



EU Skills and Youth Package

KEY MESSAGES

- 1** Up-skilling and re-skilling is a key element of ensuring that companies have a sufficiently skilled workforce to respond to their evolving needs. This is a shared endeavour and it is important that social partners are given sufficient space and support at national level, working together with governments, to identify the best way to address the skills needs that companies and workers have. It is important that training provision is underpinned by skills intelligence.
- 2** It is important to continue to strengthen the role and profile of Vocational Education and Training (VET) as a way to train people in basic, transversal and STEM skills and that VET is better positioned, and recognised, as a driver of productivity and innovation. Central to this is the closer involvement of social partners, particularly employers, in the design and delivery of VET.
- 3** An holistic approach needs to be taken to measures that aim to support youth employment. It is important that the Youth Guarantee is integrated with other activation measures and support services, such as careers advice. In parallel, it is important to undertake necessary education and training reforms in order achieve a better alignment between education and training systems and labour markets, thereby facilitating the transition into work.

WHAT DOES BUSINESSEUROPE AIM FOR?

- Well performing labour markets and education and training systems in which reforms are undertaken, where necessary, to encourage employers to hire and create jobs and to take part in educating and training young people and workers.
- Education and training systems that are better aligned to labour markets needs through the greater use of skills intelligence and the closer involvement of social partners in governance structures.

POSITION PAPER

EU SKILLS AND YOUTH PACKAGE

Introduction

1. On 1 July the European Commission published a package of measures designed to support skills policies and youth employment. This principally comprises a renewed Skills Agenda for sustainable competitiveness, social fairness and resilience; a proposal for a Council Recommendation on the role of vocational education and training (VET) for sustainable competitiveness, social fairness and resilience; a Communication on youth employment support; and a proposal for a Council Recommendation on reinforcing the Youth Guarantee.
2. This position constitutes BusinessEurope's response to this package. The main substance of this paper focuses on the new proposals that are made in this package. BusinessEurope's wider views on issues such as the European Framework for Quality and Effective Apprenticeships¹; STEM skills²; and the future of VET policy post-2020³ can be found in existing BusinessEurope documents.

General comments

3. The Skills Agenda rightly emphasises the importance of the up-skilling and re-skilling of workers, which is particularly important in view of digitalisation, demographic change and the greening of the economy. At the same time, the challenge is to increase the provision of, and participation in, life-long learning with the EU average for adult participation in education and training standing at around 11% and some way short of the 2020 target of 15%.
4. In parallel, there continues to be a need to improve the attainment of basic; transversal; STEM and digital skills, both in the context of initial and continuous education and training. For example, by 2025, 90% of all jobs are projected to require some level of digital skills. At the same time, around 37% of workers currently lack basic digital skills. The European Centre for the Development of Vocational Training (CEDEFOP) also forecasts that by 2025 employment in STEM-related sectors will have increased by around 6,5% compared to 2013.
5. The ongoing impact of Covid-19 is likely to influence labour markets and impact upon the provision of education and training for some time to come. While we may see that labour shortages become a less prominent issue across EU labour markets due to employment contraction or with many people losing their jobs or facing temporary unemployment or reduced working hours, it remains important to address structural factors contributing to skill mismatches. A key policy challenge at EU and national level remains to improve learning outcomes and the adaptability of qualifications and education and training curricula in view of rapidly changing labour market needs.

¹https://www.buinessurope.eu/sites/buseur/files/media/position_papers/social/2018-03-02_quality_effective_apprenticeships.pdf

²https://www.buinessurope.eu/sites/buseur/files/media/position_papers/social/2018-09-06_pp_stem_skills.pdf

³https://www.buinessurope.eu/sites/buseur/files/media/position_papers/social/2018-11-15_future_of_eu_vet_policy.pdf

6. A more targeted approach to training provision will help to reduce skill mismatches and is likely to be particularly important in the coming months when the primary concern for many companies, especially SMEs, is if and how they can remain in business. Therefore, while up and re-skilling will remain important, and will indeed be a key element of the Covid-19 recovery strategy, it will be important to use labour market intelligence to target training provision to where it can be most effective and to devise strategies that enable the sustainable and cost-effective provision of training opportunities. This includes the use of digital and online approaches and cost-sharing practices between governments, employers and workers.
7. Making good use of the new resources made available through the European recovery plan, it will also be important to mobilise targeted financial support as part of the European semester to support improved training provision, reforms implementation, mutual learning and exchanges. To achieve this there needs to be a strong degree of coherence between the Skills Agenda; VET recommendation; Osnabruck Declaration; European Education Area; European Research Area; and the relevant EU's financial tools. Notably this concerns the European Social Fund+ over the period 2021-2027. It also relates to the use of the REACT-EU fund in the shorter term.
8. The nature of skills needs has not been significantly altered by the pandemic, most notably the need to achieve better results in terms of STEM, digital skills, and innovation. This is and remains about promoting a skill set that allows all workers to be able to use the technology they need to master to design and sell new products and services, such as information and data literacy, communication and collaboration, digital content creation, safety, problem solving. However, during this crisis, it became evident that a stronger focus on e-learning is needed due to limitations for in-person training in a context of social distancing. Concrete solutions also need to be found for vocational education and training which requires a lot of on-site exercises and more traditional competences.
9. The proposed Recommendation on VET is a follow-up to the 2018 Opinion of the Advisory Committee on Vocational Training (ACVT) on the subject of "The Future of VET Post 2020". This Opinion was well prepared in the context of the ACVT and its Bureau and the content of that Opinion is reflected and further developed in the draft Recommendation. BusinessEurope has a high appreciation of the role that the ACVT, as well as the meetings of the Directors General for VET (DGVET), play in the EU's VET governance process and considers that this has been effectively strengthened in recent years and view this approach as a good model that could be followed beyond VET for other employment and social policy issues of national competence addressed at EU level.
10. BusinessEurope welcomes the narrative of the Council Recommendation proposal for renewing and modernising the EU's VET policy, including, among other things, through the upward convergence of national VET systems. This should be achieved through coordinated reforms of national VET systems within an overarching EU framework, that aim to enhance the labour market relevance of VET; develop and strengthen apprenticeship systems; and promote VET as a first choice education and training option. It is also welcome that the proposal views VET's role as being a driver for innovation and growth through feeding into the EU's economic, industrial and innovation strategies. It would be important to reflect this orientation of EU VET policy and its role in the upcoming Osnabruck Declaration. While further defining Europe's approach to Important Projects of Common European Interest (IPCEI), it is essential to embed from the start the skills dimension to make sure that our education and training systems can cater in a timely manner for the provision of human skills needed

to achieve our strategic industrial policy objectives in the coming years across the key identified value chains.

11. A well-functioning social dialogue is important in order to develop sustainable solutions. Therefore it is important to seek to involve the social partners at national and European level when it comes to development of education and training initiatives.
12. Youth unemployment has been on a downward trend (down from 24% at the start of 2013 to 14.4% as of October 2019), but there is still some way to go to improve the prospects for Europe's youth. Notably, diversity among member states continues to be evident with youth unemployment continuing to be very high in Greece (33.1 %), Spain (32.8%) and Italy (27.8%). Whereas the countries with the lowest levels of youth unemployment are Czech Republic (5.5%), Germany (5.8%) and Netherlands (7.3%).
13. The Communication on youth employment support rightly identifies that young people could be among those most severely affected by the ongoing labour market impact of Covid-19. The impact of the pandemic on youth employment levels is still to become fully clear, but it can already be seen that youth unemployment has risen from 14.7% in March to 16.8% in June. While this is a worrying development, the EU's labour markets and support structures should now be better equipped to help young people than they were during the economic crisis of 2008-13.
14. The key to a higher level of youth employment is first and foremost growth and job creation. In the current context, it is essential to continue to address the structural issues that could further support youth employment by undertaking the relevant national labour market and education and training system reforms, coordinated through the European semester process and in partnership with national social partners. This includes making labour markets less rigid and improving transitions from education and training to employment.
15. Due to the variables that constitute the macro-economic and labour market context within a given member state it is not necessarily straightforward to assess the impact that an activation measure like the Youth Guarantee has had on reducing youth unemployment. Support for youth employment should be part of a more joined up approach to labour market activation at the national level, of which the Youth Guarantee is one element.
16. The Youth Guarantee also needs to be supported by labour market and education and training system reforms in which there is an emphasis on better aligning education and training with labour market needs. As part of this, it is important to strengthen opportunities for work-based learning, such as apprenticeships and traineeships, as the practical skills acquired in the workplace significantly enhance employability.
17. A well-functioning social dialogue is important in order to develop sustainable solutions. Therefore it is important to seek to involve the social partners at national and European level when it comes to development of education and training initiatives.

Specific comments

18. BusinessEurope broadly welcomes the proposed **Pact for Skills** as a way to channel efforts towards the up and re-skilling of Europe's workforce. It is relevant to support individual sectors and the relevant stakeholders within these sectors, notably the social partners, to come up with their own approach to improve training provision for a successful economic transformation of sectors throughout the economy. The Pact can

be helpful for this, building on the Sector Skills Blueprints and centres for vocational excellence, in developing effective partnerships between social partners, public authorities and education and training providers at all levels. The involvement of these actors will be key for the effectiveness of the Pact.

19. The structure of the Pact and the expected outcomes from the individual initiatives requires careful consideration in the lead up to the planned launch in November. Using the Pact as a single-entry point for the Blueprint initiative; the reinforced European Alliance for Apprenticeships; and the pre-existing Digital Skills and jobs Coalition could be a good way to ensure synergies and complementarity between these different actions in terms of identifying and delivering on skills priorities. Another suggestion is to make effective use of the information put together by Cedefop in its “Skills-Ovate” tool at an early stage in the Pact for Skills design. By offering detailed information on jobs and skills employers demand in online job advertisements, “Skills-Ovate” has the potential to improve the design and usefulness of EU industrial, employment, skills, and migration policies by better taking into account actual labour market needs⁴.
20. At the same time, it may be difficult for commitments to be taken by companies or sectoral employers’ organisations about how many people or how many percent of a workforce can be trained by a certain date. Creating such targets and using a pledge-based approach could discourage companies and other organisations from engaging in the Pact and could also be detrimental to the quality and relevance of the training. Rather than focusing on pledges, the Commission should instead work with Member States to create incentives, including fiscal incentives determined by Member States, aiming to make it more attractive for employers and workers to invest their resources and time in provision of and participation in high quality training activities.
21. BusinessEurope notes the ongoing **exploratory work on individual learning accounts**. It is important that these considerations pay attention to the diversity of national systems and approaches and the role that social partners play therein. It is questionable if a blanket approach towards individual learning accounts at the EU level will reach out to those people that are most in need of further training and sufficiently address the problem of low motivation among certain workers to participate in training. For instance, in its proposal for a reinforcement of the Youth Guarantee the Commission acknowledges that a number of different factors (low skills, living in a rural or remote area, belonging to ethnic minorities, low socio-economic background etc) create barriers to employability. Young people who have had limited success in the education system previously are much less likely than those, who have been successful to seek additional training on their own, even if they need it. Therefore individual learning accounts could actually result in less upskilling of the people in the work force that may need it the most. We are convinced that a broadly social partner led approach to employee training and dual learning will deliver more effective and efficient outcomes than a purely individualised support mechanism, such as a learning account.
22. Individual learning accounts are only one of many possible ways and tools to provide support for training. Training accounts are another, and a positive development in Latvia is that tripartite discussions have started on the possible creation of a training fund. There are also bipartite training funds in some Member States, such as in the recruitment sector or in the construction industry.

⁴ <https://www.cedefop.europa.eu/en/data-visualisations/skills-online-vacancies>

23. National level discussions among the main actors about how best to train workers within the particular national context reflect the flexible nature of CVET and the importance of ensuring that any future EU level approach to training is not overly prescriptive.
24. With private resources for training likely to be constrained over the coming years as companies seek to stabilise and regain lost ground in the wake of the Covid pandemic, it will be particularly important to advocate a **cost-sharing approach to training**, which involves governments, employers and workers.
25. In this respect, individuals need to take more responsibility for their further training in terms of taking part in and completing training as well as contributing to the costs. By the same token, employers have a role to play in identifying, such as through skills assessment, and providing training that is relevant to the individual needs of the workers and related to the role that they perform in the company and taking into account how their job may evolve in future. The way in which employers approach this is for them to decide at company level and in consultation with trade unions, as appropriate.
26. It is also for companies, regardless of the size, to decide if they wish to report how much they spend on human capital development in their annual accounts. Reporting on expenditure should not be used to develop a nominal benchmark for what companies of a certain size should be aiming to spend in future.
27. **Improving the attainment of STEM skills** should be a key priority for up and re-skilling initiatives. STEM skills are increasingly required by employers across a broad range of sectors and will have an important role to play in the digital and green transition. These skills help to foster innovation as well as systemic and critical thinking in a number of areas and are not confined to four subjects alone.
28. BusinessEurope strongly supports the need to increase the number of STEM graduates and already advocates that 25% of all tertiary graduates should study STEM-related subject areas by 2030 (it is currently around 21%). Important for reaching this target is to arouse pupils' and students' interest for STEM subjects and to increase female participation in tertiary level STEM subjects and their following job/career choice.
29. A good example of encouraging more girls to study STEM subjects is cooperation between the Association of Swedish Engineering Industries (employers' organisation) and the video blogger, Therese Lindgren in Sweden. The aim of the cooperation is to encourage more young people, especially girls, to study STEM subjects. The videos have had more than 1.4 million views and the number of girls registering for STEM courses in Sweden has been increasing.
30. BusinessEurope welcomes the emphasis on fostering science education in research and innovation actions, including through the idea of developing a key competence and assessment framework akin to those that already exist for digital and entrepreneurial skills. An integrated framework and learning continuum between secondary and higher education systems, education and business in partnership with business professionals would also help to provide a more joined up approach to education and training and better lay the foundations for research and innovation in companies and scientific institutions. In this regard, BusinessEurope highlights the role of industrial PhDs in strengthening the collaboration and relationship between

universities and companies and increasing companies' capacity to innovate and translate pre-competitive research results into competitive offerings.

31. As part of the work to implement the priorities of the new Skills Agenda in the area of STEM skills it would be important to establish synergies with the ongoing work to develop an up-scaled EU STEM coalition, as per the Commission Communication of May 2019 on a Renewed EU Agenda for Higher Education, and also put more emphasis on the role of VET in teaching people STEM skills.
32. The **development of European Universities** could also play a role in increasing the attainment of STEM skills as part of the proposed priority of contributing to the skills that are needed for the greening and digitalisation transitions. BusinessEurope welcomes the aim of strengthening the European Universities initiative in order to develop transnational cooperation between universities and to build cooperation between universities and economic actors, particularly businesses and employers' organisations. While this cooperation would be facilitated among those institutions that are part of the European Universities initiative, it should also be promoted and encouraged across the wider network of European universities, whether or not they are part of this specific initiative.
33. The ability for employers to easily understand the skills and qualifications that an individual has when they are applying for a job is a key element of the recruitment process. BusinessEurope hopes that the newly launched **Europass** will help to facilitate this process. The use of digital credentials, which can be used to describe a learning achievement, be it an activity, assessment, professional entitlement or a qualification, therefore encouraging easier recognition, could be an interesting development in this respect and one that will need to be monitored and assessed in due course.
34. The matching element to the new Europass is also, potentially, a useful addition although its use in practice would need to be further assessed in terms of the credibility of the proposed matches and of the information about learning opportunities. It can also be noted that EURES would be used as the source of vacancies for the matching process. EURES primarily contains vacancies that are advertised through public employment services, whereas private employment services also play a key role in helping people into work.
35. Despite Cedefop reporting that there have been 240 million visits to the Europass website since its launch in 2005 and 160 million Europass CVs being completed as of April 2020, it remains unclear how well known Europass really is and how concretely it is used and recognised at national and regional level, particularly among the business community. Harnessing Europass' potential depends on its actual use in the member states. Therefore, it would be important that information about the new Europass is widely disseminated and communicated to key stakeholders, including employers and job seekers, across the member states.

Proposal for a Council Recommendation on the role of VET for sustainable competitiveness, social fairness and resilience

36. The proposed Recommendation is generally well balanced and contains a number of useful proposals that would provide a good framework for the further development of VET policies at the EU and member state level.

37. A key element of this is the recognition that **VET needs to be agile and sufficiently flexible** in order that training offers and curricula can be quickly adapted to reflect changing skills needs in line with labour market demand and taking into account the renewed emphasis on improving labour market intelligence, as outlined in the Skills Agenda. This is relevant in initial and continuous VET alike. In the case of CVET this flexibility is essential for addressing the up and re-skilling needs of particular sectors, businesses and individuals. This should be seen in terms of achieving an overall better alignment of education and training systems with labour market needs, which is a key priority for BusinessEurope.
38. In this regard, BusinessEurope is open to the proposal that **VET providers are granted a level of autonomy** to allow them to react quickly to changing labour market needs. It would be crucial that as part of this approach, VET providers would continue to develop and strengthen close partnerships with employers in order to fully take into account the concrete skills needs that companies identify and that these are embedded into the part of the curricula that is taught by VET providers.
39. Improving labour market intelligence is also relevant for supporting the EU's economic migration policy and the implementation of the upcoming Asylum and Migration Pact in so far as attracting and retaining skilled third country nationals to the EU is concerned. This includes further exploratory work into whether an EU talent pool type approach could be useful on a voluntary basis and with access for employers, to increase the EU's attractiveness to talented third country nationals. An important consideration for such an initiative is the provision of up to date and real-time information about job vacancies in certain sectors and regions.
40. The proposed **quantitative indicators** on the share of employed graduates (82%); percentage of recent VET graduates benefitting from exposure to work-based learning (60%); and the mobility of VET learners (8%) appear to be ambitious. This being said, those on the share of employed graduates and of recent VET graduates benefitting from work-based learning are particularly relevant. The target for mobility of VET learners could also be of added value.
41. It is important to increase VET learners' exposure to work-based learning opportunities as the specific and transversal skills that are acquired through such placements will increase the likelihood of VET graduates being employed upon completing their training. Specially, as concerns apprenticeships it is important that EU and national efforts are channelled to supporting the aim of increasing to at least 50% the share of training time that takes place in the workplace, as per the Council Recommendation on Quality and Effective Apprenticeships.
42. The SELFIE tool (self-reflection on effective learning by fostering the use of innovative educational technologies) is used to help schools assess their readiness to use technologies as part of the learning process. The 2016 Digital Education Action Plan proposes to explore the feasibility of proposing new Council benchmarks for digital competences and entrepreneurship, something that is yet to be followed up on. The revised proposal for reinforcing the youth guarantee also refers to assessing the digital skills of all NEETs.
43. Taking these proposals into account, as well as the upcoming revision of the Digital Education Action Plan, BusinessEurope considers that it would be appropriate to look at developing benchmarks on the readiness of education and training systems to provide digital skills to complement the proposed target that 70% of adults (16-74) have at least basic digital skills by 2025.

44. BusinessEurope recognises the thinking that has gone into the suggested approach towards **repealing the 2009 Council Recommendation on establishing a European Credit System for VET (ECVET)** and strengthening those aspects that have been found to work well through the new VET recommendation.
45. In particular, BusinessEurope welcomes the intention to strengthen the principle that qualifications are composed of units of learning outcomes and shares the assessment that this will help to increase the flexibility and relevance of VET programmes. This could also help to foster mobility through greater understanding and transparency of qualifications through the work of the European Qualifications Framework (EQF).
46. As part of this approach, it is also noted that the proposal is made to explore the idea of developing **European Vocational Core Profiles** that would aim to define an element of common training content at European level. We expect that this proposal will create many discussions on its possible merits in view of the risks this creates in terms of interfering with diverse national vocational training policy approaches and solutions across Europe. Therefore, BusinessEurope will engage in this debate constructively, keeping in mind that there could be space for EU-level action to help boost the number of skilled and qualified workers in professions that lack sufficient numbers of workers, while checking that the EU should not overstep its limited competences in the field of VET policy and does not end up harming the goals that a future EU VET policy actually aims to achieve.
47. It needs to be recalled that one of the main advantages of VET, for companies and learners, is its flexible nature and the ability to adapt VET programmes in a timely way in response to evolving labour market needs, as recognised in the proposed Recommendation.
48. While BusinessEurope does not necessarily see a contradiction in advocating for flexibility alongside elements of common curricula, it is important to underline that the overarching priority in terms of improving the quality and effectiveness of VET, as well as its role in up and re-skilling, is to strengthen the alignment between the content of VET curricula and labour market needs. Therefore, in any further exploration of core profiles it would be important that the adaptability of VET to labour market needs is not diminished and that curricula can still be updated in a timely and effective way.
49. It can be noted that the delivery of the sector skills blueprint for the textile sector includes identifying aspects of common training content for programmes in the sector. This has involved the development of a common EU-wide sectoral skills strategy supported by public and private actors across Europe. From this, eight new job profiles have been defined and training curricula devised. This information is being transposed into Massive Open Online Courses for people to acquire the skills needed in the newly defined job profiles. These profiles include Textile Technologist; Process and Production Timeline Analyst; and (Digital) Supply Chain Analyst.
50. This is an interesting approach and something that could be further explored in the context of specific sectoral skills needs and on the understanding that it would be on a voluntary basis. Further work in this regard would also need to be undertaken on the basis of an identified need and with the agreement of the relevant actors, notably the social partners in the sector(s) concerned. Consideration would also need to be given to how to design, quality assure and update the common training components.

51. At the same time, it needs to be recalled that one of the main advantages of VET, for companies and learners, is its flexible nature and the ability to adapt VET programmes in a timely way in response to evolving labour market needs, as recognised in the proposed Recommendation.
52. While BusinessEurope does not necessarily see a contradiction in advocating for flexibility alongside elements of common curricula, it is important to underline that the overarching priority in terms of improving the quality and effectiveness of VET, as well as its role in up and re-skilling, is to strengthen the alignment between the content of VET curricula and labour market needs. Therefore, in any further exploration of core profiles it would be important that the adaptability of VET to labour market needs is not diminished and that curricula can still be updated in a timely and effective way.
53. It can also be noted that work is ongoing in the framework of the EQF to enhance the work of describing qualifications in terms of learning outcomes. Therefore, cooperation and mobility could also be strengthened through enhancing the transparency of qualifications and improving the referencing and levelling of qualifications in the EQF.
54. BusinessEurope sees good potential in basing VET programmes on modules or units of learning outcomes and with particular reference to the development of **micro-credentials**. Micro-credentials are a flexible, demand-driven and complementary approach for training to be undertaken in way that responds to companies and workers' needs.
55. Developing a European approach to micro-credentials would be a positive step forward and employers should be involved in shaping this approach in order that micro-credentials are mutually beneficial for employers and learners. A European approach should also involve the inclusion of micro-credentials into the EQF, via the National Qualification Frameworks. In this respect, it will be essential to have a consistent approach to the levelling of micro-credentials in order to build trust and understanding in this approach.
56. Micro-credentials can complement complete qualifications, but should not be seen as a replacement for them. Therefore, it should not be the case that a full qualification can be obtained through a succession of micro-credentials. While a micro-credential can be documented in order that the learning outcomes can easily be viewed and understood by employers, a broader qualification should remain subject to a final assessment or exam.

Supporting youth employment

57. While the Youth Guarantee scheme is a specific initiative aimed at supporting youth employment, BusinessEurope considers that helping young people into work, whether it is straight after they leave education and training or after a period outside of the labour market, requires a joined up approach to activation support at the national level.
58. This includes a combination of preventative measures, such as reducing early school leaving; the provision of guidance on career and further education and training opportunities; and stronger partnerships between the worlds of education and work, such as in the form of school visits to companies or company representatives giving talks in schools and the like. At the same time, schools should be further encouraged to open up to existing service offers (guidance and counselling through talks and visits in schools) of the relevant institutions such as public and private employment services.

59. Stronger partnerships should also be developed between public and private employment services across Europe, especially in those countries particularly affected by youth unemployment. Cooperation between public and private employment services should be an important instrument of a broader labour market reform agenda promoting diverse forms of work and enhancing labour market transitions for young people. Better results need to be achieved to cut the number of young people who are not in employment, education or training – NEETs, focusing in particular on the countries that have NEETs rates far beyond the EU average.
60. When it comes to the role of education and training in fostering transitions, BusinessEurope is a strong supporter of apprenticeships as a way to simultaneously address companies' skills needs and to facilitate (young) people's labour market transition. BusinessEurope has established positions to this effect, which remain fully valid.
61. As such BusinessEurope welcomes the aim of renewing the European Alliance for Apprenticeships (EAfA), of which it is a founding member. In the years ahead, the EAfA should be a vehicle for promoting and advocating for apprenticeships and as a way to implement the Council Recommendation on Quality and Effective Apprenticeships. We look forward to the Commission's assessment of implementation of this Council recommendation in 2021 with a view to taking stock of the progress made. On this basis, BusinessEurope will consider what further actions are needed, notably to make the promising benchlearning policy approach fully reach its potential.
62. The proposed set of actions as part of the EAfA renewal also refer to strengthening social dialogue through a more active involvement of national social partner organisations, which BusinessEurope broadly supports. It is important that social partners are more strongly involved in the governance of national apprenticeship systems. The extent to which this may be achieved through social dialogue will depend on the national industrial relations system and established practices in the area of education and training.

Reinforcing the Youth Guarantee

63. BusinessEurope considers that efforts to further support young people's integration into work could have been strengthened without having to necessarily frame this in the context of a proposal for a new Council Recommendation. As part of a wider approach to labour market activation, it is necessary first and foremost to put in place policy frameworks that encourage economic growth and job creation.
64. Diverse forms of work and flexible contractual arrangements are an important tool that enable employers to engage those who cannot or do not wish to work full-time or are only available on a temporary basis. This flexibility contributes to making labour markets more inclusive and providing specific arrangements for those who may otherwise be unemployed due to the lack of work opportunities. In parallel, it is important to reduce the tax burden on low-wage and low-skilled workers to encourage employers to hire and create incentives to make work pay compared to social benefits.
65. In this regard, reference can also be made to the Commission's proposal around fair minimum wages. While it is to be seen what form and nature this proposal will take, it is important that minimum wages, where they exist, are not set too high as this could have the effect of discouraging employers from hiring, which is particularly detrimental to the young. National measures that enable young people to be employed at an

introductory lower wage level than the adult minimum wage can help to foster job opportunities for young people.

66. Furthermore, it is questionable how effective the subsidised employment opportunities that are provided by the Youth Guarantee are in bringing about sustainable employment. The jobs that people enter through the Youth Guarantee scheme should be “real” jobs and not ones that have been artificially created by public authorities, either directly or indirectly, for the purpose of providing young people with employment opportunities.
67. Equally, it is important that a fall in the youth unemployment rate is not only as a result of people being offered further education or training opportunities under the youth guarantee. Therefore, it is necessary to have targeted and effective education and training support measures for young people while ensuring that the necessary reforms are undertaken to modernise labour markets to ensure that they function effectively for all groups of workers, including young people.
68. As concerns the main specific proposals that are made in the draft Council Recommendation, BusinessEurope has the following comments:

- Member states should have flexibility to determine whether or not they wish to **extend the age range for support from 25 to 29 years old**, taking into account the nature and extent of youth unemployment at the national (regional) level.
- It is proposed that a single web portal could be developed at the national level to provide easier access to information about available support for young people. A **one-stop-shop approach to activation support** is indeed something that could be further strengthened at the national level, taking into account existing support structures.

A positive example in this regard is in Germany where efforts have already been made over a number of years to foster cooperation at the local level between those who provide employment promotion services and basic security benefits for job seekers, with municipal administrations and schools so as to better manage the transition from school to employment. This cooperation is built on four pillars: transparency, informational exchange, harmonised processes and measures, and the one-stop-shop principle.

- The intention to provide more individualised and targeted support to NEETs through distinguishing between those that are **temporary NEETs** and those that are **longer-term NEETs** is a useful way to define and target support to those that are most in need of it.
- The proposal to **assess the digital skills of all NEETs** against the European Digital Competence Framework and available self-assessment tools with a view to offering further digital skills training, and as part of a broader approach to provide hands-on preparatory training, is a good idea. This would help to bring about a more targeted approach to supporting young people.

At the same time, it would be important that the training courses take into account available labour market intelligence at the regional and sectoral level so that training provision not only relates to a young person’s needs, but is also

coherent with the needs of local employers in order to maximise the benefit of the training in terms of finding work.

- Putting the various components into action through a **four step approach** of mapping, outreach, the preparatory phase and the actual offer also appears to be a useful approach.
