view to combating and preventing youth unemployment

- Extend, refocus or make more attractive to young people the existing ESF measures; create new or redesign ESF measures (pilot scheme for young volunteers, wage subsidies instead of social security reduction scheme for the first job, improvement of apprenticeship and internships);
- By refocusing of ESF funding, provide support to around 18,000 additional young people (facilitated access to the first job, improved access to finance for start-ups or self-employment, relevant vocational training, wage subsidies etc.);
- Reallocate ERDF resources to support youth to commercialise business ideas and improve accessibility of financial resources. Overall, some 12,000 young entrepreneurs would be mentored or coached and some 25,000 young people would be better informed on business financing opportunities;
- Reform the labour law in order to remove disincentives for employers to take on more staff. In particular: facilitate temporary work contracts for up to two years; flexibility in setting working hours; teleworking; transparent and equal remuneration for work (as agreed during the Youth Action team visit in February 2012).

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

In April 2012, the ESF project “Integration into Labour Market” was refocused on youth, offering vocational training programmes to about 6,000 young people. From the ERDF, EUR 1.3 million were transferred to measure “Assistant-3” and EUR 12.45 million to measure “Invest LT-2” for actions dedicated to young entrepreneurs and various business services for young people.

### *3.2 Youth traineeships and apprenticeships*

The Ministry of Education and Science is implementing several ESF projects with the aim to create modern traineeship organization models (systems) for undergraduate students and the

students of integrated studies in companies and (or) non-profit organisations, including the preparation of students' supervisors (tutors), increasing their competences, introducing information systems at traineeship places, trial traineeship of students in accordance with the developed traineeship organisation model (system).

Lithuania is also implementing several ESF projects aimed to improve study programmes and traineeships. It is planned *inter alia* for postgraduate students to go through a complementary traineeship in educational institutions, in Lithuanian or European companies or foreign universities. The complementary traineeship refers to additional practical independent activities (no less than 320 academic hours) offered for postgraduate students.

Several ESF projects, aiming to improve the qualification of scientists and other researchers offer additional scientific practices, scientific research projects and traineeships for doctoral students in foreign scientific centres.

ERDF projects invest in infrastructure, which is necessary for practical studies: the renewal and establishment of educational laboratories, practical bases, practical training centres, purchase of equipment for educational laboratories, establishment of mobile scientific and demonstrative laboratories etc.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

The Entrepreneurship Promotion Fund (ESF EUR 14.5 million), currently provides loans and training services for start-ups and self-employment, with youth among the prioritised focus groups under this measure. A new ESF measure (EUR 3 million), "Subsidies for entrepreneurship promotion", has been approved recently by the government in order to increase the attractiveness of loan schemes provided for start-ups and self-employment.

In August 2012, the project "Be active on the labour market" (providing first-job skills for young participants) was extended until 1 September 2013 and its budget was increased by EUR 6 million (ESF), with a view to supporting around 6,000 young people.

Another new ESF measure (EUR 9.3 million) "Support for the first job" has been recently approved, replacing the existing social security reduction scheme for the first job by wage subsidies.

Several ESF projects are being implemented with the aim to promote entrepreneurship in higher education, developing entrepreneurial knowledge and skills of students, including developing teachers' knowledge, providing necessary pedagogical tools, etc. The study programmes under these projects shall involve 2,560 students of higher education and 323 lecturers. Similar projects are being implemented in secondary schools.

### ***3.4. Mobilisation of funds***

In the 2007-2013 ESF programmes, EUR 240 million are committed to actions/projects particularly dedicated to youth. Under ERDF programmes, EUR 157 million are currently committed to youth employment measures. Around EUR 31 million were recently mobilised for youth employment measures by amending programmes or making internal reallocations between measures.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

On 30 June 2012, with the view to facilitating youth integration into the labour market, the Lithuanian Parliament adopted Labour code amendments. The possibility to conclude a fixed-term work contract for permanent jobs in newly established work places was prolonged until 31 July 2015. It is expected that this amendment will facilitate youth integration into the labour market and will have a positive impact on employment of young people, in particular of those without job experience.

# LUXEMBOURG

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	18.6 % (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	16.4	- 0.9
<b>Youth unemployment ratio</b>	4,2	- 1
<b>NEET rate</b>	4.7 <sup>20</sup>	- 1,1 (compared to 2009)
<b>Early Leavers from Education and Training</b>	6.2 <sup>21</sup>	- 1.5 (compared to 2009)
<b>Tertiary Education Attainment</b>	48.2	+ 1.6 (compared to 2009)

## 2. Commitments made with a view to combating and preventing youth unemployment

The Luxembourg Government has demonstrated a strong commitment to combat youth unemployment. An ambitious action plan for youth employment has been announced, which envisages a "Youth Guarantee" (*Garantie Jeune*): a job, an apprenticeship or a tailor-made training scheme in the first four month after unemployment registration. The PES' Youth Employment Service responsible for the employment measures of the young unemployed will see a staff increase and become more decentralised. Other measures will include:

- **Employment measure for (very) unqualified young job seekers (18-25):** "social" training of two months followed by either returning to education, practical work experiences (such as an apprenticeship) or other individualised outcomes;
- **Major reforms of the education system:** e.g. consolidation and extension of basic education, new orientation procedures for the school year 2012/2013. Orientation and professional initiation courses are foreseen for the under 18 years old who cannot access directly the professional education system, as well as promotion of language courses organised by associations and communes;
- **Creation of a "Maison de l'Orientation (Counselling House)":** regrouping the key public orientation services in a same place and therefore allowing a better coordination and creating synergies. Its creation is linked to both educational reforms and changes in the management of youth unemployment;
- **A Youth pact 2012-2014:** inter-ministerial pact for national actions targeting youth.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

The government introduced, as maintaining in employment measure, specific contracts to help young people acquire practical experience (i.e. Initial Employment Contract-Practice). According to national data, published by the Employment Ministry, more than 1,500 young

<sup>20</sup> Uncertain data due to small sample size

<sup>21</sup> Uncertain data due to small sample size

people (1,000 in the private sector) benefit from specific contracts. A large number of them are catapulted into permanent employment. A majority of young jobseekers are non-Luxembourgers with linguistic difficulties in education and on the employment market. An evaluation of employment measures for youngsters ("employment support contract" and "employment initiation contract") have been undertaken and the results will be used this year by the Ministry of Labour and Employment to decide if and in which way the measures will be modified. The above mentioned "Youth Guarantee" will establish schemes to offer further education, (re)training or activation measures to the younger jobseekers within four months of unemployment registration. The "*Action locale pour les jeunes*" (Ministry of Education) is in charge of the follow-up of early school leavers. A "second chance school" opened in 2011 for the 16-24 years old school leavers who face difficulties to return to the education system. The education is individualised and the support reinforced. The duration varies between 1 and 4 semesters according to the individual needs

### **3.2. *Youth traineeships and apprenticeships***

In response to the EU2020 country-specific recommendations, Luxembourg introduced new financial incentives for employers in order to increase the number of apprenticeships (from 27% to 40%). The measure is temporary and applies only to the category of apprentices studying for a "Certificate of professional capacity" (*Certificat de capacité professionnelle, CCP*). Traineeships and apprenticeships cover, in 2011, 1,582 young people.

### **3.3. *Support to job creation (including entrepreneurship and self-employment schemes)***

Support to job creation covered, in 2011, 1,330 young people. The association "Jonk Entrepreneuren" aims to promote entrepreneurship spirit and allows students of all levels of education in Luxembourg to learn how to start and manage a business. The Junior Chamber International Luxembourg offers people aged between 18 and 40 the possibility to engage in projects that affect society in a positive way. The business and entrepreneurial world are one of the primary subjects.

### **3.4. *Mobilisation of funds***

The national budget allocation to youth employment measures was EUR 35.8 million (2012) and EUR 31 million disbursed (2011). Support to job creation measures amount to EUR 18.6 million. The budget for traineeships and apprenticeships measures was EUR 12.5 million in 2011.

As regards ESF, one of the ESF funding priorities is support to young people (in particular the low-skilled and non-EU nationals), through guidance, preparation and training, to get their first job and get on in their first job. In 2011 funds were reallocated to increase the budget of objective 1.3 "Facilitate youth insertion in the labour market". For 2007-2011, EUR 2.9 million has been committed under this objective; extension until 2015: EUR 6.6 million EUR 2,2 million disbursed. The idea of a cross-border project with Germany to fight against youth unemployment is envisaged and considered for co-financing by the ESF (job monitoring and job coaching). The government created an Employment and labour market observatory to better understand the functioning of the job market and to evaluate measures promoting employment. The observatory has a budget of EUR 1.8 million, allocated equally over three years (2011-2013). The project will be co-financed by the ESF in the amount of half of the budget, or EUR 900,000.

### **3.5. *Amendments to the legislative framework facilitating labour market entry for young people***

The reform of the public employment service ADEM is still on-going and based on a new legal framework (i.e. opening of three new regional agencies and 34 additional councillors within ADEM). Improved supervision of job seekers will be accomplished through personalised monitoring.

# MALTA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012 (latest possible figure)</b>	16.2% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	13.8	+1.6
<b>Youth unemployment ratio</b>	7.1	+0.7
<b>NEET rate</b>	10.6	+1.1
<b>Early Leavers from Education and Training</b>	33.5 <sup>22</sup>	-4.6
<b>Tertiary Education Attainment</b>	21.1	+0.2

## 2. Commitments made with a view to combating and preventing youth unemployment

Malta is addressing the youth employment issue through a number of measures aimed at assisting youth in training and seeking employment, such as initiatives undertaken by the *Employment and Training Corporation (ETC)*:

- Dedicated Youth Employment Advisors who offer individualised career guidance and personalised action plans for employment;
- Schemes and Programmes, which also target youth, of which the *Work Trial Scheme*, *Bridging the Gap Scheme* and the *ESF Employment in the Social Economy Project*;
- The *Youth Employment Programme (YEP)* is a programme co-funded under the *European Social Fund (ESF)* and designed to increase the employability of young people and facilitate labour market integration of youth through the services provided through a number of professions.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

Malta launched several projects and initiatives targeting young people, especially NEETs or other groups at risk. By August 2012, 101 individuals participated in the *ESF* funded project '*Care Creates Change in People's Lives and the Environment*'. This project seeks to create employment opportunities in the area of products and waste. The target groups for this project include domestic violence victims, young drop-outs, asylum seekers, ex-convicts and substance abusers. The *ESF* funded project '*E4L – Embark for Life*' registered a total of 254 participants as at end of June 2012. The project provides individualised intervention and skills-based workgroups to institutionalised youths, homeless young people or those in inappropriate housing. It aims to help young people to develop the necessary skills for their inclusion in the labour market and maintaining stable employment, among others.

<sup>22</sup> The Maltese series on 'early leavers from education and training' are under review by the Maltese Statistical Office and Eurostat. The review is about the classification of people of certain qualifications at secondary level ('O levels') and not in further education and training. The weight of this group in the current series is about 8 percentage points on average.

The *ETC* also manages the *Employment Aid Programme (EAP)*. The project contributes towards the integration of disadvantaged and disabled people in the labour market by facilitating access to employment through financial assistance and upgrading the skills of those furthest away from the labour market through work experience. To date, the *EAP* has contracted over 1,666 grants. The *ETC* also offers a wide range of services that are beneficial to young people, including the *Work Trial Scheme* which targets young jobseekers aged 16-24, and the *Entrepreneurship Scheme (INT)* through which jobseekers are offered the possibility of starting their business by providing a package of counselling, entrepreneurship training, mentoring and financial assistance. Registered unemployed mentees, whose business plans are approved and who have all official documents/permits in order, are awarded EUR 5,000 as an enterprise grant. Finally, the *ETC* also offers the scheme '*Bridging the Gap*' which offers registered disabled person, including young people, a period of work exposure with an employer to enable them to demonstrate the skills needed for a particular job.

### **3.2 Youth traineeships and apprenticeships**

The *ETC* manages two apprenticeship schemes namely the *Extended Skills Training Scheme (ESTS)* and the *Technician Apprenticeship Scheme (TAS)*. One of the aims of these schemes is to support youngsters so that they receive adequate training prior to entering the labour market. The apprenticeship format is a combination of on-the-job and off-the-job training. A total of 648 candidates were registered with *ETC* as active apprentices under both schemes. Traineeships are also organised under the *Employability Programme* funded through the *ESF*. By end July 2012 a total of 153 young people participated in this programme.

### **3.3. Support to job creation (including entrepreneurship and self-employment schemes)**

The *ESF*-funded *Youth Employment Programme* aims to increase the employability and labour market integration of young people and as at end of June 2012, the total number of young people participating in this project amounted to 2,827. *ETC* also operates the *Entrepreneurship Scheme (INT)* through which jobseekers are offered the possibility of starting one's own business by providing a training and financial assistance. So far this project has involved 3 young participants. The *ESF*-funded *ME2 – Integration of people with disability in the labour market* project aims to engage disabled people in education and employment. In doing so, the *ME2 Co-op Limited* was created and was officially launched in April 2012. The aim of this co-operative is to serve as an opportunity to enhance a disabled person's skills to become more independent, to empower and to promote inclusion into an integrated society. The number of young participants as at end July 2012 amounted to 55.

### **3.4. Mobilisation of funds**

Since the *ESF* Operational Programme (OP) is rather flexible, if it is deemed necessary to have more youth-oriented measures, it has the capacity to do so without the need for reallocation and/or reprogramming within the OP. Throughout the programming period all the calls for project proposals were open to projects addressing specific initiatives targeting *YOI*.

### **3.5. Amendments to the legislative framework facilitating labour market entry for young people**

There have been no changes to the legal framework.

# THE NETHERLANDS

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	9.7% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	7.6	+ 1.3
<b>Youth unemployment ratio</b>	5.3	+ 1.4
<b>NEET rate</b>	3.8	+ 0.4
<b>Early Leavers from Education and Training</b>	9.1	- 2.3
<b>Tertiary Education Attainment</b>	41.1	+ 0.9

## 2. Commitments made with a view to combating and preventing youth unemployment

Among the various elements put forward by the Dutch authorities in the recent official publications (mainly NRP), the following priorities have been set out:

- Measures to improve matching of education/employee skills and labour market demand;
- An integrated regional approach in which municipalities, educational institutions, companies (the labour market) and youth care institutions work together in order to help vulnerable youth in their transition from school to work and to prevent early school leaving;
- Measures to increase the quality of education and limit high drop-out rates especially in tertiary education;
- Increased support to self-entrepreneurship.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

The Dutch government has implemented a range of general measures with a special focus on improving the transition from education to work and to prevent early school leaving. Municipalities are made increasingly responsible in the process of combating youth unemployment given their ability to adapt to local labour markets and regional conditions. Youth care and outreach programmes are available especially for vulnerable youth, for example from families facing multiple risks.

In the period 2009-2011 the "Action Plan Youth Unemployment" was carried out. This boosted regional cooperation between municipalities, education, employers, employment services and knowledge centres. In addition, government measures stress on the young person's own responsibility to actively search for a job and in the case of NEET, to register at employment agencies. Successful approaches that have been strengthened by the Action Plan Youth Unemployment are now being continued.

### *3.2 Youth traineeships and apprenticeships*

In secondary vocational education, apprenticeships or internships are mandatory. In higher education they are not mandatory but recommended. Education and business are brought



together in the Foundation for cooperation on vocational education, training and the labour market (SBB). One of the aims of the SBB is to optimise the connection between the education system and the labour market. Quality of apprenticeships is seen as an important aspect. Therefore it is required by law that the institutions that provide apprenticeships and internships are accredited for offering a good and safe working and learning environment. According to the SBB the number of internships/apprenticeships has declined, but, given the economic conditions, is still adequate (220.000).

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

The Netherlands encourages entrepreneurship through several projects. The Ministry of Education, Culture and Science and the Ministry of Economic Affairs, Agriculture and Innovation has launched the action programme "Education and Entrepreneurship". This programme focusses on stimulating, facilitating and professionalising educational institutions with regard to entrepreneurship on all education levels. The programme includes for example:

- Investing in 78 regional or sector networks to stimulate entrepreneurship;
- Evidence-based research and showing good practices;
- Development of Centres of Entrepreneurship (universities and business sector);
- Organising events like Global Entrepreneurship Week and the National Student Entrepreneurship Prize;
- Providing options for self-employment for the unemployed. After business start-up people are able to maintain their benefits for a maximum of six months. In addition, municipalities have the possibility to provide social assistance, coaching and microloans based on the Social Assistance Decree for the Self-employed. An evaluation of this system has shown that 74% of starters are no longer dependent on benefits four years after start-up.

### ***3.4. Mobilisation of funds***

Only details regarding ESF funding have been provided by the Dutch government's reply to the questionnaire. No details were provided regarding ERDF or national funding.

A large part of the ESF budget in the Netherlands is reserved for actions aimed at youth. For example, EUR 194 million is reserved for training with a vocational focus for the special education sector (VSO and PRO; mainly for disabled children, children with serious learning problem or behavioural problems and children with low IQ) and for the "Action Plan Youth Unemployment" (see 3.1). Another EUR 63 million is reserved for projects aiming at improvement of the labour market position of detainees. In these projects roughly 75% of the budget is spent on the education of people in youth detention. The job creation measures described under 3.3 above are not ESF-supported.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

Some amendments were stated in the reply:

- An amendment of the ESF national rules in 2009 to enable the implementation of the "Action Plan Youth Unemployment";
- Amendment of the Social Assistance Act in order to encourage young people to search more actively for a job themselves and to complete education;
- Plans for simplification of the dismissal procedures, making it easier for young entrants to the labour market to obtain a job (plans are not yet implemented and will

depend on the outcomes of government formation after the September 2012 elections).

# POLAND

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	26.5% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	25.8	+8.5
<b>Youth unemployment ratio</b>	8.7	+3.0
<b>NEET rate</b>	11.6	+2.6
<b>Early Leavers from Education and Training</b>	5.6	+0.6
<b>Tertiary Education Attainment</b>	36.9	+7.2

## 2. Commitments made with a view to combating and preventing youth unemployment

- Development of active labour market policy instruments and programmes addressed to young unemployed and job seekers;
- Expansion/reinforcement of existing initiatives co-funded by the ESF Operational Programme.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

In 2011, the Public Employment Services (PES) offered various vocational activation instruments to 104,800 unemployed young people. In addition, the Ministry of Employment prepared a programme "Youth on the labour market" aimed at preventing and combating youth unemployment. The Programme is composed of a number of activation measures addressed to people aged up to 30 and registered in the labour office. The Programme will be implemented from May 2012 to November 2014 and the expected number of participants is minimum 3,000.

Support to young people at risk of social exclusion is delivered by the Voluntary Labour Corps operating in the structure of the PES. In 2011, nearly 0.5 million young people participated in the labour market services offered by the Labour Corps, including 180,000 benefiting from job placements (100,000 of them had subsequently been employed).

One of the targets of the ESF Operational Programme is to improve the situation of young people on the labour market. There are no specific measures targeted to NEET, however the project selection criteria adopted annually by the Monitoring Committee favour inactive young people or those at risk of social exclusion. The scale of the Programme is extensive, with over 282,000 people aged 15-24 participating so far.

### ***3.2 Youth traineeships and apprenticeships***

Traineeships and apprenticeships are financed from national resources for the unemployed up to 25 years old or for the unemployed graduates up to 27 years old. In 2011, traineeships were the most popular form of vocational activation with 62,800 young people participating.

The Programme "Youth on the labour market" introduced an apprenticeship voucher for unemployed young people who will find an apprenticeship place. The employer, who accepts an apprentice, has to employ this person for the next 6 months.

Support to traineeships and apprenticeships is also provided by the ESF, with 27,125 students of vocational schools participating by the end of 2011.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

The maximum amount of ca. EUR 5,000 can be granted by PES to the unemployed (including youth) who want to start economic activity. Similar amount can be granted similarly to entrepreneurs who are willing to create new job places (whether for youth or not). In 2011, ca. EUR 148 million were disbursed for this purpose allowing for establishing 26,108 businesses and creating 10,657 job places.

Besides, start-up grants for job creation with the maximum amount of EUR 100,000 are financed by the ESF. By the end of 2011, 21,314 young people received such grants and started their own economic activity.

### ***3.4. Mobilisation of funds***

Under the ESF Operational Programme approximately EUR 3.4 billion will be allocated to support to youth policies, with EUR 1.327 billion allocated directly to youth employment measures. By 1<sup>st</sup> August 2012, EUR 2.3 billion have already been committed, including EUR 1.027 for youth employment measures. By the same month, over EUR 1.6 billion have been spent, including EUR 789 million for youth employment measures.

The ESF Managing Authority is expected to submit the amendments to the Operational Programme which will include proposals for the reallocation of EUR 75 million towards measures addressed to support young people. Furthermore, another modification is expected in 2013, including a subsequent reallocation of EUR 34 million for the same purpose.

Poland decided to use the ESF to support students' mobility grants under the Lifelong Learning Programme. Respectively, changes are to be introduced to the Operational Programme.

There is no information provided by Poland on ERDF funding to youth employment measures.

In 2011, around EUR 212 million were spent on youth traineeships programmes.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

Poland introduced changes to the Law on Employment Promotion and Labour Market Institutions concerning the Voluntary Labour Corps but details on the amendments are not yet available.

# PORTUGAL

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	35.1% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	30.1	+9.9
<b>Youth unemployment ratio</b>	11.7	+4.9, note: break in series in 2011
<b>NEET rate</b>	12.7	+2.4
<b>Early Leavers from Education and Training</b>	23.2	-12.2
<b>Tertiary Education Attainment</b>	26.1	+4.5

## 2. Commitments made with a view to combating and preventing youth unemployment

In the context of the YOI, the Portuguese Government developed a strategic programme to foster the employability of young people, called “*Impulso Jovem*”, which was launched as of August 2012 and is co-financed by European structural funds (both ESF and ERDF):

Measures to be co-financed by ESF that are meant to cover 56,000 young people:

- “Employment Passports”: professional internships in key areas of the economy and which can promote territorial cohesion. These professional internships have a duration of 6 months and establish compulsory provision of vocational training and the attribution of an integration bonus in case a subsequent employment contract is signed. The measure targets young people aged between 18 and 30 years old (up to 35 years in case of internships in the agriculture sector) who have been enrolled as unemployed in PES for at least 4 months;
- Professional internship programme in public administration;
- Support to contracting via reimbursement of employer's social security contributions.

Measures to be co-financed by ERDF that are meant to cover 33,000 young people:

- “Employment passports”: professional internships in the areas of industrialisation, innovation and internationalisation, under the same conditions as mentioned above;
- Measures to support contracting and foster entrepreneurship;
- National microcredit programme;
- Support to investment directed at small and medium-size enterprises.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

Some of the internships contained in “*Impulso Jovem*” are targeted at NEETs as well as the measure of support to contracting via reimbursement of social security contributions. The same applies to the National Microcredit Programme.

### **3.2 Youth traineeships and apprenticeships**

“*Impulso Jovem*” initiative created a new range of internships (“*Employment Passports*”) which are available for a larger amount of young people, targeting those who have been unemployed for 4 months and focusing on industries related to tradable sectors. This initiative complements the traineeships programme already in place, which focuses on professional qualification.

### **3.3. Support to job creation (including entrepreneurship and self-employment schemes)**

On top of the already existing measures that support self-employment, the following ones were created as part of “*Impulso Jovem*” programme: *Entrepreneurship Employment Passport*, *Entrepreneurial Portugal/Network of Perception and Business Management*, *COOPJOVEM (Creation of cooperatives for Youth)*.

The National Microcredit Programme, which already existed, was adapted within “*Impulso Jovem*”, assigning priority to projects, which are either promoted by young unemployed or that promote hiring of young unemployed.

### **3.4. Mobilisation of funds**

90,000 young people are expected to be covered by different measures contained in the strategic “*Impulso Jovem*” programme. The overall allocation of structural funds for this programme amounts to EUR 344,133,702 and is to be co-financed by both ESF (EUR 143,269,421) and ERDF (EUR 200,864,282).

### **3.5. Amendments to the legislative framework facilitating labour market entry for young people**

In the context of “*Impulso Jovem*” programme, the government has adopted the above mentioned internships as well as a measure of support to contracting via reimbursement of social security contributions to employers, conditional to net job creation. The target beneficiaries are unemployed people, aged between 18 and 30 years old, who have been enrolled for at least 12 months in PES.

In addition, the measure “*Estímulo 2012*” was published in February 2012. It will provide financial support to companies who hire people who have been enrolled in PES for at least 6 months. The financial support is higher in case the company hires a person under 25 years old - 60% of the worker's wage – and is given during the first 6 months of work, subject to net employment creation. The employers are obliged to provide training to the employee.

Portugal has also adopted a restructuring of its PES, officially published on 09/02/2012, which aims to increase the match between supply and demand of jobs and it is also targeted at young people, namely to address the new profile of young unemployed with higher levels of education (tertiary education). Recently, it has also been adopted the measure “*Vida Ativa*”, whose implementation started by the end March 2012, which consists of high-employability training modules targeted at the young unemployed, with the aim of promoting their employability and consequently their transition to the labour market.

Portugal is also reforming its labour law -e.g. the definition of individual fair dismissals is eased, working time flexibility is increased- and severance payments have been reduced from 30 to 20 days per year with the aim of improving the efficiency of the labour market and reducing labour market segmentation, which severely affects the younger population.

# ROMANIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	23.0% (June 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	23.7	+5.1
<b>Youth unemployment ratio</b>	7.4	+1.7
<b>NEET rate</b>	17.4	+5.8
<b>Early Leavers from Education and Training</b>	17.5	+1.6
<b>Tertiary Education Attainment</b>	20.4	+4.4

## 2. Commitments made with a view to combating and preventing youth unemployment

- Reallocation of EUR 216 million inside the ESF Human Resources Development Operational Programme (HRD OP) in order to assist 329,000 young people;
- Changes in the Employment Stimulation Law aiming at more flexible conditionalities in case of subsidies granted for employing young graduates, increasing the age and reviewing the categories of young people eligible for solidarity contracts;
- Adoption of a National Jobs Plan focused on improving the situation of youth.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

The National Employment Agency provides personalised services through solidarity contracts for young people aged 16-25 at risk of social exclusion. Employers, who agree to hire them, can receive grants of a maximum amount of 75% of the average wage for a period of up to 2 years. They can also receive a monthly grant equal to 50% of the unemployment benefit if they hire the young employees under an open-ended contract. In January-July 2012 almost 500 young people facing social exclusion were employed (budget: EUR 130,000).

Within the ESF HRD OP projects are being implemented aiming at promoting social inclusion, developing the social economy and improving access of vulnerable groups to the labour market. The current number of young participants aged 15 – 24 is 23,222 (24% of all participants). There are also measures implemented in order to prevent and reduce early school leaving addressed to 2,014 people aged 15 – 24.

### *3.2 Youth traineeships and apprenticeships*

Young people can get a job opportunity for 1 to 3 years through an apprenticeship contract and the employer has the obligation to provide theoretical and/or practical training. So far 43 apprenticeship contracts have been concluded.

ESF projects finance smoother transition from school to work through developing work skills of apprentices, students and young graduates in their first job. Almost 70,000 people under 25

participated in education and training projects so far. It is estimated that in 2011 – 2013 about 2,700 students will take part in traineeships in other EU Member States, with support from the Leonardo da Vinci Programme and 16,000 young people would be involved in projects implemented within the Youth in Action initiative. Finally, in the academic year 2011/2012, 1,215 Romanian Erasmus students benefited from grants for placements in organisations/companies in other EU countries.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Job subsidies are offered for a period of 12 months to employers who hire young graduates with the obligation to keep contractual relations for additional 2 years after the subsidised period. The number of graduates employed in January-July 2012 was 1,960.

Special allowances are granted to those graduates registered with employment agencies if they conclude a working contract exceeding 12 months while receiving the unemployment benefit. The number of young people who so far benefited from these measures was 543.

A special programme for students and pupils to get a fixed-term job during holidays is implemented. By end-July 2012, 325 people benefited from this measure.

The Government created about 5,500 jobs by developing and implementing in 2011 a programme to stimulate the creation and development of start-up micro-enterprises by young entrepreneurs.

By the end of July 2012, 86,331 young participants were registered in projects in the areas of promoting active employment measures and entrepreneurial culture financed from the ESF.

### ***3.4. Mobilisation of funds***

Under the ESF HRD OP, at the end of July 2012, the total amount allocated for the key area of intervention "Developing and implementing active employment measures" (aimed directly - but not exclusively – to young people) was EUR 298.46 million, with an ESF contribution of EUR 257.49 million. The total amount committed was EUR 259.74 million (ESF contribution: EUR 207.96 million), while the total amount disbursed was EUR 131.35 million. In addition, the Managing Authority finished the process of reallocation of EUR 216 million within the priority axis "Linking lifelong learning and labour market", but no calls for proposals have been launched yet. Romania envisages using ESF in order to support mobility programmes under the lifelong learning programme. Under the HRD OP a special Technical Working Group for Youth has recently been created.

Almost EUR 130,000 was spent in the first seven months of 2012 for the measures related to solidarity contracts.

Funding allocated under Leonardo da Vinci and Youth in Action for the above measures amounted to EUR 19.8 million in total, while EUR 2.6 million were spent for Erasmus grants. The total resources (both ESF and national) spent for the job creation measures described under section 3.3 above were EUR 320.86 million.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

The Law regarding the apprenticeship at work was amended and supplemented in 2011 in order to provide an adequate framework for increasing the work opportunities of youth with low or no qualification.

By the Government's decision of July 2012 a state aid scheme has been established for investments promoting regional development by using ICT technologies and creating at least 200 jobs.



# SLOVAKIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	28.4 % (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	33.5	+14.2
<b>Youth unemployment ratio</b>	10	+3.8
<b>NEET rate</b>	13.8	+2.7
<b>Early Leavers from Education and Training</b>	5	-1
<b>Tertiary Education Attainment</b>	23.4	+7.6

## 2. Commitments made with a view to combating and preventing youth unemployment

- ESF: Reallocation of EUR 70 million from the Education Operational Programme to the Employment and Social Inclusion Operational Programme to create 13,000 new jobs for young people in regions with high unemployment;
- ERDF: Reallocation of EUR 170 million from the Information Society Operational Programme and of EUR 55 million from the Transport Operational Programme to the Competitiveness and Economic Growth Operational Programme to support SMEs in creating 1,000 jobs mostly for young people;
- Speeding up the implementation of the Education Operational Programme with a call for proposals worth EUR 118 million in 2012 for i.a. making Vocational Education and Training, and higher education more relevant to labour market needs;
- Financing additional lifelong learning traineeships under the Education Operational Programme;
- Reform of the active labour market policies including measures supporting young graduates ('Graduate's practice' scheme);
- Further exploration of the support to possible projects on dual apprenticeship system, including via greater cooperation with Austria.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

The *Act on Employment Services* covers active labour market measures for vulnerable groups, including young people (school leavers younger than 25 who have completed education within last two years). Public Employment Services offer individual consultation services and prepare action plans for young people. Training could be also offered to young unemployed people, with costs for accommodation and travel covered.

A measure "Graduate's practice" is being implemented offering young graduates (under 26 years old) a possibility of getting a first job experience for up to 6 months for 20 hours per week. In 2011, approximately 17,300 graduates took part in the measure, out of which 7,620 found a job. In the first half of 2012, another 9,372 young people participated.

For most vulnerable people living under the minimum income level, the activation allowance (63 EUR/month) is available. It is a social assistance tool to help them to continue education or to maintain their employability by offering participation in small communal public works. However, no statistics on young people receiving this support is available.

### ***3.2 Youth traineeships and apprenticeships***

The system of Vocational Education and Training (VET) in Slovakia formally does not foresee apprenticeships. The vocational part of VET is provided through schools and practical training centres. Apprenticeships in companies are exceptional since the legislative framework provides few incentives to employers to accept apprentices.

Only very few students (less than 1%) receive grants for international mobility financed within lifelong learning programmes. Slovak companies do not offer this possibility to foreign students.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Young people can receive grants for starting up business. In 2011, around 4,700, and until June 2012 another 770 people aged 18-29 established their own company.

They can also receive an allowance for commuting to work (up to 135 EUR per month) and/or a work reallocation grant (EUR 1,327 once per two years) if they will find employment or establish a company outside their place of living.

Two projects are to be launched by the end of 2012: "*Support to employment of young people in self-governing bodies*" targeting around 4,700 participants under 29 and "*Promotion of job creation*" addressed to at least 7,100 young people. Employers will be reimbursed 95% of the labour costs (wages, social contributions, training and equipment) provided that they will retain a workplace for at least 6 months.

### ***3.4. Mobilisation of funds***

EUR 70 million from the ESF was re-allocated from the Education Operational Programme to the Employment and Social Inclusion Operational Programme. EUR 31.8 million within the Programme have been earmarked to finance the "Graduate's practice" scheme, while EUR 23.9 million have been already disbursed.

Within the ERDF, a decision has been adopted on the reallocation of EUR 170 million from the Information Society Operational Programme and of EUR 55 million from the Transport Operational Programme to the Competitiveness and Economic Growth Programme.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

No changes implemented however a reform of active labour market policy has been planned since 2011.

# SLOVENIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	17.2% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	15.7	+ 5.3
<b>Youth unemployment ratio</b>	5.9	+ 1.4
<b>NEET rate</b>	7.1	+ 0.6
<b>Early Leavers from Education and Training</b>	4.2 <sup>23</sup>	- 0.9
<b>Tertiary Education Attainment</b>	37.9	+ 7.0

## 2. Commitments made with a view to combating and preventing youth unemployment

In the 2012 National Reform Programme Slovenia indicated measures targeting young people. In the framework of Active Labour Market Policy special programmes adapted to young people are to be developed, the form of student work arrangements is to be modified and a programme for promoting self-employment to be continued.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

Project "Learning for young adults", addressed to unemployed people under 26 years of age who left school, includes a number of activities to improve participants' general and practical knowledge necessary for successful reintegration in school environment and everyday life. In 2012, 200 people were included in the project.

Furthermore, Slovenia implements a range of projects that – although targeted to unemployed in general – can also bring a positive impact on the situation of youth neither in employment, nor in education and training.

### 3.2 Youth traineeships and apprenticeships

A project "First challenge" was introduced to encourage employment of the unemployed and of the first job seekers under 30. This measure helps to integrate participants in the working environment and improves their job possibilities. The programme began in August 2012, the budget is EUR 9 million.

The purpose of the project "On-the-job training" is to obtain and strengthen the competences, knowledge, skills and aptitude of unemployed people who cannot find a job on the basis of their existing work experience. Out of 1,633 people under 30 who took part in the programme, 909 found employment in 2011 and an additional 270 in 2012 (72%). A new edition of the project for 2012/2013 was published in March 2012. Until the end of July, 199 young people had enrolled in the programme.

<sup>23</sup> Uncertain data due to small sample size

Another project assists up to 500 first-time job seekers with a degree in social assistance in traineeships for a maximum period of 12 months in social welfare entities (humanitarian organisations, geriatric care centres and working with the disabled). Until now, 262 unemployed graduates have been enrolled. The budget is EUR 10.103 million for a five-year period.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

The purpose of the Self-employment Programme is to encourage entrepreneurship among the unemployed through self-employment subsidies. In 2011, 1,124 young people under 30 applied for the subsidy and 816 of them are now fully employed. For the implementation of this measure EUR 83,701,469 is allocated.

The "Employ me" Initiative targets young people, first job seekers and young people under 30 with higher education by offering the companies a subsidy for employing such person. Until August 2012, about 12 young people participated in the project. The budget allocated is EUR 61,700,634.

### ***3.4. Mobilisation of funds***

Within the ESF Operational Programme for Human Resources Development various instruments target young people up to 24 years and first job seekers. Considering a constantly increasing number of young unemployed and adverse labour market conditions, additional instruments were prepared this year.

The following programmes specifically target young people:

- Regional scholarship schemes (EUR 14.7 million);
- Promoting employment of first job seekers in the area of social assistance (EUR 10.2 million);
- First challenge (EUR 9 million).

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

In addition to the *Act on Labour Market Regulation*, the *Act on Promotion of Balanced Regional Development* and the *Competitiveness and development support programme for the region Pokolpje 2012-2016* were adopted. They target employment through certain tax relief measures, mainly through reimbursement of social security contributions for newly employed people.

# SPAIN

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	54.2% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	46.4	+21.8
<b>Youth unemployment ratio</b>	19	+7.3
<b>NEET rate</b>	18.5	+4.1
<b>Early Leavers from Education and Training</b>	26.5	-5.4
<b>Tertiary Education Attainment</b>	40.6	+0.8

## 2. Commitments made with a view to combating and preventing youth unemployment

- Examine a reallocation of ESF financing towards actions to support the employability of young people; support public employment services to develop active labour market policies including for young people and reinforce the measures to combat early school leaving and promote vocational training; explore the possibility of pilot projects for dual vocational training; explore ideas of financing additional Leonardo/Erasmus traineeships under the ESF Ops;
- Refocus EUR 400 million (ERDF) on a reindustrialisation aid scheme on investment loans primarily for SMEs; create a working capital fund for SME finance (up to EUR 155 million estimated funding); support innovative SMEs in the agri-food sector (with significant scope for youth employment with low skills); establish measures to seed capital and micro-credit to support an upcoming Law on Entrepreneurship; increase investment in education infrastructure in Andalusia;
- Examine whether subsidies for the newly introduced apprenticeship contract could benefit from EU structural funds' support.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

Although there is not a youth guarantee scheme in Spain, the Spanish system provides for concrete measures regarding apprenticeship and training, such as the "on the job training contract" and a new "training account" for each young unemployed. Furthermore, the labour market reform of February 2012 established a new individual right to professional training (20 hours per year). ESF co-finances specific measures for disadvantaged young people, mainly through the national OP Fight against Discrimination.

### *3.2 Youth traineeships and apprenticeships*

The Royal Decree 1543/2011 of 31 October 2011 introduced traineeships in enterprises without the obligation of a subsequent job offer, for 3-9 months, aimed at young unemployed people aged 18-25 who have a specific academic degree or a professional accreditation

certificate. The participants receive a grant for at least 80% of the current minimum wage (EUR 641/ month). The labour market reform of February 2012 introduced a "training and learning contract" (1-3 years) which foresees a system of alternating remunerated work and vocational training activity for workers aged 16-25 who lack professional qualification and seek an internship. On the other hand, the Spanish government approved on 8 November a Royal Decree which implements the contract for training and learning and provides the basis of dual vocational training.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Spain is currently finalising the preparation of the National Youth Entrepreneurship and Employment Strategy 2012-2015. The Strategy will recall the measures already introduced by the Labour Market reform of February 2012 (see section 3.5). Other upcoming legislative measures to support entrepreneurs aim to promote an entrepreneurship culture in schools, lower the administrative burden for starting up a business, and introduce financial incentives and mechanisms to access credit and to support business' internationalisation.

### ***3.4. Mobilisation of funds***

In the current programming framework, all ESF Spanish operational programmes include a series of both general and specific actions that have benefited young people. Under the national OP Fight against Discrimination approximately EUR 384 million were dedicated to vulnerable young person's measures until 30 June 2012. According to national data, in the period from 01/01-30/06/2012 total costs of EUR 233 million (estimated sum over 22 OP) were spent on youth employment measures. The Spanish authorities estimate that, between 2012 and 2015, this figure will rise to EUR 2.5 billion.

In 2012, several ESF Spanish OPs were modified, particularly driven by the YOI and in the context of the aggravating youth unemployment situation. ESF reallocation focused on support to the PES to develop active labour market policies, including for young people, redirecting overall 135 million under the national OP "*Adaptabilidad y Empleo*". Some regional OPs increased also support to actions targeted at young people at a total of EUR 33.8 million (Madrid, Navarra, Asturias, Melilla, Baleares, País Vasco) and the national thematic OP "*Lucha contra la Discriminación*" (EUR 50 million). Other regional ESF OPs increased attention to early school leavers and vocational training (Murcia 6.8 million, Baleares 7.9 million). Andalucía will also reinforce actions addressing early school leaving. Spanish authorities do not consider it feasible to support the Leonardo Programme with ESF funding during the present programming period.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

The labour market reform of February 2012 entails a comprehensive set of measures intending to, among others: Reform apprenticeship and training contracts by extending the age limit ceiling to 30 years beyond 31.12.2013 so long as unemployment stays at 15% or higher; create a permanent contract for "Entrepreneurs" addressed to SMEs providing fiscal and other financial incentives to hire unemployed aged under 30; re-organise incentives for hiring indefinitely young people, support part-time indefinite contracts, introduce a dual training-employment model for young people; introduce an individual "training account" (20 hours/year) and a reform of vocational training; increase support to young self-employed and microenterprises through a single unemployment insurance instalment for young people to become self-employed. The Ministry of Education, Culture and Sport has developed the Organic Law for the Improvement of Educational Quality, now under discussion, expected to be adopted in early 2013.

# SWEDEN

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	23.4% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	22.9	+2.7
<b>Youth unemployment ratio</b>	12.0	+1.3
<b>NEET rate</b>	7.5 <sup>1</sup>	-0.3 <sup>1</sup>
<b>Early Leavers from Education and Training</b>	6.6 <sup>1</sup>	-5.6 <sup>1</sup>
<b>Tertiary Education Attainment</b>	47.5 <sup>1</sup>	+5.5 <sup>1</sup>

<sup>1</sup>: Provisional data

## 2. Commitments made with a view to combating and preventing youth unemployment

- The Commission invited the Swedish authorities to set a much more ambitious target for support to young people in the next programming period, particularly in view of Sweden's persistent high youth unemployment rates;
- During the finalisation of the 2012 Country Specific Recommendations Sweden committed itself to take further measures to improve the labour market participation of youth and other vulnerable groups, e.g. by improving the effectiveness of active labour market measures, facilitating transition from school to work, promoting policies to increase labour demand for vulnerable groups and improving the functioning of the labour market.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

Since the 'job guarantee' for young people had not achieved the activity and quality levels intended, the Swedish government has provided the Public Employment Service (PES) additional resources 2012 to increase the staff for executing the guarantee. Until mid-June the PES had increased the number of case handlers for the 'job guarantee' to the extent that the number of young people handled by a case handler (on average) was reduced to 57, from 80 in October 2011. The full quality effect of the staff increase is only expected to become effective in the second half of 2012, after the full introduction of the new case handlers. In July 2012 some 30,400 young people participated in the guarantee programme.

### 3.2 Youth traineeships and apprenticeships

Since the autumn of 2011, following the adoption of the new Education Act, in vocational upper secondary education more time is devoted to vocational subjects in the curriculum. A Vocational Diploma can be attained either through school-based vocational programmes, where at least 15 per cent is work-based training, or alternatively through apprenticeship programmes, where at least 50 per cent is work-based training. State grants of up to EUR

2,750, per pupil and year, have been introduced to stimulate the provision of apprenticeship positions in work places.

The Government recently presented its budget bill proposal for 2013, including budget forecasts also for the years 2014 – 2016<sup>24</sup>. In line with the “Youth Pact” (2013-2016), the government proposes to spend some EUR 240 million ‘extra’ in 2013 to combat youth unemployment, of which 80% should be used for funding some 18,000 additional student places in various regular education institutions to balance the weak economy and demand for labour. In addition, a strengthened state grant to further stimulate the provision of apprenticeship positions is proposed. The extra spending is forecast to continue in the years 2014 to 2016.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

A lower VAT on restaurant and catering services was introduced from January 2012 to make it easier for young people to get a first job, often in the restaurant and catering services sectors.

Entrepreneurship education is an integrated part of school education, vocational training and higher education programmes. As part of the support to entrepreneurship among young people a programme for promoting innovation among the young has been developed (“Youth’s innovation power”), with a budget of EUR 1.9 million per year, during 2010–2012. The programme is to be continued in 2013-2014.

### ***3.4. Mobilisation of funds***

In March 2012 99% of the ESF funds available for Sweden in the current period had been allocated to projects. 26,560 unemployed youth had participated in ESF supported projects, already exceeding the target for this period (15,000). The final number for the whole period is estimated to reach some 35,000. Thus, changes in the current period have not been discussed. Preparatory discussions in Sweden for the next period have started, but will only be concluded in 2013.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people.***

No commitments were made for this area.

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<sup>24</sup> <http://www.regeringen.se/sb/d/2548>, 20 September 2012



# UNITED KINGDOM

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	20.4% (July 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	21.1	+6.1
<b>Youth unemployment ratio</b>	12.4	+ 3.2
<b>NEET rate</b>	14.3	+2.2
<b>Early Leavers from Education and Training</b>	15	-2.0
<b>Tertiary Education Attainment</b>	45.8	+6.1

## 2. Commitments made with a view to combating and preventing youth unemployment

The UK Government launched in April 2012 the "Youth Contract" with total funding EUR 1.3 billion over three years (2012-15). It includes:

- 160,000 wage incentives for employees recruiting 18-24 year olds from the Work Programme;
- 250,000 additional work experience or sector-based work academy places;
- 20,000 additional apprenticeship grants;
- Extra adviser support through Jobcentre Plus for all 18-24 year olds.

## 3. Progress in implementation of the commitments

### 3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk

The "Youth Contract" started in April 2012 to help young people to prepare for and find long-term sustainable employment. It provides 0.5 million places and includes wage incentives to employers to recruit 18-24 years old and voluntary work experience places. There is additional support for Jobcentre Plus and for advisor time. The "Youth Contract" offers funding for private providers (paid by results) to target disengaged young people aged 16-17. National Careers Services are to be started in 2012 providing advice, guidance on careers, skills and labour market prospects.

Northern Ireland developed a strategy towards NEETs for 16-18 and then for 18-24 years old. "Training for Success" addresses personal and development needs and helps youth to gain skills and a vocationally related qualification at Level 1 in order to be able to gain employment or to progress to pre-apprenticeship or apprenticeship. Programme-led apprenticeships gives 16 and 17 year old school leavers (and up to 24 years for those requiring additional support) the opportunity to gain a full apprenticeship qualification in a chosen skill area. This provision is running parallel to the 'employer-led' apprenticeships programme and is partially financed by the European Social Fund.

### ***3.2 Youth traineeships and apprenticeships***

Access to apprenticeships started in 2011 providing extra support and skills development open to NEETs and some 10,000 places were expected in the first year of implementation.

A substantial budget has been allocated by the Government to fund apprenticeships. Employers benefit from the lower minimum wage rate for apprentices, which, at GBP 2,50 (+/- EUR 3,11) per hour, is much lower than that for other UK workers. October 2011 figures show 50,000 apprenticeships more compared to 2009/2010.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Wage incentives were launched in April 2012. There are up to 160,000 incentives worth up to EUR 2,590 available over the three years of the "Youth Contract".

The New Enterprise Allowance (NEA), available across Great Britain since the end of August 2011, helps unemployed people to start their own business. It is available to people aged 18 and over who have been claiming jobseeker's allowance for three months or more. It provides access to business mentoring up to 13 weeks and offers financial support. Till end of February 2012, 12,050 claimants have started working with a NEA business mentor and 4,560 claimants have started claiming the NEA weekly allowance.

Sector-based work academies, introduced in August 2011 in England and January 2012 in Scotland, support employers to take on unemployed people through a package of pre-employment training, work-experience and a guaranteed job interview. It is not aimed specifically at young people, but is available for their support. From August 2011 to May 2012, 14,340 people have started on the pre-employment training of a sector-based work experience.

Work experience is a scheme aiming at young people aged 16 to 24 years (in justified cases aged 25 years and over) on jobseeker's allowance. Until May 2012, 64,680 people have started on a work experience opportunity.

From April 2012, the "Youth Contract" will provide funding for 250,000 additional work experience and sector-based work academy places over three years.

### ***3.4. Mobilisation of funds***

The budget for the "Youth Contract" is EUR 1.3 billion funded from national resources.

From the current ESF funding, more than EUR 700 million are committed to youth employment measures (this includes only provision targeted mainly at 15-25 year olds). Young people are also helped as part of priorities/measures that are not targeted by age, and this funding cannot be disaggregated by age.

The Scottish and the Welsh Government aim to award remaining ESF and ERDF support to traineeships and apprenticeships project supporting youth employment. The exact amounts are not known yet.

The UK does not envisage using the ESF to support student mobility grants under the Life-long Learning Programme.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

No changes reported.

# CROATIA

## 1. Trends in youth unemployment

<b>Youth unemployment situation 2012</b>	39.5% (September 2012)	
	<b>2011 (%)</b>	<b>Variation 2008/2011 (pp.)</b>
<b>Youth unemployment rate</b>	36.1	+14.2
<b>Youth unemployment ratio</b>	11.3	+3.7
<b>NEET rate</b>	15.7	+5.6
<b>Early Leavers from Education and Training</b>	4.1 <sup>25</sup>	+0.4
<b>Tertiary Education Attainment</b>	24.5	+6

## 2. Commitments made with a view to combating and preventing youth unemployment

In order to decrease youth unemployment, particularly in the crisis period, Croatia made commitments during the pre-accession JIM (Joint Inclusion Memorandum) and JAP (Joint Assessment of the employment policy Priorities) processes. The following measures are planned:

- Raising awareness of employment possibilities after secondary school education and improving the link between the labour market and the education system through apprenticeships and probationary employment;
- Development of incentives, tax reliefs and other incentives for recruiting young people (by introducing special credit lines and incentives for young entrepreneurs);
- Stimulating the decentralised model of housing for youth through subsidised housing construction, distribution of land for construction and inexpensive rent and buy-off of apartment property.

## 3. Progress in implementation of the commitments

### *3.1. Youth guarantee schemes and other measures targeting youth neither in employment, nor in education or training (NEET) or other groups at risk*

The Croatian Employment Service (CES) pays special attention to career guidance for people with disabilities and other hard-to-reach groups as well as to vocational guidance of students with disabilities. As a measure to prevent long-term unemployment, CES is taking “early intervention” activities among which a set of vocational guidance services, such as information and counselling, aimed at students in their final years of school, VET or tertiary education.

Particular attention is paid to students who, according to evaluations, face particular problems to enter the labour market after completing their education, e.g. students with health problems, learning disabilities and behavioural disorders. During the period January-July 2012, 5,986 secondary education students were involved in individual career guidance activities and 1,171

<sup>25</sup> Uncertain data due to small sample size

students were involved in group career guidance. Children in foster care are involved in career guidance performed by CES in cooperation with civil society organisations. Former drug addicts are involved in a support system for their rehabilitation, managed by the Governmental Office for Combating Drug Addictions. During the first semester of 2012, 120 former drug addicts were involved in career guidance, 24 in subsidised education and 19 were employed.

### ***3.2 Youth traineeships and apprenticeships***

Occupational training for people with no work-experience is conducted, whereby the employer provides a mentor for the participant and is reimbursed on the obligatory monthly pension insurance contributions, while the participant receives financial aid from the CES. In 2011 there were 4,760 participants in this measure and 2,502 participants until August 2012. In the framework of the Leonardo da Vinci programme, 198 young Croatian VET students got the opportunity to participate in international traineeship activities. Another 306 are about to start their training activities.

### ***3.3. Support to job creation (including entrepreneurship and self-employment schemes)***

Employment aid for first-time jobseekers is provided to employers who meet the criteria under state aid rules. The employer receives a lump-sum payment of the subsidy which amounts to up to 50% of the annual gross wage cost. The employer is obliged to retain the person in employment for 12 months. There were 1,147 young people in subsidised employment in 2011 and 694 people in 2012 (until August).

Furthermore, a self-employment subsidy is allocated to unemployed people willing to start their own business. This subsidy varies according to the education level and falls under the category of state aid for employment. In 2011 self-employment was subsidised for 79 people under 25, and till August 2012 for 62 people.

During 2011, 1,107 people under 25 were employed in public works programmes and 1,180 more till 1 August 2012.

### ***3.4. Mobilisation of funds***

Croatia is currently implementing the Instrument for Pre-Accession (IPA Component IV, Human Resources Development). The problem of youth unemployment is being particularly addressed through the operation *Youth in the Labour Market*. This grant scheme enabled implementation of 31 projects with the objective to reduce youth unemployment at the regional level and to promote and foster employment of youth (following partnership approach) through measures that could facilitate their easier labour market entry. The total amount allocated to this operation is EUR 1.5 million. Youth unemployment is also addressed in other operations under Priority Axis for Education and Social Inclusion.

### ***3.5. Amendments to the legislative framework facilitating labour market entry for young people***

In May 2012, the Employment Incentive Act expanded the possibilities for a wider target group of unemployed people to gain work experience through on-the-job training. Additionally it provided obligatory health and pension insurance contribution relief for a period of up to two years for the recruitment of people with no work experience in their professional field.