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NEGOTIATE

Overcoming early job-insecurity in Europe

NEGOTIATE – Negotiating early job-insecurity and labour market exclusion in Europe
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Strategies to improve labour market integration of young people: Comparing policy coordination in nine European countries

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0. Introduction

The problem of youth unemployment had been a matter of concern in the European Parliament before the recommendation on the implementation of the Youth Guarantee programme by the European Council in April 2013. Already in 2012, the European Commission prepared an action to support the setting of several pilot projects for the Youth Guarantee (YG) in different Member States which were already counted in the EU budget. The call for proposals was launched in 2012¹ and 18 pilots projects were released being six of them implemented in Spain².

Ultimately the experience gained from the pilots projects was expected to provide the Member States with practical recommendations for implementing the national Youth Guarantee (YG) schemes. This should have placed Spain in a particular good position regarding the possibility to be able to test innovative approaches from the very beginning and learn from this experience. As we will see in this report, although the country has had this opportunity and has accomplished some good results at the local level, it seems that something *has been lost on the way* to implement the YG nationwide.

Four personal interviews have revealed a major problem of coordination that puts the YG programme implementation in Spain at stake hindering the possibilities that Spanish young people benefit from its measures.

As it will be presented in Section 1, the failure in coordination among national and Autonomous Community governments can be seen from their discourse. In Section 2, we consider the implementation of the Youth Guarantee programme in Spain and in Section 3, the analysis of concrete YG measures at national and local levels. In Section 4, we typologize the national approach towards the YG programme. This report ends with some suggestions for policy improvements.

¹ Call for proposals No. VP/2012/012, Preparatory action "Youth Guarantee" - Supporting partnerships for activation measures targeting young people through projects in the context of Youth Guarantee schemes at national, regional or local level (accessed in 26/05/2016): <http://ec.europa.eu/social/main.jsp?catId=629&langId=en&callId=362&furtherCalls=yes>

² Aragón, Avilés, Cartagena (Murcia), Galicia, Gijón (Asturias) and Valencia. These pilots were launched between August and December 2013 and they run for 12 months.

1. The discourse on the Youth Guarantee in Spain

The general labour market policies in Spain have been handled by the two agencies of the National Employment System: the Sectorial Conference of Labour Affairs (SCLA) and the General Council of the National Employment System (GCNES)³. Given that employment policies⁴ are implemented in a decentralized manner, institutional bodies are crucial for the formulation of a common agenda. Thus in terms of employment policy, the first agency (SCLA) is in charge of the general coordination and cooperation between the State Administration and the administrations of the Autonomous Communities. The second agency (GCNES) works as a consultative body for institutional participation of the public Administrations and of social stakeholders (embraces representatives of the State Central Administration, of the Autonomous Communities, of the most important representative employers' organisations and labour unions, etc.).

It is important to point out that the Sectorial Conference of Labour Affairs has become a highly relevant body for defining policies and it is the institution where the national and Autonomous Public Employment Services (PES)⁵ meet and discuss labour policy. So, as far as the general employment policy, Spain has solid institutional bodies that have been working together well (Cueto and Suárez, 2014). However, the question in the context of our analysis is whether this structure has been properly used for the implementation of the YG in Spain. One of our interviewed⁶ explained that the introduction and execution of the YG does not count with regular meetings and/or an effective forum of discussion between the national and Autonomous PES. Thus, it seems that there is a gap between what has been described in the Spanish official documents of the National YG implementation plan (MEYSS, 2013) and the effective conduction of what was initially planned.

Below we display a brief picture of what should be the role of some institutional bodies according to the official version of the Spanish Youth Guarantee implementation plan (YGIP). Next, we give more detail as for the discourse about the relevance of EU measures in the country.

³ The first (SCLA) was created in 1983 and the second (GCNES) in 2003.

⁴ In Spain each Autonomous Community conducts its own Active Labour Market Policies (ALMP) being responsible for the orientation and training of workers in the respective region. The process of decentralization of ALMP lasted ten years and finished in 2011. For more information see the Spanish report within WP3 D3.4 (*"Institutional determinants of early job insecurity in nine European countries: Spain"*).

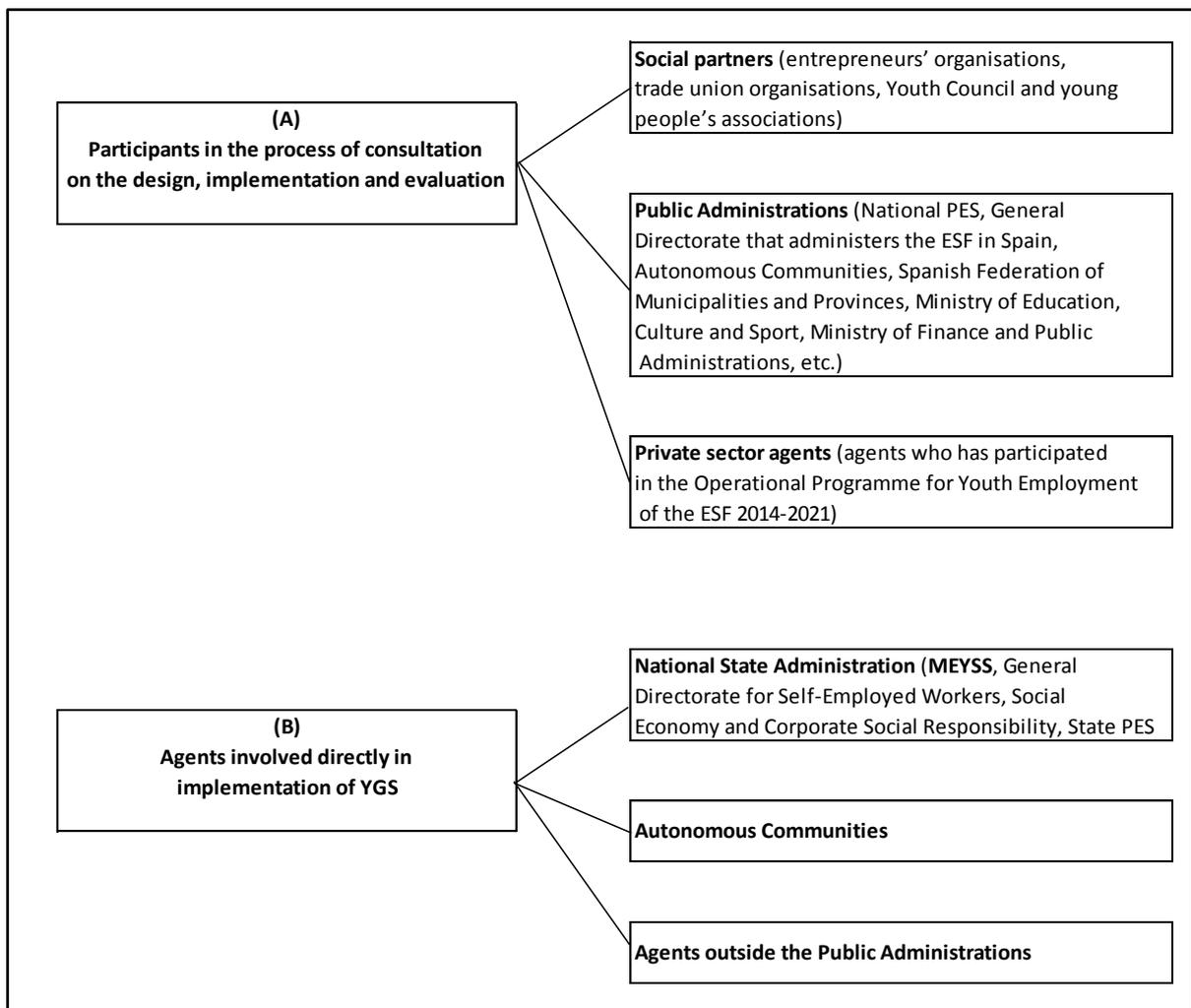
⁵ In Spanish, the National PES is called "*SEPE*", *Servicio Público de Empleo Estatal*.

⁶ Marta Massagué from the Public Employment Services of the region of Catalonia.

1.1. The role of some actors in implementing the YG in Spain according to the national government

Figure 1 details the official outlook of which agents must be involved in the process of design as well as direct and indirect involvement of the YG implementation in Spain. The official plan points two levels of participation: (A) a dialogue/discussion level and, (B) a direct participation in the implementation.

Figure 1: Agents involved in the implementation of the National Youth Guarantee Plan according to Spanish official documents



Source: MEYSS (2013)

In the foreground, besides the Youth Council, it highlights specific entrepreneurs' organizations⁷ and workers' representatives⁸. About the public Administration actors

⁷ Such as the Spanish Confederation of Business Organizations and General Confederation of Small and Medium Enterprises, which in Spanish reads as *Confederación Española de Organizaciones Empresariales* (CEOE) and *Confederación General de la Pequeña y Mediana Empresa* (CEPYME), respectively.

the plan puts at the same level technical entities as the PES and all the Autonomous Communities (whose representatives are democratically elected). Still in level (A), the official document (MEYSS, 2013) underlines its compromise with the EU recommendation upon the involvement of the social partners⁹ at every level and attributes this task to the Ministry of Employment and Social Security (MEYSS).

Regarding the level of direct participation in the YG implementation, level (B), the official plan (MEYSS, 2013) does not point any hierarchical level as for the national government and the Autonomous Communities. The MEYSS is mentioned as the public authority responsible for the coordination within the national government, and the AC as the agents in charge of the YG management. But the same document does not explain through which official channel the communication / consultation between these two levels of government (which are directly involved in the YG implementation) must take place.

At the same time, the official programme work agenda in this official document (MEYSS, 2013, page 39) points to the inclusion of a YG implementation plan in the SCLA's meeting agenda and even announces the creation of a technical group, within this institution (SCLA), to monitor the execution of the YG scheme¹⁰. This same agenda indicates that between September 2013 and July 2014 several meetings with the ACs to draw up the European Social Fund Operational Programme on Youth Employment¹¹ should be held. And, the "Spanish National YG implementation plan" (MEYSS, 2013) also attests that the proposal submitted to the European Commission has received various contributions from interested parties and has passed a prior consultation before being approved.

So there seems to be a disagreement between the official discourse that comes from the national Government and that from interviewed people who are directly involved in the YG's management at the regional/local level. Marta Massagué, from the Public Employment Services of Catalonia, explained in a face-to-face interview that the Catalan PES had not been consulted before the YG implementation and that the few meetings that were held with the National PES were rather to communicate decisions already taken by the National Government than a consultation with the different actors. This statement goes against the official document (MEYSS, 2013) which attests that the process of implementation of the YG in Spain has counted with the participation of a wide range of institutional actors¹².

In the State Official Newspaper (BOE, 2014)¹³ of September 2014, the Spanish approval of the Plan for Employment Policy/2014 was published which had been discussed at the Sectorial Conference of Labour Affairs (SCLA) and had counted with the inclusion of

⁸ The General Union of Workers and the Trade Union Confederation of Workers' Commissions, which in Spanish are respectively: *Union General de Trabajadores (UGT)* and *Confederación Sindical de Comisiones Obreras (CCOO)*.

⁹ "The Ministry of Employment and Social Security will ensure that social agents at every level participate actively in the design and implementation of policies targeting young people, as laid down in the Recommendation on the Youth Guarantee." (MEYSS 2013, page 12).

¹⁰ Following the MEYSS (2013) document, page 39, the date when the SCLA acts towards the YG implementation should be in July 2014.

¹¹ See MEYSS (2013), page 40.

¹² See page 9.

¹³ In Spanish: *Boletín Oficial del Estado* – BOE.

some actions/measures at the AC level. The BOE (2014)¹⁴ shows that 7 Autonomous Communities had planned YG's actions/ measures: Aragón, Asturias, Galicia, Valencia, Navarra, País Vasco and Castilla y León. Despite not having been specified, most of these Autonomous Communities are the same ones that have received a pilot project for the implementation of the YG programme in Spain.

Then we conclude that the national government, through MEYSS started specific discussions with the few Autonomous Communities which plead to conduct pilot projects. Probably this gives the impression for the rest of ACs that not much discussion about the implementation of the YG programme has taken place.

1.2. The Spanish actors discourse and the EU policy measures

In the end of 2012, Spain approved an education and training system reform (Decree Law 1529/2012) which aimed to decrease the number of school drop-outs and the improvement in basic skills of low performing students. Such legislation started the gradual implementation of the Dual Training system (VET). One year later, another law (LOMCE 2013¹⁵) established optional vocational pathways and a new VET diploma at mid-level training¹⁶. All these changes are very important to the success of the YG implementation in the country as they open additional paths to the heterogeneous group of youth that are not in education, employment or training (NEET).

In the European Commission Country-Specific Recommendations for Spain (European Commission, 2013), it was explicitly highlighted the need to deepen the Dual Training system changes:

“Continue with efforts to increase the labour market relevance of education and training, to reduce early school leaving and to enhance life-long learning, namely by expanding the application of dual vocational training beyond the current pilot phase and by introducing a comprehensive monitoring system of pupils' performance by the end of 2013.”

European Commission (2013), annex 1, page 15.

However, even being strategic to the current challenge of sky-high youth unemployment in the country¹⁷, these reforms are not mentioned in the actors' discourse. In general, the actors involved in the YG implementation recognize the relevance of EU policies (which has given support to the country's process of adaptation of its VET system¹⁸) and support it in a broad way. But it seems that the horizontal coordination between educational system, companies and PES's active labour market policies is missing.

¹⁴ See appendix III, Sec. I., page 74508.

¹⁵ In Spanish: Ley Orgánica para la Mejora de la Calidad Educativa, LOMCE.

¹⁶ For more detail on the changes of the educational system in Spain, see the country report within WP3, D3.4 (*“Institutional determinants of early job insecurity in nine European countries: Spain”*).

¹⁷ According to Eurostat, in 2015 the Spanish youth unemployment rate was 48.3%.

¹⁸ Within the Mutual Learning Programme (MLP) held by the European Commission, the challenges of the implementation of a Dual training system in Spain have been discussed. See EU (2012a).

2. Assessment of the implementation of the Youth Guarantee

Spain presented the Youth Guarantee (YG) implementation plan in December 2013 but at that time the national government had already approved several initiatives to fight against the sky-high youth unemployment rates brought about by the Great Recession, in particular, the Entrepreneurship and Youth Employment Strategy 2013-2016 (EYES 2013-2016)¹⁹. In this respect, the Spanish government policy for young people was already in line with the proposal made by the European Commission (EC) on the need to implement the Youth Guarantee presented in December 2012²⁰. Indeed, as already mentioned, Spain had even six pilot projects of the Youth Guarantee (out of 18 projects) approved during the same year.

The chronology of the YG implementation in Table 1 shows its direct link with the Entrepreneurship and Youth Employment Strategy 2013-2016 (EYES 2013-2016) approved by Royal Decree-Law in February 2013 (RDL 4/2013). During 2013, while the pilot projects were on-going, the legislation of the EYES 2013-2016 was approved one semester after it was released by the government through Royal Decree-Law, and the final version introduced some changes that will be explained below.

Marta Massagué, one of the technicians for the implementation of the Youth Guarantee in the Autonomous Community of Catalonia, expressed in a face-to-face interview concerns about the fact that the YG is regulated in Spain by Decree Law. This implies that any change in the law needs to be approved by the Parliament which yields changes practically impossible.²¹ It also makes the regulation of the YG very inflexible and unadaptable to a constantly changing economic environment.

In Francesc González's interview (General Directorate for the Social Economy, the Third Sector, Cooperatives and Self-Employment)²², he also expressed his concern about the use of Royal Decree-Laws in the implementation of the YG programme in Spain. For him, this reflects the lack of planning by the national Government.

¹⁹ In Spanish, Estrategia de Emprendimiento y Empleo Joven 2013-2016.

²⁰ See European Commission (2012b).

²¹ In this respect, it is important to take into account the current political instability: since December 2015, Spain has had an *interim* government.

²² Catalan Government's agency. In Catalan: *Servei de Foment*, Generalitat de Catalunya

Table 1: Chronology of the implementation of the Youth Guarantee System

Action	Scope	Data
European Council Conclusions 11838/11 on promoting youth employment to achieve the Europe 2020 objectives	Europe	17/06/2011
European Commission launched the "Youth Opportunities Initiative" (YOI) calling for immediate action to be taken in 2012 and 2013	Europe	20/12/2011
European Commission launched the Preparatory action "Youth Guarantee" call for proposals aimed at supporting partnerships for projects in the context of Youth Guarantee schemes	Europe	08/2012
Deadline to submit pilot projects to the Preparatory action "Youth Guarantee" call for proposals	Europe	22/10/2012
European Commission: proposal on establishing a Youth Guarantee. See European Commission (2012b)	Europe	5/12/2012
Entrepreneurship and Youth Employment Strategy 2013-2016 (EYES 2013-2016). The Spanish Government launched the Royal Decree (RDL) 4/2013.	Spain	22/02/2013
European Council adopted the recommendation on the establishment of the Youth Guarantee (Official Journal of the European Union C120/1)	Europe	22/04/2013
The RD on EYES 2013-2016 becomes Law 11/2013	Spain	26/07/2013
Beginning of the implementation of the 6 pilot projects of the YG in Spain	Spain	08-12/2013
Agreement about the criteria for distribution of the European funds directed to the implementation of the Youth Guarantee in Spain. (Sectorial Conference on Employment and Labour Affairs)	Spain	18/12/2013
Spain releases its National Youth Guarantee Implementation Plan (YGIP)	Spain	20/12/2013
The Youth Employment Initiative Operational Programme (YEI - OP) implementation was approved by the European Commission	Europe	12/12/2014

Source: Authors' elaboration from official documents

The EYES 2013-2016 included measures to encourage youth employment, facilitate job-placement in salaried employment as well as the start of entrepreneurship activities. Therefore, once this initiative also provided measures that are important for the implementation of the Youth Guarantee (YG) in the Spanish context, it became one *YG hub* to reach its target group. The Youth Employment Initiative Operational Programme (YEI – OP), which is the instrument to implement the YG system and

ensures its integration in programmes financed by the EU, was approved by the European Commission basically one year after the country's national Youth Guarantee Implementation Plan (YGIP) was presented.

Looking at the recommendations, legislations and actions taken so far in Spain, it can be attested that the country is trying to adapt its own public policy structure, and sometimes even create new initiatives, to ensure that it will be properly integrated within future programmes financed by the EU. However until now this process has been showing several drawbacks that we disclose below, being probably the most important the lack of coordination between the actors involved in its implementation. Besides the official documents, the general overview described in this paper is based on the following interviews:

- Marta Masagué, Head of Services and Support to young people, Youth occupational section, Employment Services of Catalonia (in Catalan, *Servei d'Ocupació de Catalunya, SOC*), Generalitat de Catalunya.²³
- Maria González, technician of the Services and Support to young people, Youth occupational section, Employment Services of Catalonia (in Catalan, *Servei d'Ocupació de Catalunya, SOC*), Generalitat de Catalunya
- Francesc González, Cap de Servei de Foment - *Direcció General d'Economia Social, el Tercer Sector, les Cooperatives i l'Autoempresa*
- Jorge Estévez – former technician at the Youth Council of Spain (*Consejo de la Juventud, CJE*)²⁴

Spain is also implementing the “*Youth on the Move*” initiative. Within the country this toolbox is incorporated in the “*Mobility programmes*”, which is part of the YG plan of implementation (MEYSS, 2013). Its most important measures are *Erasmus*, its version for *Young Entrepreneurs*, *Leonardo da Vinci*, *Comenius* or *Grundtvig programmes* and *Your first EURES job*. The EURES European Job Mobility Portal initiative has been explored by the Spanish government, who is establishing some forms of cooperation with other countries. During 2015, they recruited 1,658 young Spaniards between 18 and 27 years through EURES Spain and EURES Germany for learning practices in Germany (SEPE, 2015²⁵). Regarding access to the EU job market, the data for the Spanish EURES network points that in 2015 there were 111,673 young users and 4,286 companies²⁶. It managed 1,328 placements over several different European countries and occupations.

2.1 Development of the Youth Guarantee in Spain

Data from the Spanish Ministry of Employment and Social Security²⁷ informs that up to the 30th of April of 2016, a total number of 279,978 applications have been received,

²³ https://www.oficinadetreball.gencat.cat/socweb/opencms/socweb_en/home.html

²⁴ <http://www.cje.org/en>

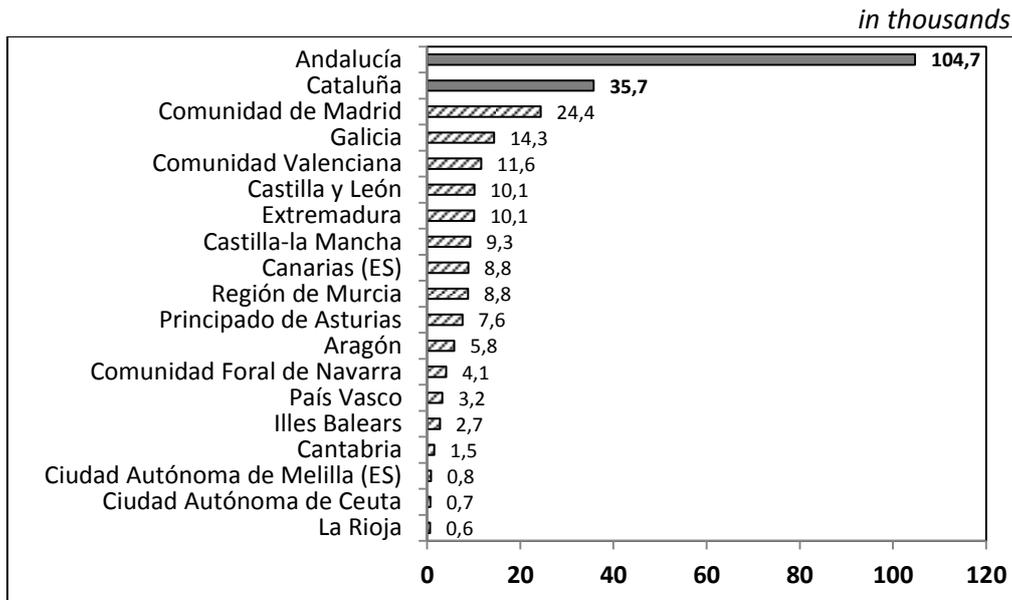
²⁵ “EURES NETWORK-SPAIN Activities Report January-December 2015; accessed in 11/07/2016: http://www.sepe.es/contenidos/personas/encontrar_empleo/encontrar_empleo_europa/pdf/INFORME_EURES_2015.pdf.

²⁶ 95.7% of the users and 54% of the companies are Spanish.

²⁷ <http://www.empleo.gob.es/es/garantiajuvenil/inscripcion.html>.

being 264,875 finally registered and 15,073 refused (5.4%). The number of applications received is not even one third of the expected applications according to the National Youth Guarantee Implementation Plan, which expected one million applications (*Country Report Spain*, EU, 2016). Moreover, and as shown in Figure 2, inscriptions are very much concentrated in two regions, Catalonia and Andalucía, which together add up 53.1% of all registrations. Thus, the number of registered young people is very much disproportionately distributed across regions.

Figure 2: Number of young people registered in the Youth Guarantee programme by Autonomous Community in Spain, up to April 2016



Source: Authors' computation using data from the Spanish Ministry of Employment and Social Security (web page consulted on the 8th June 2016)

The low adherence to the YG, particularly if we take into account the very high youth unemployment rate (48.3% in 2015, according to data from Eurostat) as well as the large numbers of young people not in employment, education or training (15.6% in 2015 for the age group 16-24), it can be attested that the Youth Guarantee implementation is below expectations at the time of writing. The reasons behind this low performance are several, the operational ones are: delays in the setup of the central information system that registers all the inscriptions, a complicated application process for young people and no specific outreach mechanism to identify those hardest to reach youths not in employment, education or training (NEET).

In this respect, it is important to note that the inscription of young people in the corresponding Youth Guarantee Register in Spain was not possible until October 2014, with the enacting of the Law 18/2014²⁸. This implies that the application of the Youth Guarantee has not been as immediate as was requested in the priority areas of the European Commission Recommendation of the implementation of the programme. Moreover, if we take into account that the major part of the funding of the Operational Programme is concentrated in 2014 and 2015, this delay means that the effective timeframe of the YG in Spain was reduced to almost half of the stipulated period.

²⁸ In 15/10/2014 this law has launched urgent measures for "growth, competitiveness and efficiency".

Regarding the application process, we need to take into account that potential YG beneficiaries must subscribe to the National Youth Guarantee System (NYGS) even if they are already registered in the regular public employment service (PES) as seeking employment. The subscription can be done in several ways:

- a) With an electronic ID card or certificate. This option assumes that all potential YG beneficiaries have an electronic ID.
- b) Through the system “cl@ve”. This system is oriented to unify and simplify electronic access of citizens to the public services system in Spain but also requires an electronic ID card.
- c) Through assisted guidance. In this case, the young person must go to a Chamber of Commerce or a Youth Information Service office (<http://www.injuve.es/en>) with his or her ID to complete a paper with the support of qualified personnel.
- d) Through a username and password. In this case the young person requests a username and a password after completing the *paper* form and submits the application in any registration office.

The registration procedures indicated above imply that either the young person must have an electronic ID card or has to formalize the inscription via a completed paper form that needs to be brought to a registration office. Either way, the procedure is not the simplest possible.²⁹ In the case of the need to have an electronic ID card, it must be said that in Spain such document is generally used by people for bureaucratic procedures. Then it is unlikely for some young people to have it as they do not necessarily need it.³⁰ In the two other options, the *paper* form will be sent to the national government in Madrid, which will insert the information in the system and then send back to the young person his/her password. In the end, the whole procedure is very bureaucratic and complex for excluded young people with low levels of literacy. Once the young person is registered in the system, then each regional administration (AC) is free to decide whether the application profile should be completed with a personal interview or not.

What became clear in Marta Massagué’s interview is that generally the NGOs (which participate in the implementation of the YG) first find the target group of young that can engage in its activity, and then work through their application. So to reach the most needed youths, the partnership with some NGOs is extremely important.

2.1.a. Target group and requirements to register in the Spanish YG programme

The Spanish YGIP introduced in the end of 2013 defined as the target group young people from 15-24 who are not in employment, education or training (NEET) and meet the following requirements (Law 18/2014):

- They have the Spanish nationality, or are citizens of the European Union (or Switzerland), or young foreigners holding an authorization to reside in the Spanish territory that also enables them to work.
- They have not worked in the last 30 calendar days before the date of application.
- They have not received any training action that involves more than 40 hours per month in the last 30 calendar days before the date of application.

²⁹ Marta Massagué explained that the assumption that all young people are capable of using the new technologies to register themselves in the system is wrong and shows little understanding of the capabilities of some of the young people to whom the YG is targeted.

³⁰ One can obtain the electronic ID from a limited number of Police stations.

- They have not received any educational action that involves more than 40 hours per month in the last 90 calendar days before the date of application³¹.

Importantly, in July 2015, the national government, responding to a demand from the Autonomous Communities, increased the age of access to the YG scheme from 15-24 to 15-29 (Law 25/2015).³² While such change can be regarded as positive in terms of granting access to the programme to more young people, it is also true, as pointed out by Cabasés Piqué et al. (2016), that reduces by half the estimated level of per capita investment: from 1,360 euros to 560 euros and imposes a detrimental effect on the programme's effectiveness.

Turning to the programme requirements, it is clear that the request of one month of unemployment and three months without having received an educational action of a certain intensity in order to be able to apply to the YG, necessarily implies an undesired extension of the four-months limit stipulated for the application of measures. Furthermore, and still related to these eligibility rules, it should be noted an important paradox: the set of measures contained in the YG were already offered previous to the implementation of the programme but were not subject to such requirements. So, the rationale for this kind of eligibility is not clear and in practice it acts as a restriction in the programme's potential demand³³. Moreover, according to Marta Massagué and Maria González, the eligibility restrictions make it difficult to calculate the potential focus group. The requirement that young people themselves have to apply to be registered into the Youth Guarantee programme represents a high threshold that risks the programme not meeting the principal objective of the European Recommendation of reaching all young people in a NEET situation as not even all registered young unemployed are included.

Finally, since the programme established such eligibility criteria, it must be checked in practice. The surveillance consists in matching the applications with the information that the Social Security system holds of every young person and verify if the young person complies with the criteria of not having been working in the last 30 days. The regional offices are able to check whether the young person has received training actions, but the requirement of not having received educational actions (more than 40 hours/month in the last 30 days) cannot be directly observed, so the young person must sign a compliance form.

³¹ The Law 18/2014 (passed in 15/10/2014) has changed the period for not receiving an educational action to 30 days. However, even after this change, the government webpage is still outdated: <http://www.empleo.gob.es/es/garantiajuvenil/queesGJ.html> (accessed in 11/07/2016)

³² In Spanish, Ley 25/2015, de 28 de julio (<http://www.boe.es/boe/dias/2015/07/29/pdfs/BOE-A-2015-8469.pdf>)

³³ News from the daily newspaper El País in the 26/06/2016 point that the Public Employment Service of Catalonia (SOC - *Servei d'Ocupació de Catalunya*) together with some unions has been asking to the national Government to cancel the requirements concerning the imposition of limits for the training and/or education actions. This way all NEET aged 15-29 years old that at the time of inscription do not work and/or study would have access to the YG programme. (http://ccaa.elpais.com/ccaa/2016/05/26/catalunya/1464298730_883794.html).

2.1.b. Focal points of measures and structural measures/instruments of YG/YEI

The Spanish YGIP presented in the end of 2013 contained a catalogue with 100 measures. With only one exception (Cabasés Piqué et al., 2016), all the measures were already part of the EYES 2013-2016, and 15 of them were considered emergency measures and were approved immediately through the Royal Decree-Law 4/2013 of 22nd of February 2013³⁴ (see Table 2). The set of measures presented as part of the EYES 2013-2016 aimed to ease transitions to the labour market (through paid employment or entrepreneurship) of young people under the age of 30 so, from the very beginning, the plan already encompassed an age range larger than suggested by the European Commission for the YG. Besides this, it also specified in a broad way eight target groups which overlap: (1) NEET, (2) unemployed who had not completed secondary education, (3) unemployed with a certified level of education that permits them a contract as trainees, (4) unemployed without work experience, (5) long-term unemployed, (6) recipients of unemployment benefits, (7) potential entrepreneurs and, (8) people in a disadvantaged situation and/or at risk of exclusion.

The country's YGIP has four lines of action as shown in Table 2: (a) improve mediation, (b) improve employability, (c) incentives for hiring, and (d) promote entrepreneurship.

The first line of action (improve mediation) includes operations at several levels (Autonomous Communities, national and European levels). The vocational guidance, assistance in the job seeking, actions with placement agencies and education–employment mediation programmes must be conducted at the local PES. The national PES is responsible for the modernization of PES and has implemented the “Single Employment Portal”³⁵. It deals with the adjustment of the YG programme within the PES instruments³⁶, and the portal works as a single job intermediation instrument encompassing job vacancies from regional public employment services and from private job search organizations. Still in the “Improve mediation” set of measures, there is the “Mobility programmes” which refers to policies fostering workers’ geographical (international) mobility. This proceeding happens at European level and its comprehensive package is the “Youth on the Move”³⁷.

The second line of action “*Improve employability*” aims to improve skills and competencies and to correct any imbalance between supply and demand in the Spanish labour market. Most of its measures have an essential link with educational reforms and is managed at the Autonomous Communities level. In contrast, the third line of action (“*incentives for hiring*”) has all its measures centralized at the national government level. Since the subsidies for hiring young people fall within the Social Security system, it is played by the national government. The last broad line of action in the Spanish Youth Guarantee implementation Plan is “*promote entrepreneurship*”

³⁴ This Royal Decree Law (RDL) set up measures to Support Entrepreneurs and Promote Growth and Job Creation.

³⁵ In Spanish: “*Portal Único de Empleo*”. Its implementation started in 2013.

³⁶ This implies the need to adapt the PES databases and the new technologies systems to the YG programme.

³⁷ The ‘Youth on the Move’ initiative, launched by the European Union as part of the ‘Europe 2020’ strategy is a ‘toolbox’ containing several measures. In Spain, it was included in the “Mobility programmes”.

and includes a number of incentives for entrepreneurship by young people. Through the Entrepreneur's Act of 2013³⁸, the government gives incentives to self-employment activities carried out by young people³⁹.

The only innovation compared to the EYES 2013-2016 is a measure that gives a subsidy of €300 for hiring young people registered in the Youth Guarantee (RDL 8/2014 of July 2014). However, according to the European Commission (2016), until the beginning of 2016, the effectiveness of this measure was not clear, in contrast, the high level of unemployment may not reward the increased costs for the Spanish Social Security system. Furthermore, the Social Security contribution flat rate scheme (*tarifa plana*) of €100 was replaced in March 2015 by an exemption for the first €500 earned (RDL 1/2015)⁴⁰.

Table 2: Measures of the Spanish Youth Guarantee Implementation Plan and its equivalence with the EYES 2012-2016

Line of action	Measures	Equivalence in the EYES 13–16*
1. Improve mediation	Actions involving vocational guidance, labour information and assistance in job seeking	Measure 60
	Modernization of Public Employment Services	Measures 49, 56,57 and 68
	Single Employment and Self-Employment Portal	Measure 11**
	Actions with placement agencies	Measure 85
	Mobility programmes	Measure 64
	Education–employment mediation programmes	Measure59
2. Improve employability	Second chance programmes	Measure 2**
	Training with an employment commitment	Measure 1**
	Training, especially in languages and information and communication technology	Measures 27 and 31
	Traineeships	Measure 25
	Promotion of dual vocational training through contracts for training and apprenticeships	Measure 11**
	Promotion of vocational training through schools	Measures 12, 13,19, 20 and 22
	Training leading to Professional Certificates (' <i>Certificados de Profesionalidad</i> ')	Measure 1
	Evaluation and accreditation of vocational skills acquired during work experience and through informal training channels	Measure 19
	Work and Training Centre programmes (' <i>Casas de oficios</i> ')	Measure 15
3. Incentives for hiring	Social contributions: reductions and bonuses in social security contributions of up to 100%	Measures 9, 10, 12,13,14 and 15**
	Employment aid for hiring young people for a	New

³⁸ Launched by RDL 4/2013.

³⁹ For more information see the country's WP3 – D3.4 ("*Institutional determinants of early job insecurity in nine European countries: Spain*").

⁴⁰ This measure benefits young people and low-skilled workers who must be registered in the YG.

	period longer than 6 months	
	Other incentives for hiring	Measure 48
4. Entrepreneurship	Flat rate for self-employed workers	Measure 3**
	Making unemployment benefit compatible with the start of entrepreneurial activity	Measure 4**
	Capitalization of unemployment benefits	Measure 5**
	Second chance	Measure 7**
	Promotion of an entrepreneurial culture	Measure 10
	Reference offices	Measure 8

Source: Cabasés Piqué et al. (2016)

* EYES: Entrepreneurship and Youth Employment Strategy 2013-2016

** Emergency measures

Regarding the overall package of incentives for hiring, the criticism received refers to the misuse of the YG programme by employers by which, with the objective of accessing the hiring bonus, they employ young people who would get the job regardless of the incentive. Although it is not clear the magnitude of the problem, this misuse has been reported in the news⁴¹ and was confirmed in an interview with Francesc González.

Another consideration can be also made in relationship with the scope of the measures related to entrepreneurship. This kind of stimulus presupposes that young people have some experience which can be used to open their own business. Unfortunately this is not the reality of most part of Spanish NEET, many of whom have abandoned school or do not have any working experience. Marta Massagué explained that “entrepreneurship” has been regarded in Spain as a solution to leave the consequences of the economic crisis behind however, she expressed concerns that such strategy can be successfully applied to the target group of the YG. In her opinion, there is an imbalance between the measures and resources devoted to “entrepreneurship” and the real possibility that such strategy represents a way out of job insecurity among young people.

2.1.c. Actors and coordination

The implementation of the YG in Spain is decentralised. This means that the Autonomous Communities are the ones responsible for implementing the different measures. According to the national government official version of the YGIP⁴², the plan finally sent over to the European Commission had been discussed with several organisations⁴³ and had received their contributions before its submission.

⁴¹ eldiario.es 13/12/2015 - http://www.eldiario.es/sociedad/Balines-desempleo-juvenil_0_461254090.html

⁴² YGIP: National Youth Guarantee Implementation Plan, MEYSS (2013).

⁴³ The document lists employer’s organisations (CEOE and CEPYME), trade unions (UGT and CCOO), associations representing the social economy and self-employed workers, Chambers of Commerce,

Furthermore, the document also establishes that the government of the Autonomous Communities have participated in several technical meetings held through the Sectorial Conference on Employment and Labour Affairs on the 18th of December of 2013. The national official description discusses that these meetings settled down the agreement about the criteria for the distribution of the European funds of the YG. But the fact that it had been held just two days before the release of the YGIP (20th of December of 2013) raises questions about the effectiveness of the consultation.

Both Marta Massagué and Maria González from the government of Catalonia explained that there had been several technical meetings previous to the launch of the YG hosted by the national government in Madrid but the character of such meeting was rather “informative” that part of a serious consultation with the different regions. In this respect, they do not believe that the decision-making process for the implementation of the YG was done “together”.

The lack of coordination in the YGIP is serious and reflects a common problem in various spheres of Spanish public policies (such as labour, education or health). Although coordination between different Administrations is an aspect of the territorial organization model included in the Constitution, in practical terms, it is often difficult to implement. In the particular case of the YG, the disagreement goes from the use of a single inscription national file, up to the attempt of having a more homogeneous service catalogue in the different regions.⁴⁴

Partly because of the political turmoil on-going in the region of Catalonia, the case of this region is unique.⁴⁵ It has the second largest number of YG inscriptions and a very developed regional Public Employment Service (PES). This AC has its own YG database, parallel to the national one⁴⁶, and a different programme for each measure envisaged in the YG. Given the Spanish decentralization framework regulated by the Law 56/2003, the Government of Catalonia agreed to submit an appeal of unconstitutionality against the violation of administrative competence referring to employment policies. This government believes that the creation of a single Youth Guarantee file is an executive function, so the national government would be taking away the responsibility from the ACs⁴⁷.

In this politically complicated context, even initiatives that can improve the intermediation service targeted at young people as the national website *Empleate*⁴⁸,

associations of young entrepreneurs such as CEAJE and other entities of interest including the Spanish Youth Council.

⁴⁴ The implementation of the Spanish National Youth Guarantee Scheme demanded the modernisation of the Public Employment Services (PES). This was another cause of discontent among local PES staff, because according to them, the Information System for Public Employment Services already exists and works well. So the implementation of a new database system which, up to now shows problems, was not convincing and may have introduced some more coordination problems among national and local agents.

⁴⁵ Catalonia’s current government aims at winning the political independence from Spain.

⁴⁶ This means that the Catalan government gets the information of all the Catalan youth that have registered in the national file and constructs its own file where they can introduce information about the young people’s participation in the YG programmes.

⁴⁷ The Government Council of the Basque Country also agreed to submit an appeal of unconstitutionality.

⁴⁸ <https://www.empleate.gob.es/empleo/#/>

can be seen as an attempt to overcome the functions of regional PES. Some regions, for example, usually advertise vacancies to their own websites, but others have job offers advertised in their offices but not in the internet. Regarding the personalised support foreseen by the YG programme, it should be noticed that regional policies are heterogeneous and systematic data on their content and specificities is lacking. In short, the coordination between the central and regional labour market institutions is not proving to be effective in providing individualised support and getting people (back) into work.

2.1.d. Finances and budget

The implementation of the YG in Spain counts with around 30% of the total European budget (€6,300 millions), summing up to €1,887 millions, 50% of which (€943.5 millions) derives from the specific budget of the YEI in the Multiannual Financial Framework (MFF) 2014–2020, and the other 50% comes from the European Social Fund (ESF) specific investment. From the total amount, Spain receives a pre-financing of just 1% and therefore must anticipate the remaining 99% to implement the planned measures in compliance with the YGIP. The funding conditions attest that the eligibility for co-financing applies only for completed and paid performances, that is, the payments will be done once the process of verification and certification of expenditures is completed. This requirement is probably one of the reasons why the country is having difficulties to spend the amounts forecasted.

The Spanish National government has expressed in a press release *“the difficulty of programming in 2014 and 2015 more than 1,880 million euros in help function only for the fulfilment of the Youth Employment Initiative consistent with the commitment to meeting the deficit target”*⁴⁹. For this reason, it has made a formal consultation asking for the application of two alternatives:

- a) To receive funds from the YEI in advance, without postponement of the payment until the actions have been completed and verified.
- b) To receive permission so that the budget spent to finance the YG does not account for the objectives of public deficit adjustments imposed by Brussels.

Although the country was not allowed to take out the YG programme expenses from the public deficit measurement, in February 2015 it has received an increase in its pre-financing amount. From the beginning of 2015, the European Commission changed the EU budget allocation from 1-1.5% to up to 30% which has raised the pre-financing right of some countries⁵⁰. Spain has benefited from this initiative, and its pre-financing rate increased from €9.5 to €283 millions.

Besides the lack of complementary national funding, another barrier that limits the execution of the programmed funding is the need for each AC to insert the expenses of the local YG measures in their budget. Given the decentralised character of Spanish

⁴⁹ Press release *“El Gobierno envía a la Comisión Europea el Plan Nacional de Implantación de la Garantía Juvenil en España”*. Accessed on the 09/06/2016: <http://prensa.empleo.gob.es/WebPrensa/noticias/ministro/detalle/2117>.

⁵⁰ See European Commission (2015) and Huber and Porcelli (2015).

employment policies, the Autonomous Communities must approve the financial amount to be applied for the YG in their respective annual budgets. So in the end, the execution of the YGIP is also a political decision which makes it even harder to be implemented in a homogeneous manner across all regions.

2.1.e. Evaluation of the YG implementation in Spain so far

Up to the time of writing of this report, there is no follow-up or evaluation that has been written at the national level, and the national official data does not allow the measurement of the YG impact. There are concerns that indicators by which the regions are allocated resources do not reflect correctly either the efficacy or the efficiency of the measures implemented.

The Spanish National Youth Guarantee Implementation Plan (YGIP) presented to the European Commission schedules an in-depth evaluation of the YG effectiveness in 2017 (“mid-way evaluation”). Before that, the plan counts with two other types of evaluations:

- a) Continuous evaluation based basically in global indicators such as the youth unemployment rate, NEET rate, proportion of NEET who are unemployed and percentage of NEETs who are in long-term unemployment.
- b) Evaluation of pilot projects. This evaluation applies to the six Spanish pilot projects (Aragón, Avilés, Galicia, Valencia, Cartagena and Gijón)⁵¹.

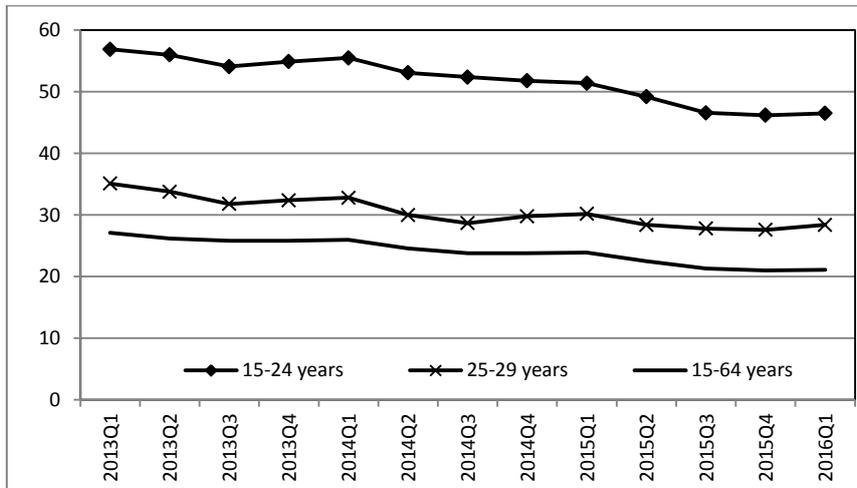
Regarding general indicators, Figures 3 and 4 below show that despite the youth unemployment rate slightly declined from the first quarter of 2013⁵², the difference between the youth and the total unemployment rate is very large and it has remained stable.⁵³ The NEET rate for the youth between 15-24 years old also has fell in all Spanish regions since 2013. However, note that it still remains at a very high level if we compare it with the percentages in Europe.

⁵¹ See comments in the next section.

⁵² The decrease between the first quarter of 2013 up to the first of 2016 was 18.3% and 19.1% for the age group between 15-24 years and 25-29 years respectively according to data from Eurostat.

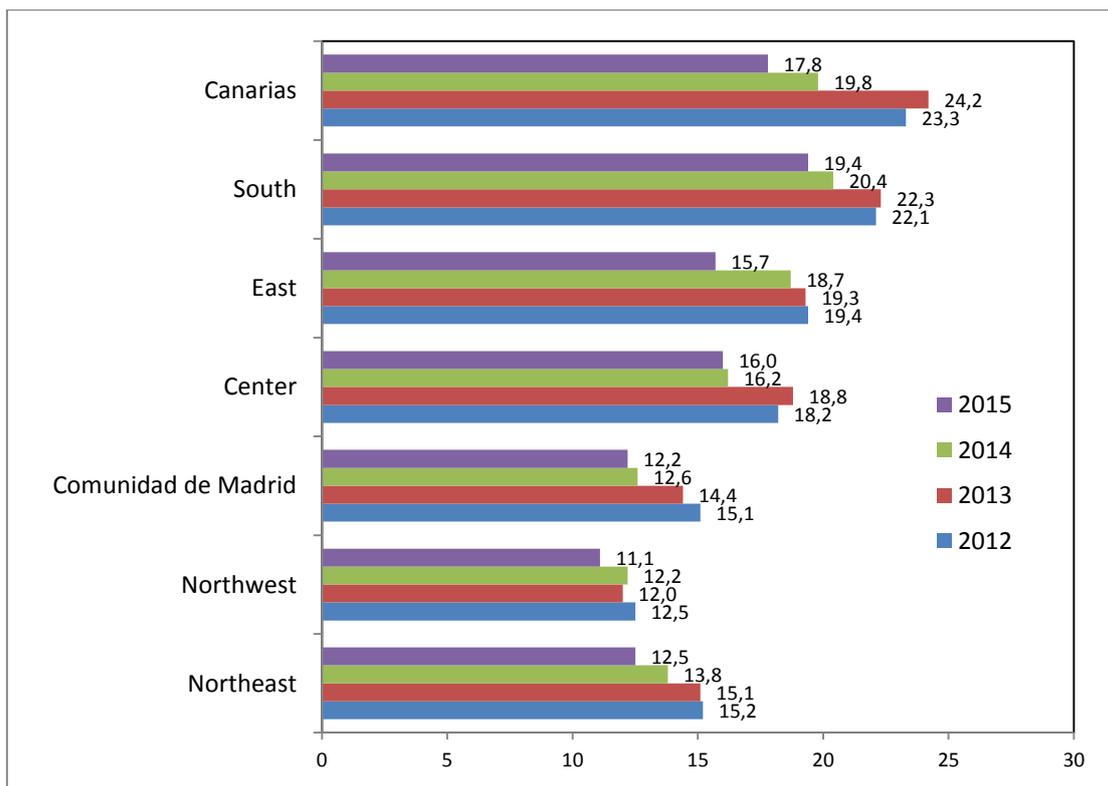
⁵³ In reference to the different indicators, Marta Massagué explained that while it is true that a certain decline in the youth unemployment rate can be observed in the case of Spain, to her understanding, those young people not currently employed are the ones with the greatest difficulties to make a transition into the labour market and statistics can hardly reflect that.

Figure 3: Unemployment rate by age group in Spain, Quarterly data 2013-2016



Source: Eurostat

Figure 4: NEET rate among 15-24 years old by region in Spain, 2012-2015



Source: Eurostat

Although important, these general indicators do not say much about the actual failure or success of the YG in Spain and their inclusion as indicators of the YG evaluation is a misconception. Since there are multiple other variables that affect youth unemployment and the NEET rate, their use for evaluation infers that there is a causal relationship with the YG implementation which is not necessarily the case. A serious

evaluation needs the use of a control group and this kind of methodology seems not to be in the current agenda of the different actors involved in its implementation. .

Marta Massagué and Maria González at SOC explained that in their opinion, the national government has not envisaged a profound evaluation of the success or failure of the YG measures because at the time of writing the YG system in Spain does not allow to know how many of the young people that are registered have taken part or are currently participating in one of the measures. This means that one can know how many young people actually registered but it is not possible to know how many “leave” the YG because they have found a job or they entered an educational programme. Exceptionally, the region of Catalonia is building a matched dataset with the information from the national registration file and their own records to evaluate the success of different measures but this is not currently being done in the rest of regions. So, they worried that the national government who is the mediator with the European Commission will not be able to present an evaluation of the YG for all Spain.

Jorge Estevez, former technician at the Youth Council (Consejo de la Juventud), expressed really important concerns about the implementation of the programme in Spain mostly because young people have a very strong perception that their inscription to the YG is useless and that it does not deliver what has been promised to them. Jorge was present, for example, in a meeting with young people that are members of the *Asociacion Cuarto Mundo* which is an association that tries to help young people from very deprived socio-economic backgrounds, young people explained that they did the inscription to the programme but afterwards they never received an offer (neither after three months or six months or ever). When they consulted back to the Administration, they were told that there had been some problems with their computing facilities and that was all the answer they got. The young people explained that they never were contacted to establish the promised personalized plan that would help them find training or a job.

Jorge was particularly concerned of the fact that, necessarily, young people talk to each other and that the discouragement of some of the young people is easily passed over other young people who may decide not to do the inscription to the programme. He said that the programme sometimes expects that young people will be active in searching for opportunities through their computing facilities without understanding that actually some of the young people that are the main target of the YG do not even have the skills to perform this kind of job search. All in all, his feeling was that the YG is losing ground in Spain as the most important policy at the moment targeted to young people because the programme has not managed to get young people’s trust that it could be a help or solution to their problems of integration into the labour market or returning to education.

3. Analysis of the implementation of two concrete YG measures in Spain: from national to local level

As pointed out in the previous section, the Spanish YGIP conceives four main lines of action: (1) improve mediation, (2) improve employability, (3) incentives for hiring and, (4) entrepreneurship. Moreover, the great majority of measures included in the YGIP came from the Entrepreneurship and Youth Employment Strategy 2013-2016 which mostly considered incentives for hiring.⁵⁴ Thus, bonuses and discounts in the employer's Social Security contributions are now an important part of the YG in Spain. Furthermore, such active labour market policy is applied throughout the national territory so it does not depend on decisions taken at the regional level and therefore can be regarded as an attempt to make some structural change. For all these reasons, we will analyse this measure in more detail below.

Secondly, we have chosen to study the so-called *Second Chance programmes* which are implemented by the different Autonomous Communities with the aim of increasing young people's employability (line of action 2). These "*Second Chance programmes*" are directly targeted to NEET and incorporate plans linked strictly to training. Within this programme, we will analyse two projects: one from the region of Catalonia and the other one from Asturias.

3.1 At national level: Incentives for hiring

In Spain, one of the most important active labour market measures currently in place are incentives for hiring. The high percentage of temporary contracts has motivated several labour market reforms to try to reduce job insecurity, and among other measures, bonuses for hiring have been used to promote open-ended contracts. This way, in the implementation of the YG, it is not surprising that such incentives have also become an important part of the implementation plan to fight youth unemployment and reduce the number of NEETs.

The Spanish rank of incentives for hiring targeted to young people (under 30 years of age) are essentially four and are directly linked to different types of contracts (see Table 3):

- (1) Open-ended contract of young people by companies, self-employed or micro-enterprises;
- (2) School-work integration contract (internship) and the different modes of conversion of temporary contracts into permanent ones (*first youth employment, apprenticeship, etc.*);
- (3) Training contract (including training and learning contracts);
- (4) Part-time contracts (temporary or open-ended) with training tie-up.

⁵⁴ As a matter of fact, 80% of the measures in the EYES 2013-2016 consider an incentive for hiring.

All these modalities were part of the EYES 2013-2016 and therefore the implementation of the YG only added the “*Tarifa Joven*” (youth fare) and changed the bonus shares for some of the existing modalities extending the benefits under certain circumstances.⁵⁵

As can be seen in Table 3, incentives for hiring in the YGIP promote both open-ended contracts and mixed contracts which apart from the working time consider also a formative period (training or internship). The mixed contracts are mostly fixed-term contracts and as indicated by Rodríguez-Soler et al. (2015), represent an attempt in Spain to merge the practice of temporary contracts with the training policy (Dual Training System). In this sense, it is a reminder that the main line of action within the Spanish Dual Training system involves a mixed performance in which the activities of training-education-ability and jobs are linked primarily under the formula of “Training and learning contracts”.

In addition to the promotion of certain types of open-ended contracts, the EYES 2013-2016 also included measures for the conversion of temporary contracts (first job contracts, training and learning contracts) into open-ended contracts. However, given its 'deadweight', historically these measures have had little impact on hiring trends change (Rodríguez-Soler et al., 2015). This means that typically they imply almost the same number of contracts that would have been signed if the measure had not been established.

⁵⁵ Basically the internship contract and the training and learning contract.

Table 3: Incentives for hiring young people under the Youth Guarantee

Contract	Incentive	Duration	Features of the contract	Requirements	Regulation
Minimum exemption for open-ended contracts	The exemption of 500 €/ month from Social Security contribution base for open-ended contracts ¹ .	24 months ¹	<ul style="list-style-type: none"> • Open-ended contracts • Working day: full or part time 	<ul style="list-style-type: none"> • Maintain the level of open-ended employees and the level of total employment • Keep the employee for the duration of the incentive 	Law 25/2015 (Art. 8)
Youth fare (“Tarifa Joven”)	Bonus of €300/month in the employer’s contribution to the Social Security if hiring a young person with an open-ended contract	six months	<ul style="list-style-type: none"> • Open-ended contracts • Working day: full or part time 	<ul style="list-style-type: none"> • Maintain the level of open-ended employees and the level of total employment • Maintain the job of the worker during at least 6 months from the start of the contract 	Law 8/2014 (Art. 107)
Internship training	Up to 100% in the employer’s contribution to the Social Security for hiring a young person registered in the NYGS.	Minimum six months, maximum two years	<ul style="list-style-type: none"> • Working day: full or part time • The worker's salary is fixed in the collective agreement for trainees². 	<ul style="list-style-type: none"> • The young person should be a university graduate, vocational training or higher level or officially recognized as equivalent (“<i>certificados de profesionalidad</i>”) 	Law 8/2014 (Art. 108)
Training and learning contract	Reduction of up to 100% in employer’s contributions to the Social Security for hiring young people registered in the YG system for companies with up to 250 employees, and 75% for the rest of companies ³	Minimum one year, maximum three years ⁴	<ul style="list-style-type: none"> • The worker's contribution to the Social Security will be proportional to the effective working time (according to the agreement). 	<ul style="list-style-type: none"> • Rotation among work and training activity 	Law 8/2014 (Art. 108)

Contract	Incentive	Duration	Features of the contract	Requirements	Regulation
Incentives for hiring temporarily with training tie-up⁵	Reduction of 75% - 100% of the employer's contribution to the Social Security given the recruitment of young people registered in the NYGS so youth can reconcile training and employment	Maximum 12 months (possible extension 12 months)	<ul style="list-style-type: none"> • Open-ended or temporary contracts • Working day: part time. 	<ul style="list-style-type: none"> • Maintain the level of total employment. • Young with work experience less than three months 	Law 8/2014 (Art. 108)

Source: Author's elaboration based on Rodríguez-Soler et al. (2015)

Notes:

¹This bonus is compatible with the "youth fare" subsidy if the company's accounted monthly contribution is not negative.

² However during the first and second year of the contract it cannot be less than 60% or 75% (respectively) of the wage fixed by collective agreement for employees that perform the same or equivalent job.

³ It also has a bonus of up to 25% for training activities, which must be at least 25% of the working time the first year and 15% the second and third year.

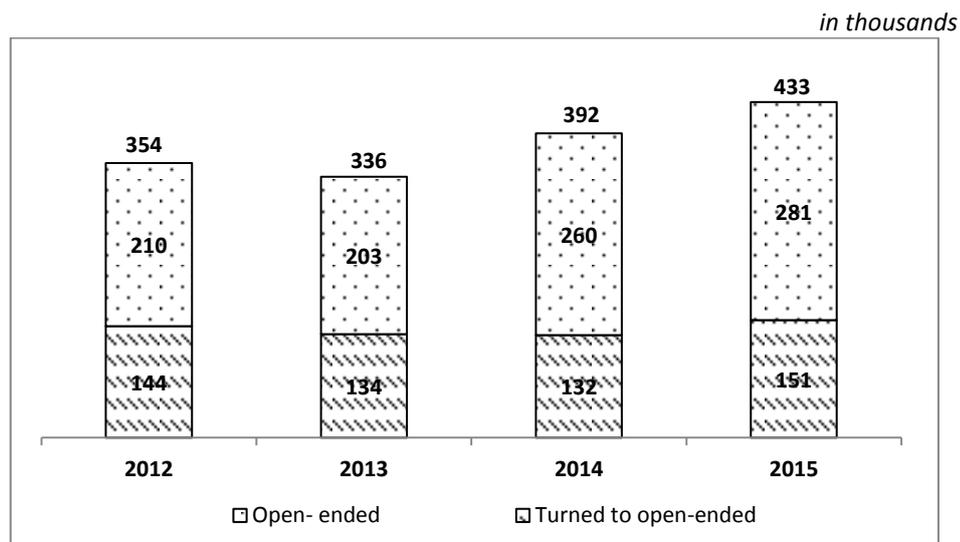
⁴ Although through collective agreement is possible to set up different durations.

⁵ The training can be language training or ICT ("Information and communications technology") with a minimum duration of 90 hours/year) or official training courses by the Public Employment Services.

So, what about the success or failure of these incentives for hiring since the start of the YG implementation plan? As a matter of fact, lack of recent data prevents an in-depth analysis of the effectiveness of such measure. As discussed below in more detail, data available from the Public Employment Service (PES)⁵⁶ are partial and insufficient to properly analyse each specific measure. Figure 5 shows the total number (in thousands) of open-ended contracts hold by young people aged 16-29 years between 2012 up to 2015. As we can see, in the last two years (2014 and 2015) there is an increase in the total number of youth with an open-ended contract, with a growth rate of 16.7% between 2013 and 2014 and of 10.4% between 2014 and 2015.

Figure 5 also shows the trend as for new open-ended contracts and temporary contracts that turned into an open-ended contract. As we can see, between 2013 and 2014, the increase in the number of new open-ended contracts is much more important than the number of contracts that became more stable. Instead, between 2014 and 2015, the increase in the total number of open-ended contracts is mainly due to temporary contracts that became open-ended.⁵⁷

Figure 5: Total number of open-ended contracts among young people (16-29 years old) in Spain, 2012-2015



* This total of open-ended contracts adds up the ones with and without bonus
 Source: SEPE (Servicio Público de Empleo Estatal)

This general picture however does not say much about the success of the measures introduced because available data does not allow to distinguish between open-ended contracts that received a bonus from those that did not.⁵⁸ In the meantime, the participation

⁵⁶ Public Employment Service (PES), in Spanish, Servicio Público de Empleo Estatal (SEPE).

⁵⁷ The open-ended contract grew 28.3% in 2014 and 8.2% in 2015; while the contracts that were turned into open-ended showed a growth rate of -0.9% and 14.4% in 2014 and 2015, respectively.

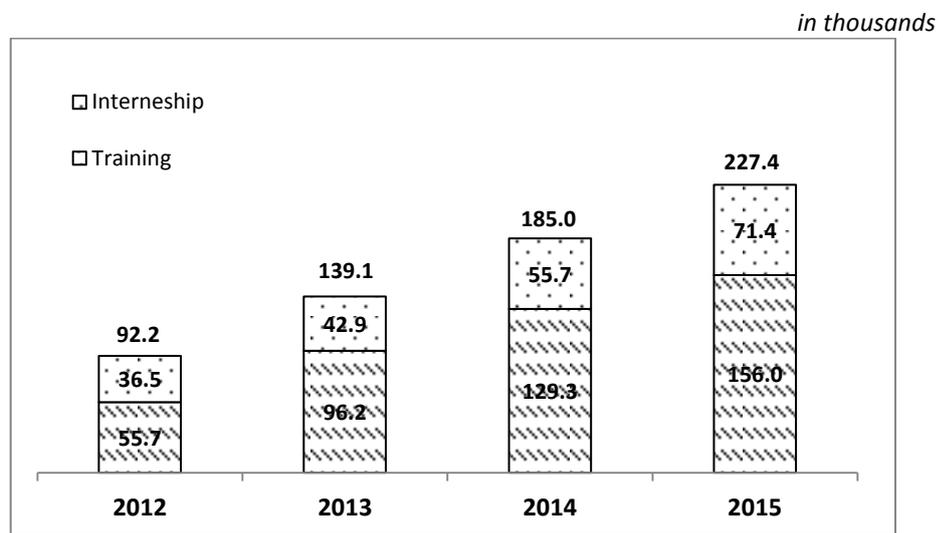
⁵⁸ Interestingly, one notices that up to 2012, data provided by the Public State Employment Service used to disclose the information by type of open-ended contract that received a bonus or not. (https://www.sepe.es/contenidos/que_es_el_sepe/estadisticas/datos_estadisticos/contratos/datos/estadisticas_nuevas.html).

of open-ended contracts for the age group 16-29 on the total did not change greatly over this period: from 32.6% in 2012 to 29.6% in 2015 (data from SEPE⁵⁹).

So at the broad level, it appears that these incentives did not impact the young people level of open-ended contracts. However, once we have just the aggregate data is impossible to verify if this measure at least has changed the composition among subsidized/ not subsidized open-ended contracts.

Turning to data for internship and training contracts (Figure 6), we can see that, although the incentive for hiring young people registered in the YG started just in 2014, the total number of internship and training contracts increased over the whole period from 2012 to 2015. The largest change occurred one year before (2013), when the aggregate growth was 50.8% in comparison to 2012.

Figure 6: Total number of internship and training contracts among young people (16-29 years old), Spain, 2012-2015*



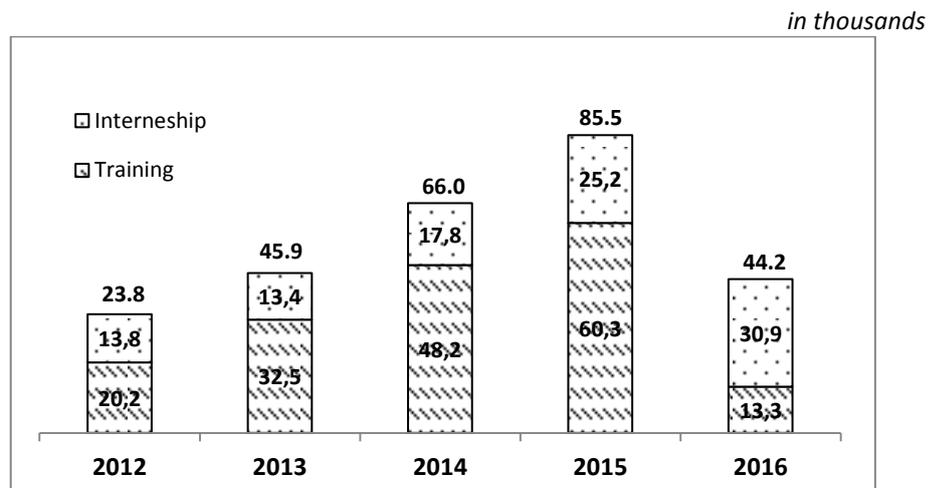
* The total number adds up the ones with and without bonus
 Source: SEPE (Servicio Público de Empleo Estatal)

Beyond the fact that the training contracts have a greater participation than internship contracts⁶⁰, its growth rate in 2014 was also higher than the other ones (34.4% against 29.8%). But the relevance in the training contracts suffered a strong negative impact in the first half of 2016. Data for the first five months of the year shows a decrease of 78% related to the same months of 2015 (Figure 7).

⁵⁹ Servicio Público de Empleo Estatal (SEPE). In english: Spanish National PES.

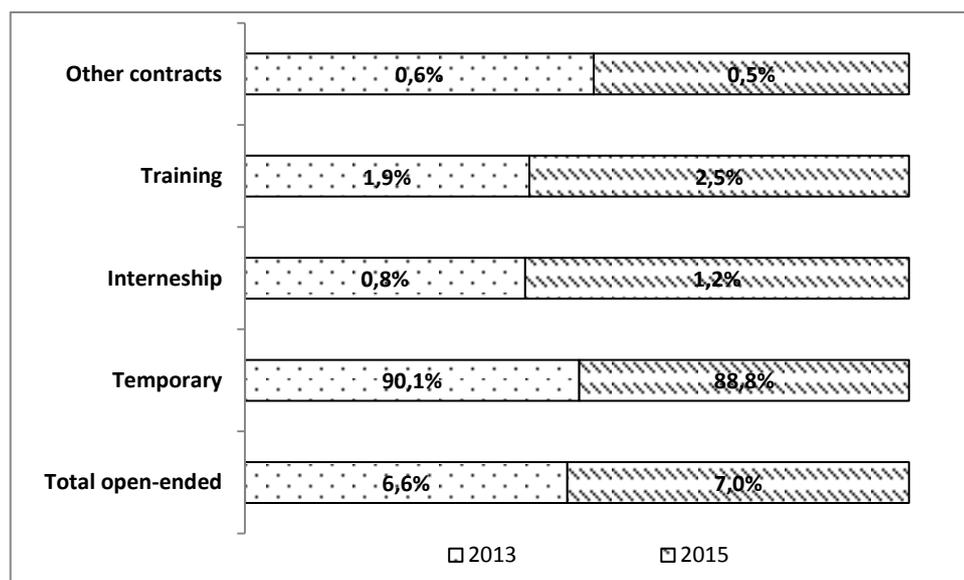
⁶⁰ On average, for the period between 2012 and 2015, the training contracts represent 2% of the total number of contracts hold by young people while the internship contracts share is below 1%.

Figure 7: Total number of internship and training contracts among young people (16-29 years old)* period for January – May (each year), Spain, 2012-2015



* This total adds up the ones with and without bonus
 Source: SEPE (Servicio Público de Empleo Estatal)

Figure 8: New job contracts among young people (16-29 years old)* by type of contract, Spain, 2013 vs. 2015



* The total of contracts in each category adds up with and without bonus
 Source: SEPE (Servicio Público de Empleo Estatal)

Such strong decline in the training contracts during the first months of 2016 reflects the limit of the term regarding the incentives for hiring by “training and learning contract” or the “temporal with training tie-up”. These measures could be applied up to June 2016, so even without the appropriate disclose of the data, we can infer that at least some part of this huge reduction has some relation with the end of these incentives.

All in all, given the serious limitations of data available we cannot have a clear picture of the impact of Spanish YG measures of incentives for hiring on the youth unemployment. The

wide picture indicates that between 2013 and 2015 the share of training, internship and open-ended contracts presented a marginal change (Figure 8) but without a proper breakdown of the data is impossible to go further on the analysis.

Another issue that available data does not allow to analyse, but that was raised in a face-to-face interview with Francesc González, head of the Directorate for the Social Economy, the Third Sector, Cooperatives and Self-employment of the Catalan Government, is the potential opportunistic behaviour of some companies regarding hiring incentives. In Francesc's opinion, some companies may be looking after employing youth registered in the YG programme with the mere objective of getting the financial incentives promised by the programme but not so much because of the willingness to offer young people a real chance in their companies. Also, he expressed concerns that certain groups of young people, not necessarily those that conform the main target group of the YG, are deciding to register themselves in the YG system because they are aware that this action makes them more attractive in the labour market as companies are looking for youths that would grant them these important reductions in the employer's Social Security contribution. If such behaviours are confirmed, the effectiveness of the YG measures may be put into question.

3.2 Local level: *Second chance programmes*

Generally, the aim of these programmes is to train young people that drop-out of school and who usually had an early entry into the labour market in the past. Given their educational deficiencies, these young people, in a context of deep economic crisis, encounter special difficulties at finding job opportunities⁶¹. The programme gives financial assistance to those low-skilled young people that participate in the programmes in order to give them the opportunity to practice in a voluntary basis. The financial aid is sometimes conditional on the family income. As requirements, young people should obtain a qualification⁶² and maintain a commitment to actively search for a job after ending his/her participation in the programme (Rodríguez-Soler et al., 2015).

From the different proposals, we analyse two "*Second Chance Programmes*" that seek to help young people that drop-out of school, reintegrating them into the formal educational system. Considering such objective, these programmes do not imply an immediate effect (in terms of employment) but can help to overcome a situation of school failure, empowering young people who, otherwise, would have serious difficulties finding employment. The following box gives a summary of the two *Second Chance Programmes* that will be explained below.

⁶¹ These young people have significant learning deficits and high levels of risk of labour exclusion.

⁶² Initially, compulsory secondary education and, subsequently, the possibility of intermediate vocational training.

Box 1: Examples of *Second Chance* programmes

Training and placement programme in Catalonia (“*Programes de formació i inserció*”/ *Inserjoves* Plan)

This programme includes training courses that intend that young people re-enter the educational system and follow vocational studies. In addition to this educational goal, they have also a professionalizing aim in a particular professional profile. It is managed by the Catalan Education Department and has a duration of one year, with a minimum of 750 hours and a maximum of 1,050 hours. In the academic year 2014-2015 it replaced the initial vocational training programmes.

Target group: Young people between 16 and 21 years of age who have left compulsory secondary education without obtaining the degree and that at the start of the programme do not follow studies in the educational system or participate in any kind of training. According to the document “Pla Inserjoves – Catalan Employment Service” of 2014⁶³, this programme had a budget of 2,100,000 euros and the expected participation of 610 youths.

Programme ‘*Joven Océpate*’ of Asturias

Training and youth employment programme for young people that did not complete secondary school. Its objective is that, in a period of six months, participants get basic vocational training (Certificate of Competence Level I) and basic skills (in particular, mathematics and communication in Spanish). The programme alternates training with work practices under a “Training and Learning Contract”.

Target group: young people under 25 enrolled in the National Youth Guarantee system. In 2015, 60 projects have been approved in which 480 young people can participate.

The planned budget for 2015 was 3,119,529 euros (BOPA 146, 25/06/2015).

Source: Rodríguez-Soler et al. (2015)

3.2.1 Catalonia’s Plan *Inserjoves*

The Catalan Autonomous Community started to implement several initiatives to improve the employability of young people before the implementation of the YG. In line with the EYES 2013-2016, the local government carried out the *Inserjoves* plan, which established (among others) the programmes “*Joves per l’ocupació*” and “*Fem ocupació per a joves*”⁶⁴. The main

⁶³ SOC (2014). In Catalan: *Pla Inserjoves Servei d’Ocupació de Catalunya, any 2014*.

⁶⁴ Catalonia’s government referred to the *Inserjoves* plan in 2013 in these terms: “it is the training of Public Employment System of Catalonia for the task of building the youth guarantee in the region.” See “Basis for youth employment strategy in Catalonia. Youth Guarantee 2014-2020”, a document approved by the board of directors of the SOC of 10 September 2013, p. 19.

aim of *Inserjoves* Plan is to promote access to an employment contract through several actions, but mainly by training and abilities qualification. In addition to these programmes, Catalonia has also committed to allocate 25% of the budget of more general employment programmes (that do not have any age criteria) to young people.

Indeed the “*Inserjoves*” Plan works as an umbrella for several local programmes which grant subsidies to a diverse group of beneficiaries, who are the final responsible of delivering the training services to the young people. These beneficiaries are local authorities (municipalities, autonomous bodies, bodies promoting employment) and legal entities of supra-municipal area (in cities with more than 10,000 inhabitants). The sectoral organizations and trade unions most representative of Catalonia also are among its beneficiaries.

Box 2: Examples of programmes covered by the “*Inserjoves*” Plan

Programmes	Recipients	Actions
<i>“Joves per l’ocupació”</i>	<ul style="list-style-type: none"> - Youth aged 16 to 24 years - Low qualifications or training deficits - Predicted beneficiaries: 2,600 youths 	<ul style="list-style-type: none"> - Counselling - Tutorial sessions - Individualized monitoring - Training and acquisition of professional experience
<i>“Fem ocupació per a joves”</i>	<ul style="list-style-type: none"> - Youth aged 18 to 30 years old - Graduated from secondary or high school or with previous professional experience - Predicted beneficiaries: 1,710 youths 	<ul style="list-style-type: none"> - Counselling - Tutorial sessions - Monitoring the insertion in the labour market - Training tied-up to employment
<i>“Programes de formació i inserció”</i>	<ul style="list-style-type: none"> - Youth aged 16 to 21 years old - Have left compulsory secondary education without been graduated - Predicted beneficiaries: 610 youths 	<p>The programs are offered in three categories according to their organization:</p> <ul style="list-style-type: none"> a) Vocational plans (<i>Plans d’iniciació professional - PIP</i>) b) Plans Transition to Work (<i>Plans de transició al treball - PTW</i>) c) Training and apprenticeship (<i>Programes de formació i aprenentatge professional – FIAP</i>)
<i>“Aprenent i Treballant”</i>	<ul style="list-style-type: none"> - Youth from 17 to 29 years old - Have no professional qualifications obtained by the vocational training or educational systems 	<ul style="list-style-type: none"> - The programme provides companies with advise on management and delivery of training activities related to “training and learning”

	<p>- Predicted beneficiaries: 120 youths*</p>	<p>contracts. - It also enables the worker to get professional qualifications by obtaining certificates of professionalism within the system of vocational training for employment</p>
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* This is a pilot programme runned during 2014

Source: Pardell and Cabasés i Piqué (2015) and own elaboration

According to the Department of Enterprise and Employment of the Catalan Government, the objective of the “*Inserjoves*” plan was to reach in 2013 33,109 potential direct beneficiaries, of which a minimum of 3,607 should be able to access an employment contract. The budget of the Catalan Government approved in January 2014 added up 28.8 millions euros⁶⁵ for the complete “*Inserjoves*” plan.

As we see in box 2, both programmes (“*Joves per l’ocupació*” and “*Fem ocupació per a joves*”) count with individualised action plans and personalised support. In this sense, it is important to note that not all regional PES have the structure and specialized staff with the ability to offer such services. Once the process of decentralisation and change in management of the entire ALMP system has started in Catalonia in 1997, this region has acquired some experience⁶⁶ to develop particular services. But given that Spanish regional policies are heterogeneous this practice cannot be easily generalized. At the time of writing this report, however, no more information was found about the success of the plan.

3.2.2 Asturias’s region “*Joven Océpate*” Programme

In 2014, Spain developed six pilot projects within the YG⁶⁷. Among them, two were located in the region of Asturias: Gijón and Avilés. The one in Avilés had the main objective of improving youth employability⁶⁸. The goal of ‘coaching for youth employability’ in the Avilés’s project was to establish a coaching scheme by which young people would be provided with the individual and collective support to enter the labour market⁶⁹. To get there, this pilot project had to train in the coaching methods its professional guidance counsellors at the local PES office level. This way they would start to apply their new knowledge and skills in guidance interviews with young people.

⁶⁵ It represented 11.6% of the total PES financial budget at the time in Catalonia.

⁶⁶ Moreover, Catalonia devotes financial resources for these policies that are above the average budget of other regions.

⁶⁷ In the regions of Aragón, Avilés, Galicia, Gijón, Cartagena (Murcia) and Valencia.

⁶⁸ The goal of the Gijón pilot was to set up a Youth Employment and Activation Agency which should act as a link between different resources and programmes developed at a local level for young people. Besides this, it also aimed to create a recruitment agency to work with employers to identify and advertise employment opportunities for young people. This project has used some innovation tools but once they are not related with the employability action they will not be described here. For more information, see European Commission (2014).

⁶⁹ The target size of the pilot group was below 100 young people.

The pilot projects have been a useful experience that has turned into innovation drivers and transferable experiences. We can foresee that both pilot projects (Gijón and Avilés) have directly influenced the “*Second Chance Programmes*” in Asturias (box 3 provides a summary of the Avilés’s pilot project).

Box 3: Summary of Avilés’s YG pilot project

Context	Overview	Target group	Main activities
<ul style="list-style-type: none"> - City with a population of 83,400 in the Region of Asturias (North of Spain). - The economy based on the service sector (69.1%). - Youth unemployment rate was 41.9% (2015)¹ 	<p>Implementation of ‘Coaching for youth employability’. The objectives were:</p> <ul style="list-style-type: none"> - Set up a multi-stakeholder partnership which included all relevant stakeholders involved in youth employability - Establish a coaching scheme to provide young people with individual and group support in order to provide them with the knowledge, skills and competences they need to enter the labour market. As part of this scheme, six month work placements in companies will also be provided to participants. - Youth empowerment: young people have participated in the design, implementation, monitoring and socialisation processes of the project. Their views were taken into account and activities and actions were adapted to their needs. 	<p>30 young people aged 16-24. Two key target groups:</p> <ul style="list-style-type: none"> - Young people with no qualifications and at risk of school failure and early drop out. - Young people with qualifications whose competencies are not adapted to the requirements of IT companies. 	<p>Activities related to young people:</p> <ul style="list-style-type: none"> - Drafting education and employment plans for young people; - Group mentoring / counselling; - One-to-one interviews with professional guidance counsellors and tutors; - Six month work placements in companies. <p>Set up a partnership between enterprises, youth organizations, educational</p>

			centers and the Avilés City Council (project leader).
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¹ The unemployment rate for young between 15-24 years old in Asturias was 48.9% (2012), 55% (2013) and 45.1% (2014).

Source: European Commission (2014) and Eurostat.

One of the challenges in this kind of project is getting partnerships. Its composition depends on the pilot project goals and activities, as also on the level of intervention (regional and local). The findings of the YG pilots project has pointed that one of the favorable characteristics in the Avilés pilot was that the local PES has incorporated suggestions made by enterprises relating to young people's training needs. This way young people soft skills were taken into account into the design of youth training and actions.

This promising pilot project setup the basis for the "*Joven Océpate*" programme which is now one of the measures of YG in the Asturias Autonomous Community. As its precursor, it seeks to promote the employment of young people and improve their employability, developing various training activities, labour recruitment or labour practices in companies. The target recipients was expanded to young over 16 and under 30 years old, preferably not graduated in secondary compulsory education, and that must be enrolled in the NYGS. It ties vocational training and employment, thus for six months young people share their time between work and training over three phases.

- First stage: It is an eminently formative stage which lasts for three months. 80% of the day will be devoted to training key skills (relative to the professional certificate chosen) and in the rest of the day (20%) the young person must work.
- Second stage: (4th and 5th month) 50% of the day will be devoted to training and 50% to work.
- Third stage: (last month) the participants will work during 75% of the day and receive training in the rest of the time.

At the end of the six months, the participants will have a support service and assistance to get employment during another six months. So in total the programme runs during 12 months and over the first six months the participants receive a proportionate share of the amount of their working day in each stage⁷⁰. In 2016 the entire region of Asturias counted with 60 "*Joven Océpate*" programmes with the participation of 16 municipalities, 8 foundations or associations and 2 companies. Each programme has a maximum of 8 participants so the total expected participation in the region in this programme is 480 young people.

⁷⁰ Except in the last month, when they are paid 100%.

4. Typologising Youth (employment) policies

	before 2013			2016			Change influenced by		Comment
	strong	medium	weak	Strong	medium	weak	YG	other	
POLICY OBJECTIVES									
Work first approach Flexible forms of employment as 'bridge' Pricing young workers into jobs: age-related (minimum) wages Occupation job subsidies public employment Other	X	X		X	X				Flexible forms of employment have been used in Spain since the 80s. The large majority of young people in Spain hold a temporary contract. The YG and its incentives for hiring try to promote open-ended contracts (with small success as we saw in step 3 of this report). Moreover, there is not a minimum wage by age but hiring subsidies depend on age. As far as we know, there is no particular legislation for the provision of public employment targeted to young people.
social security/financial incentives - familialised support (parents plus/without child allowances etc.) - individual social transfers - transfers during educational attainment - in-work or /in-education-benefits - sanctions for non-compliance - other	X		X X X -	X		X X X -			Most of the financial support that young people may receive in Spain comes from their own families. There is not a universal child benefit. There is a means-tested child benefit (in Spanish, <i>prestación por hijo a cargo</i>) for very low income families but very modest in quantity (less than 300 euros annually). There are scholarships for example for University students but these young people have to prove that their families have no means to help them during their educational period.
employment assistance short term measures such as: placement services, counselling		X			X				The programmes with counselling services are conducted at local level and therefore they depend on each PES.

<p>Upskilling/enabling Encouraging training/ formation of human capital as long term measure</p> <ul style="list-style-type: none"> - within general school-system - within vocational training system - as further training <p>in general and/ or as particular part of employment policy pathways back to education Other</p>			X			X			
<p>Target groups</p> <ul style="list-style-type: none"> - according to educational level - NEETs - People with migration background - young parents - women - other 	X X			X X		X X X			<p>Target groups in Spain are defined by age, educational level and also by the NEET category but there are no general measures in youth policy targeted to young people from migrant origin, women or young parents. The fertility rate of young people in Spain is very low so young parents are not regarded by youth policy as a possible target group.</p> <p>Probably as a result of the YG it became obvious in Spain that the group of NEET is very heterogeneous.</p>
GOVERNANCE and vertical coordination									
<p>Centralisation of/most relevant level of regulatory competences</p> <ul style="list-style-type: none"> - General education - Vocational training - Youth employment policy <p>Centralisation of funding/most relevant level of funding for</p> <ul style="list-style-type: none"> - General education 			X X X			X X X			<p>In Spain each Autonomous Community conducts its own Active Labour Market Policies (ALMP) being responsible for the orientation and training of workers.</p> <p>The National government is responsible for the design of the legal framework and regulating the principles and general goals.</p>

hierarchy market negotiation, network (i.e. social pacts) other Relevance of non-state actors ^a										
Governance 'hard' or 'soft' forms of coordination ○ employment/educational guarantee as social right (binding) ○ involvement of social partners/ other non-state actors ^a - designing youth guarantee - implementing youth guarantee as mandatory (law) /informal /no involvement	x		X				X			According to the different interviews carried out, there was not a real consultation with other partners as for the design of the YG in Spain. However, it is true that there are different measures that involve social partners in the implementation of the programme.

OUTCOMES									
Improvement of <ul style="list-style-type: none"> ○ youth unemployment ○ NEET rate ○ Educational attainment (stratification) by gender/migration/early parenthood ○ Segmentation of labour market <ul style="list-style-type: none"> - distribution of flexible forms of employment - low wage employment - according to sector/profession - according to age and gender 			X X x			X X X			In between 2013 and 2016 there has been a slight improvement of the youth unemployment rate in Spain. Also, the percentage of young people classified as NEET has decreased as discussed above.
	X X X	X	X X X	X X X	X				

5. Suggestions for policy improvements

The YG in Spain has some important challenges ahead to improve its access in order to be able to benefit a greater number of young people with a range of services that really enhance their probability to find a job. For example, changes need to be introduced regarding its registration process as it seems bureaucratic, at times confusing and it is not reaching the most needed youngsters. Also, the programme should re-evaluate the eligibility conditions. Nowadays they represent a high threshold that risks that the programme does not meet the principal objective of the European Recommendation of reaching all young people in a NEET situation as not even all registered young unemployed are included.

About the regulatory process, the common practice is to release Royal Decree laws to set up the YGS format. This implies that while the law is not finally approved, there is an uncertain environment for the local entities (ACs) to progress in the provision of the services.

Another important gap that also blocks the overall effectiveness of the YG programme is the lack of a serious approach to data gathering. The national government essentially does not have any systematic follow-up database about the path of each young person who is registered in the YG system. After young people are registered, the information about what are the activities that they engaged, if they were completed or not, and even if the young people got any job are not in the national YG file. So the evaluation about its effectiveness is seriously compromised. Besides that, if the national government would have more detailed information about what has been implemented at local level, its success or failure, then its role as coordinator could be better performed.

Concerning the content of YG measures, despite the impulse that the YG is giving to Spanish youth-related policies, it is getting way too far from its main goal which is to enhance the capacity of young NEET to work on their abilities or educational gaps. We believe that part of this insufficiency has to do with the approach that Spain has taken towards youth policies: the country is basically applying its general unemployment measures to young people, as shows the large use of incentives for hiring commented above. This way a valuable opportunity is been lost to improve the way to implement youth-related policies that are backed with personalized services.

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