

THE JUNCKER INVESTMENT PLAN – A MAJOR INITIATIVE TO GET EUROPE OUT OF THE TROUBLE?

INVESTING IN YOUTH

“My number one priority will be getting Europe growing again and getting people back to work. Now it is time to roll up our sleeves and get down to work: to kick-start economic recovery, create more and better jobs, address the plight of Europe's youth for a better future.”

Jean-Claude Juncker

Over the past years, Europe suffered the worst financial and economic crisis since World War II. Unprecedented measures had to be taken by the EU institutions and national governments to stabilise Member States' economies, consolidate public finances and prevent the results of decades of European integration from being undone. The worst was avoided. The internal market and the integrity of the Eurozone were preserved. Slowly but surely, economic growth and confidence are now returning to Europe.

However, the crisis has taken its toll. More than 6 million people lost their job during the crisis. Youth unemployment has reached record highs. Europe has lost some of its credibility and the gap between the European Union and its citizens is widening. Especially, young people in Europe have been disappointed by the inefficient measures in the fight against youth unemployment and the lack of understanding of their needs and wishes.

Juncker proposed to renew the European Union on the basis of an Agenda for Jobs, Growth, Fairness and Democratic Change. An agenda that concentrates on the areas where the European Union and is able to make a real difference. The organization of Juncker Commission will be geared towards delivering the Political Guidelines on the basis of which he was elected.

The Juncker Commission's top priority is to get Europe growing again and increase the number of jobs without creating new debt. The Commission's Jobs, Growth and Investment package will focus on cutting regulation, making smarter use of existing financial resources and making flexible use of public funds – to provide up to €300 billion in additional private and public investment over the next three years.

According to President Juncker, a significant amount should be channeled towards projects that can help get the younger generation back to work in decent jobs, further complementing the efforts already started with the Youth Guarantee Scheme, the implementation must be accelerated and progressively broadened in order to bring young people back into the centre of society.

Juncker had stated that young people – like all European citizens – must be able to look at their future with confidence again. That could be achieved with building on the Youth Guarantee Scheme. Youth Guarantee is a decisive measure to combat youth unemployment and its catastrophic economic but also social repercussions across the EU. The European Union should find financial contribution to national measures to boost youth employment: With a budget of 6 billion € from 2014 to 2020, the EU will participate financially in potential national measures to boost youth employment (Youth Guarantee programme). It will help young people under 25 who are not in continued education, in an apprenticeship or in a traineeship to find good job offers within four months of leaving school. Also the programme helps them to receive further qualifications or training thus facilitating their integration into the labour market. Europe and the new Commission should focus on ‘human capital investment.

The Commission's proposal for a Youth Guarantee was presented in December 2012, formally adopted by the EU's Council of Ministers on 22 April 2013 and endorsed by the June 2013 European Council. The European Social Fund, providing more than 10 billion € every year in the 2014-2020 period, is a key source of EU funding to implement the Youth Guarantee. To top up the European Social Fund in Member States with regions where youth unemployment exceeds 25%, the Council and the European Parliament agreed to create a dedicated Youth Employment Initiative (YEI).

The Commission is committed to take initiatives to promote integration and employability in the labour market, including measures to support Member States in getting young people into work. The proposal on the table regarding the Youth Employment Initiative is one of the ways to take this priority forward without delay. The Youth Employment Initiative (YEI) was adopted following a high-level political call from the European Council of February 2013 to address the unprecedented levels of youth unemployment in certain regions of the European Union (EU) facing a particularly difficult situation. The European Commission proposes to make 1 billion euro from the Youth Employment Initiative available as early as this year. This change will increase by up to 30 times the pre-financing Member States receive to boost youth employment - reaching up to 650 000 young people and helping them get into work, faster.

We tend to believe that jobs, growth and investment will only return to Europe if we create the right regulatory environment and promote a climate of entrepreneurship and job creation. EU needs closer coordination of its economic policies. The idea to move away from austerity policies and to pursue investment plans is the right direction and that plan is a starting point. More precisely, youth employment is a top priority in the European leaders' discourse, claiming that Europe's future depends on the skills, creativity and energy of our young people. *'We should not invest in fear, but in a future for our children'* Italian Prime Minister Matteo Renzi pleaded.