Joint letter on youth unemployment to the European Council President from Prime Minister Jyrki Katainen, Prime Minister Fredrik Reinfeldt and Prime Minister Helle Thorning-Schmidt

Herman van Rompuy, President of the European Council Copy: Members of the European Council

Dear Herman,

Youth unemployment is a major challenge in many parts of Europe. Giving young people a foothold in the labour market and hope for a better future should be at the top of our agenda.

The best helping hand we can extend to young people without jobs is by facilitating the creation of more jobs. Hence, we need to make full use of the growth levers at our disposal. A rapid implementation of the Compact for Growth and Jobs should have top priority. This includes adopting the remaining measures in the Single Market Act I and give priority to the Single Market Act II as well as progressing on free trade agreements. We also need to set the right framework conditions for our business sector including promoting innovation, ease the regulatory burden while ensuring proper protection of consumers and employees, and stimulate access to finance for Small and Medium Sized Enterprises that play an important part in job creation, including for young people.

While employment policies are first and foremost a task for Member States, joint efforts and attention can help ensuring well-functioning labour markets. We believe that Member States have a lot to learn from each other's experiences of how to tackle this challenge. Therefore we agree to the importance of an exchange of experience between Member States as outlined in your letter of May 24 and wish to respond to your call for ideas to foster youth employment. We would hence like to share some of the best practices that we believe have or will have a positive effect in our countries.

Nordic experiences

The so-called Nordic model aims at combining high levels of competitiveness and productivity at the one hand and high rates of labour market participation and comprehensive welfare services at the other. These two aspects have in our experience proven to be mutually reinforcing factors. An important part of this model is close dialogue with social partners and flexibility in the labour market. A high level of human and social capital fosters economic growth and job creation. What is good for the young is also good for the future of our societies.

On the national level, Denmark, Finland and Sweden are in particular working with activation measures towards young people without an education or job. Years of experience have shown that an early, active and tailor-made youth effort is effective in ensuring access of young people to education and employment.

In Denmark, in line with the Youth Guarantee, young people under 30 years of age receive an interview at a job centre within 1 month of unemployment and are offered vocational training, a job with wage subsidy or training in a company within 3 months of unemployment. Furthermore, young people without formal education receive special support to begin ordinary education. Young people without the needed preconditions to complete ordinary education can also be offered mentor support and receive upgrading courses and/or training in a company.

The Youth Guarantee implemented in Finland is a comprehensive scheme to support young people's employment and education, development of skills and participation in a society. In Finland, young people under 25 years of age and also recent graduates under 30 years of age are offered work, a traineeship, a study workshop or labour market rehabilitation place within three months of becoming unemployed. This includes, for instance, a specific skills programme for young adults. A crucial element is outreach youth work which aims at reaching out to young people who are not in employment, education or training and are not able to seek help on their own. They are escorted to the services and support that they need.

In Sweden, the Public Employment Service aims at working actively with young persons that need this from the first day of unemployment. Registered unemployed young persons should gradually get more intensified support for job seeking, followed by active matching coupled with an apprenticeship or further education.

We believe that education system reform plays an important role as well as linking school and work more effectively. Young people should have the necessary qualifications and be job-ready when leaving school. And young people who already have an education should get access to the labour market. In addition to reform of the education system, there is also a need to look at more targeted measures for especially vulnerable groups.

An essential element in a new Danish school reform is to enhance students' readiness for education and training and their knowledge of the labour market. In Denmark, we find that alternation between school-based education and work place experience supports young people's labour market readiness and the development of necessary skills. Dialogue with social partners plays an important part in Danish efforts to raise the attractiveness of the vocational education and trainingprogrammes and the creation of apprenticeships. Inserting social clauses requiring apprenticeships in public procurement agreements is part of recent Danish efforts.

In Sweden, focus is on structural measures emanating from tripartite dialogue, promoting the use of collective agreement on vocational introduction with help of public subsidies. This kind of agreement is a novelty in Sweden and is inspired by apprenticeship systems in e.g. Germany, Austria, Denmark and Switzerland. The support measure targets young people aged 15-24 that either lack relevant professional experience or are unemployed and is assumed to contribute to a smoother transition from school to work and increase youth employment.

The Finnish education system is based on continuous quality enhancement and the philosophy of life-long learning. Vocational training programmes contain at least a 6-month on-the job learning

module. The diversified higher education system and programme foster different individual, labour market and social needs. A priority is to develop more flexible study paths. Labour market needs and education and training are better matched together through a close collaboration with social partners and the efficient use of research on learning and changes in the labour market. Extra funding is steered for the development of apprentice programmes geared especially for fresh comprehensive school leavers.

It is also our experience that much can be achieved through close cooperation **on the regional level** allowing the exchange of best practices and providing concrete opportunities for young people. In line with current efforts at European level we have within the Nordic Council of Ministers initiated a project on how to improve the quality of learning at the workplace. The aim is to exchange good practice between the Nordic countries on high quality workplace learning in Vocational Education and Training including apprenticeship programmes. The Nordic countries already have good experiences with internship exchange that gives young people the chance to do an internship in another Nordic country.

Considerations for EU and national efforts

The current serious situation demands that we maintain focus on necessary reforms of our labour markets, ensuring better and sustainable access for young women and men and a flexible labour market. To this end, the European Semester is an important framework for promoting necessary reforms.

We would like to draw attention to the following areas:

- Taking into full account the Recommendation on a Youth Guarantee across all Member States. The Youth Guarantee can succeed if it is based on a comprehensive model involving all the relevant organisations such as ministries, municipalities, enterprises, social partners, youth organisations and NGOs.
- Integrating work based learning in education systems, improving incentives for businesses to provide apprenticeships, and promoting initiatives to ensure that qualifications obtained are recognised in the labour market. In this context, we are looking forward to the European Alliance for apprenticeships to be launched at July 2nd. The initiative can serve as a very important framework – in line with the so-called Copenhagen process – for enhanced common efforts at European level among Member States, the Commission, Social Partners and other stakeholders to support work based learning and to increase the availability of high quality apprenticeships. We also support the proposal to use the European Social Fund and the new Education and Training programme to further develop and promote apprenticeships and work based learning across Europe.

We look forward to discussing these issues at our upcoming meeting and remain at your disposal for further information regarding our Nordic experiences,

Jyrki Katainen, Prime Minister of Finland Fredrik Reinfeldt, Prime Minister of Sweden Helle Thorning-Schmidt, Prime Minister of Denmark