

European Social Fund & the Youth Guarantee

EU long-term budget: Infosheet

The Youth Guarantee

What is the Youth Guarantee?

The Youth Guarantee is a European employment initiative which holds the promise or 'guarantee' that every young person under 30 years of age who is not in education, employment or training should be given a good quality offer within 4 months.

The Youth Guarantee takes many forms across Europe – from programmes subsidising youth employment, to funding for vocational training, establishing low-threshold integrated services models, such as one stop shops, or preventing early school-dropout and providing career guidance.

Why does it matter?

Today, transitions from education to the labour market are becoming longer and less straightforward. This risks further leaving behind those who face multiple barriers to accessing the labour market. Additionally, the youth unemployment rate remains twice as high as total unemployment rates, and the rate of those who are not in employment, education or training (NEET) has been somewhat stagnant for the last few years. Youth unemployment remains a structural challenge in many cities and regions, fueled by brain drain, rising inequality, and lack of access to affordable public services.

This cost of living crisis that deeply affects young people is underpinned by job insecurity in the labour market. Young people are overrepresented in precarious work contracts, meaning they are often the first ones to lose their jobs during economic downturns. One out of four young people in Europe are at risk of poverty and social exclusion.

The Youth Guarantee has the potential to be a force against this and to provide young people with a real alternative pathway to social inclusion and access to the labour market. A recent evaluation by the European Commission found that the programme reached 64.6 million young people between 2014 and 2022. The programme was found to promote social inclusion and access to employment, and more broadly to change public policy attitudes towards young people and reform public administration.

EU Context

The Youth Guarantee in the current EU long-term budget

The Youth Guarantee is funded by the European Social Fund Plus (ESF+) and has been an EU policy commitment since 2013, stemming from a recommendation from the EU Youth Dialogue.

In the current EU budget cycle (2021–2027), ESF+ funds correspond to approximately €100 billion. EU Member States with a NEETs rate above the EU average (at the time when

the proposal is adopted) should allocate at least 12.5% of their ESF+ funds to youth employment programmes, such as the Youth Guarantee. This means that at least €11 billion have been allocated to youth employment programmes from the EU's side, which Member States can then top-up.

Additionally, youth employment was a specific investment objective in the ESF+ Regulation.

Youth Guarantee in the new EU long-term budget proposal

The new MFF proposal published by the Commission in the summer of 2025 redrew the architecture of the funds. Cohesion funds, the umbrella where the proposed European Social Fund (ESF) sits, were merged into a mega-fund, called the National and Regional Partnership (NRP), joining multiple areas of investment. The ESF and the NRP Regulations complement each other, but the NRP remains the main regulatory text.

In this new architecture, the European Commission has proposed that a minimum of 14% of the general allocations to the NRP (excluding the Common Agriculture Policy (CAP) and Social Climate Fund) should contribute to the pursuit of social objectives, which amounts to approximately €68 billion. There are no earmarkings, and youth employment is no longer a specific investment objective.

What does this mean for you?

Recent calculations (2023) showed that the loss to the economy of not reintegrating young NEETs into the labour market is €99.6 billion per year. This is not by any means an exercise in computing the value of a human life nor a call against the welfare state, but rather an indication of the necessity to invest in young people's future, rather than paying much higher costs later on.

On another note, precarious working conditions have exponential consequences throughout someone's life, impacting career progression, access to social security protection, including sick leave, unemployment benefits and even pensions, and impacts the capacity to plan our lives over the long-term.

What happens next?

→ The road towards an agreement

Negotiations to agree on the next long-term budget can be rather complex with multiple rules and procedures. The agreement on the amounts dedicated to each fund is decided by a special procedure; EU Member States decide, and the European Parliament either approves or rejects it in its entirety.

At the same time, the NRP and ESF Regulations, where the specificity of each fund is detailed, follows a co-legislative procedure, meaning that the European Commission kickstarts the process, and then the Council of the EU and the European Parliament approve a final text together.

Following the Commission's proposals from the summer of 2025, the Parliament and the Council of the EU are currently working internally on their own positions. After which, inter-institutional negotiations will start. We expect this process to run well into the end of 2027.

Want to learn more?

- [The European Social Fund: the Case for Investing in Youth Employment](#)
- [Youth Guarantee: How to support young people finding a pathway](#)
- [Quality Standards for the Youth Guarantee](#)
- [European Commission – The reinforced Youth Guarantee](#)
- [European Court of Auditors Special Report: Cohesion policy support for youth employment](#)

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