



Press Release

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Concluding Statement by Federal Chancellor Merkel to the Berlin Conference on Youth Employment

At its meeting on 27 and 28 June 2013 the European Council stressed that combating youth unemployment is a particular and immediate objective, considering the unacceptably high number of young Europeans who are unemployed. It emphasized that it is important to pay due attention to the labour market participation of groups of vulnerable young people facing specific challenges and that immediate action is required at both national and EU level.

As the European Council affirmed on 14 and 15 March 2013, well-designed structural reforms in the Member States aimed at promoting sustainable growth, employment and competitiveness and the correction of macroeconomic imbalances are a necessary precondition for the generation of competitive jobs and hence the overcoming of high youth unemployment. Structural reforms are a responsibility and an opportunity for every Member State. Boosting youth employment is a task and a goal that we all share. Consequently, we are strongly determined to further extend our cooperation in this area. As regards action taken at EU level, the European Council reiterated that the guidelines decided over recent months, particularly in the Compact for Growth and Jobs, must continue to be fully and urgently implemented in order to support efforts to strengthen growth, employment and competitiveness.

For this reason today we have shared our experiences of successful national measures to promote youth employment. This exchange was based on valuable preparatory work conducted by the employment ministers and the Heads of the Public Employment Services (HoPES), whose papers on “Action to foster youth employment in the Member States” and the “Heads of PES concept for the delivery of the Youth Guarantee” we welcomed. We further agreed, that the Council for Employment, Social Policy, Health and Consumer Affairs, and the European Parliament should move quickly to start negotiations on the European Commission’s proposal to formally institutionalize the HoPES network.

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We have identified concrete short, medium and long-term challenges and opportunities which now should be addressed at European, national, regional and local level. As a basic principle, several stakeholders need to participate in the promotion of youth employment. Fully respecting specific national competences and circumstances, these following stakeholders should consider implementing the concrete measures listed below within the specified period so that we can conduct a precise evaluation and stock-taking:

The Public Employment Services or other competent authorities in the Member States will consider

- if necessary, to implement **fundamental restructuring plans** in accordance with national regulations and drawing on good experiences from within the HoPES network. We agree that public employment services must at least be able to fulfil the following four functions: (i) establish transparency of supply and demand in the labour market, define determinants of unemployment, also across regions; (ii) provide a comprehensive range of advisory services on labour market issues for employees and employers; (iii) organize efficient placement of jobs and training; (iv) ensure effective and efficient allocation of labour-market-policy measures. The HoPES could submit an assessment of the quality and quantity of the necessity to the employment ministers before their meeting on 15 October 2013 and present an initial catalogue of measures to us in November 2013;
- how best to build up **career guidance structures systematically and extensively**, coordinating them with school-based career advice services so that school leavers are in a position to make sound career choices which take account of the labour market context. The availability of career advice from an early stage, i.e. before individuals leave school, can substantially contribute to the accomplishment of the Youth Guarantee. To this end the employment services could present their implementation strategies, which should be tailored to the specific requirements of the Member State concerned, within the context of cooperation among the HoPES. The HoPES could report to the employment ministers at their meeting on 15 October 2013 and submit an interim report to us in November 2013;



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- how best to develop an **employers' service** which identifies available offers in business, as befits the Youth Guarantee, and establishes what the demand for qualifications and skills is in the economy as well as plans of measures to boost the promotion of start-up businesses, particularly in future-oriented sectors. The HoPES network could submit an interim assessment report to the employment ministers at their meeting on 15 October 2013 and present the finalized implementation strategies to us in November 2013;
- initiating **alliances for basic and further training** among the social partners (business) and provide, or authorize others to provide, support for drawing up the relevant implementation strategies. An interim assessment report could be submitted to the employment ministers at their meeting on 15 October 2013, and the finalized implementation strategies provided in November 2013.

The European and national social partners at their respective level intend to

- implement the **Framework of Actions on Youth Employment** and, on this basis, cooperate closely with EU institutions and national bodies;
- work towards making **training opportunities** available which effectively combine practical on-the-job training and theoretical school-based components as early as possible in 2014;
- cooperate closely with the relevant institutions to **suggest tailored reform measures** for the respective Member States based on the proposals of the Framework of Actions on Youth Employment. They could report to us in November 2013.

The employment ministers of the Member States will consider

- ensuring that **needed structural changes** in the employment services are established in national law and **necessary resources** put in place. Hereto they could provide a report for their meeting on 15 October 2013;
- in the context of establishing the necessary legal acts for **programming funds** for the financial period starting 2014, make sure



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that the “best practices” identified are taken into account and that the possibility of a rapid deployment of funds is ensured;

- consulting with national and European social partners in line with national practice, national employment services as well as the HoPES network and the chambers in order to develop implementation plans customized to the specific situation of the respective Member State to further **develop national training systems** as appropriate towards a training that is as company-based as possible, and – in a first step – submit an interim report to us in November 2013;
- ensure that funds from the Youth Guarantee can be used effectively to counteract difficulties with entry into the labour market through, inter alia, if deemed necessary, **temporary wage subsidies paid directly to the employer**. With the support of the HoPES the employment ministers could formulate sustainable criteria on the basis of today’s employment ministers’ meeting in time for their meeting on 15 October 2013 and present the coordinated implementation plans to us in November 2013. The EUR 6 billion made available through the Youth Employment Initiative could also be used for wage subsidies in combination with ESF funds.

The European Round Table of Industrialists intends to encourage and accelerate

- individual company **traineeships** and **apprenticeships**;
- support for **pan-European projects** such as the European Alliance for Apprenticeships and its associated Ambassadors network as well as the promotions of Science, Technology, Engineering and Maths (STEM) programmes;
- sponsorship of **entrepreneurship education**.

The European Commission intends to

- support Member States in their efforts to implement the **Youth Guarantee** schemes and by **frontloading the Youth Employment Initiative**, by adjusting the profile within the MFF. Dedicated **Youth Employment Action Teams** will directly assist the Member States upon their request;



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- accelerate work with the Member States on the Partnership Agreement and Operational programmes, so the structural and investment funds (ESIF), namely the ESF, can provide extensive **support to human capital**;
- further **promote cross-border mobility among young people** through revamping the EURES portal, and strengthen the programme “Your first EURES job” for cross-border recruitment in accordance with the request of the European Council from 27 and 28 June 2013. In cooperation with HoPES it could formulate a catalogue of measures and submit a progress report to us in November 2013;
- ease transition from education to work, by launching the **European Alliance for Apprenticeships**, approve a **Quality Framework for Traineeships**, ensure that the “ERASMUS +” programme which promotes cross-border education and training, will be fully operational from January 2014, as set forth by the European Council on 27 and 28 June 2013 and will continue addressing skills mismatching in sectors with job creation potential.

The European Investment Bank intends to

- make available **loans to co-fund the material investment** to expand vocational training facilities;
- under its “Growth and Employment facility”, **step up its lending to projects** that help tackle youth unemployment. This includes a further increase in the financing of small and medium-sized enterprises (SMEs) with loans and guarantees that are expected to have a high impact on youth employment;
- set up a dedicated “Jobs and Skills – Investing for Youth” facility supporting **job creation for youth in SMEs** and job-related training;
- **support internships** as part of its financing of training activities;
- through its subsidiary, the European Investment Fund (EIF), focus on granting **micro-credits**, including for young business persons and EU Student Loan Facility to support learning mobility.



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All efforts must be mobilized around the shared objective of getting young people who are not in education, employment or training back to work or into education or training, as set out in the Council's recommendation on the "Youth Guarantee". The instruments we have specified could play a key role in achieving this goal, as they incorporate measures with notable potential for success and avoid less efficient options. In this context we today reiterate the demand of the European Council from 27 and 28 June 2013 that the disbursement of the EUR 6 billion allocated to the YEI should take place during the first two years of the next Multiannual Financial Framework and be fully operational by January 2014.

We are united by our declared intention to intensify our cooperation in addressing youth unemployment to enable Europe's young people to make the most of their potential. We have therefore agreed to evaluate the progress in the identified areas in November 2013, after the employment ministers' meeting in October 2013. A follow-up conference will be held in Paris, at the invitation of France.