



***Investing in youth for tomorrow's Europe:  
policies for youth autonomy and perspectives for the European Social Fund***

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**"The EU strategy and the role of the regions in fighting against youth unemployment"**

President Rossi, ministers, distinguished guests,

I would like to start by thanking the Tuscany Region for this initiative and for inviting me to address you this morning.

Finding and sharing best ways to invest in our youth has never been more important than today. Our recent report on employment and social developments in the EU clearly shows that Europe is not only in a deep economic but also social crisis. It also shows that young people are among the most affected. Their opportunities to start professional life in good conditions have been severely reduced.

The figures speak for themselves. At the end of last year, youth unemployment in the EU reached 22.4% and is as high as 37% in Italy and still much higher in Greece or Spain. These are daunting numbers. Although there are large variations from one region to another, all Italian regions have been affected, including Tuscany.

The worst that can happen to a young person leaving school is to be left without a job or, at least, without an opportunity to further improve its qualifications or to get some experience. The latest research by our Eurofound agency in Dublin estimates the economic loss of non-integration of young people in Italy at 2% of its GDP. That is an annual loss of over 32 billion EUR for the country. For all EU Member States, the loss is 153 billion EUR or 1.2% of GDP.

I therefore very much welcome that Italy has decided to allocate significant ESF resources to measures specifically targeted at young people. And Tuscany is leading by example. Between 2007

and 2013, Tuscany will have invested approximately 660 million EUR to support young people, and almost half of this amount comes from the European Social Fund. The supported measures include innovative projects such as "*Giovani sì*", which is going to be presented here today.

This is fully in the spirit of the Commission's 'Youth Opportunities initiative' adopted in December 2011 with the aim to further enhance the use made of the available structural funds to improve the prospects of young people on the labour market. In this context, action teams made up of European Commission and national officials have looked at how the EU funds can better support young people in 8 of the most severely affected Member States, including Italy. This resulted in a reorientation of some 10 billion EUR from the European Social Fund and European Regional Development Fund to projects such as job subsidies, vocational training or early school leaving prevention programmes - all aimed at enhancing the situation of young people. Implementation of these measures has started and we expect that more than 50,000 Small and Medium-sized Enterprises and more than 600,000 young people will benefit from these adjustments.

Last December, the Commission went a step further and adopted a Youth Employment Package which will facilitate more pro-active policy measures to improve the job prospects of our young people.

The package proposes 4 targeted initiatives:

First, we will call on Member States to swiftly set up schemes to ensure that every young person under 25 gets a quality offer of employment, continued education, an apprenticeship or traineeship within four months of becoming unemployed or leaving formal education; the so-called Youth Guarantee schemes. The first reception of this proposal has been positive. Some of course pointed to the initial fiscal cost, which is a challenge in the current difficult environment. But, in our view it is an investment worth making if compared with the long-term costs of unemployment, inactivity and lost productivity which are much higher. Moreover, the EU can financially support Member States in implementing the Youth Guarantees, in particular through the European Social Fund. The preparation of the operational programmes for the new programming period is a great opportunity in this respect. The Youth Guarantee has already been implemented in Finland and Austria. Also Tuscany is going in that direction with the "*Giovani-sì*" initiative, which could indeed be used as a basis for a fully-fledged Youth Guarantee scheme.

Secondly, we are progressing towards a Quality European Framework for Traineeships, which encourages companies to offer traineeships with good learning content and decent working conditions. The Commission will ask the EU social partners if they want to enter into negotiations on such a quality framework. Failing that, the Commission will, in summer 2013, make a proposal for such a framework.

Thirdly, we wish to improve the quality and supply of apprenticeships in the context of a European Alliance. This alliance could come into effect in summer 2013 and would promote successful apprenticeship schemes in the EU. We indeed see strong evidence that dual vocational training systems facilitate school to work transitions such as in Austria and Germany. Italy has already set up bilateral agreements to learn from this know-how, and we expect the new European Alliance to foster good practice across the EU.

Finally, the fourth part of the package relates to labour mobility within Europe, and improving access to job opportunities for young people. To facilitate mobility, the Commission will transform EURES, the network of European Employment Services, into a more flexible, demand-driven employment instrument.

So far, a number of initiatives have been launched to support labour mobility, including a modernized and more effective EURES job mobility portal and Targeted Mobility Schemes. The Commission intends to further develop the 'Your first EURES Job' initiative, specifically targeting EU nationals aged 18 to 30 to find work in other Member States. As a pilot project, four selected employment services from Germany, Spain, Denmark and Italy will help young people look for work in Member States other than their own.

Ladies and Gentlemen,

This morning I wanted to give you a flavour of our key initiatives to support young people's opportunities. I wanted to illustrate that if we share the same objectives, the EU can actually be very close to the ground and work hand in hand with the national, regional and local authorities.

Let me conclude by stressing that the on-going preparation of the operational programmes for the implementation of EU structural funds between 2014 and 2020 is an excellent opportunity to ensure that the available financial instruments are used in the most effective way and targeted at the key political priorities.

Measures that foster investment in our young generation should figure prominently in this context everywhere in the Union, including Italy. In light of Tuscany's positive example in this area, I am glad that it is precisely Tuscany and President Rossi currently coordinating the work of Italian regions and working with national authorities to make better use of the ESF to support youth employment.

I am even happier to see that you are willing to go beyond national borders, share experience and work together with other regions of Europe. I have no doubt that today's workshop will be an excellent opportunity in this context.

I wish to congratulate all the participants for being here today to discuss and to learn about innovative ways to use the ESF to promote employment, education and social inclusion.

This is the best message we can send to the Heads of State and Government when they decide on the next financial perspectives. They need to understand that cohesion policy is the main and sometimes the only remaining tool to invest in our future. They need to understand that the European Social Fund has a vital role to play for a competitive and prosperous Europe because it helps to enhance its greatest asset, which are its people and its young people in particular.

That is why I continue to fight for the ESF to have a robust budget in the next financing period and a minimum share in cohesion spending. Thank you for your attention.