

# NEGOTIATE

Overcoming early job-insecurity in Europe

## The fight against youth unemployment: Enhancing the chances of success by strengthening linkages between horizontal and vertical policy coordination

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**NEGOTIATE**  
Overcoming early job-insecurity in Europe

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## **Introduction**

The findings of the Negotiate project show that, in spite of the economic recovery in Europe<sup>1</sup>, the youth unemployment rates, the Youth Not in Education, Employment, or Training (NEET) rates and the non-standard forms of work of young people are still high in many countries. The differences in these indicators even increased in Europe as some groups of young people (e.g. low skilled, immigrants or ethnic minority background) are affected heavily, in spite of the policy initiatives adopted at the EU level to improve the situation of young people on the labour market. Furthermore, there are long-term negative scarring effects from early job insecurity on young people's employment

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<sup>1</sup> That, however, is coming quite slowly in some countries.

prospects, family formation, drug use, etc. Thus, the crucial question we are addressing here is *How can the policies of labour market integration of young people be improved?* Although we take into consideration a broader policy mix (active labour market policies, education policies, unemployment protection) when addressing this question, we are also concerned with the more specific question *How can the Youth Guarantee (YG) initiative be successful in the broader policy and economic context?*

The discussion of these questions is based on the findings that were gathered throughout the Negotiate project in various deliverables. We refer here mainly to the comparative study on the trends in the policies for the labour market integration of young people in nine European countries (Hora et al. 2016a) and the comparative study on the Youth Guarantee (YG) programme implementation in these nine countries, focused on the multi-level governance perspective (Dingeldey et al. 2017). We have also analysed the respective background national studies that have served as source material for the comparative papers mentioned above (see the list of references), taking into account the existing studies on YG implementation. Apart from these studies dealing with the policies, we exhaust the other deliverables of the Negotiate project like the analysis of employer decisions on hiring young people in the European countries and the qualitative study of young people's experience with the school-to-work transitions and the scarring effects of early job insecurity on these transitions, as well as others that also bring policy implications.

In the text below, we assess the strengths and weaknesses of the policies for integrating young people into the labour market, with a focus on YG implementation in the national contexts of nine countries. In the second section, we discuss the policy implications and recommendations.

## **1 Strengths and weaknesses in the policies for integrating young people into the labour market, including YG implementation**

### *The general trends in policies*

As was documented in other project deliverables (e.g. Hora et al. 2016a and the national background reports), the general trends in the policies for the labour market integration of young people during 2007-2013 continued on a path which has been identified in some other studies (Bonoli 2010, 2013, Lødemel and Moreira 2014): the trend towards a stronger work-first approach, often accompanied with workfare measures, and a weaker enabling/human capital investment approach. Expenditure into ALMPs, labour market training in particular, dropped in most countries, in spite of the increasing unemployment figures.

This trend was overlapping with the overall flexibilisation in employment and unemployment protection. Young people suffered as a consequence of increasing early job insecurity: they were exempted from the minimum wage level in some countries and/or they were affected by conditions that were issued for non-standard employment.

Some progress, however, was observed in education policies and systems: in most of the countries, there was a shift towards stronger school-to-work transition support through short-term measures like career and labour market counselling, mentoring, outreach, follow-up, more cooperation with employers<sup>2</sup> and long-term reforms like implementing

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<sup>2</sup> These measures overlap with active labour market policies to some extent.

dual vocational education and training principles into the educational system by providing internships and traineeships for students and school leavers. On the other hand, labour market and education policies have represented weakly coordinated policy fields.

It was recognized that acquired skills are generally good protection against labour market risks and social exclusion. Policies in many of the countries prove (in various ways) that it is more advantageous for students to complete their education than to work at an unqualified job or in an active labour market policy programme. Special protection is often provided in apprenticeship contracts. Furthermore, in some countries, there is substantial financial support for young people during education (Norway, Germany, and Switzerland).

Even in the countries with relatively well developed transition systems, there are specific problems which have to be addressed. Such problems include a high level of drop outs, a worse situation for specific groups (e.g. disabled young people, immigrants and ethnic minorities, and people living in underdeveloped and rural areas), and high stratification of education systems. Evidence showed that some of these specific problems were recognized and addressed through specific follow-up measures for people with transition problems – this includes alternative educational routes (such as the pre-vocational training in Germany<sup>3</sup> or interim solutions in Switzerland) and preventive as well as corrective measures.

Due to the fact that the possibility of income protection for young people within the systems of social protection is low (at best moderate), young people are often dependent on their parents longer. In some of the countries (e.g. Switzerland, Poland, UK, Greece), young people are addressed through specific programs, which sometimes combine income protection (otherwise unavailable to young people) with training, and commitment to an activity or employment. Evidence about such programmes is still scarce but some positive results (as well as some risks) were identified in research studies conducted in Switzerland. Theory and evidence of ALMP impacts prove that the effectiveness of such programmes is dependent of good targeting<sup>4</sup>.

In this broader context, the principles of YG may be assessed as an attempt to significantly improve the policies for the labour market integration of young people and their coordination by pursuing more demanding objectives in terms of the coverage, targeting and quality of the measures. The question remains *How might the YG initiative be successful when considering the more general trends in the policies to integrate young people?* The answer to this question is very much dependent on how the YG fits into the overall performance of the specific national employment and education policies – employment or school-to-work transition regimes.

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<sup>3</sup> The vocational transition system in Germany is not unproblematic: it is criticised as a wait loop.

<sup>4</sup> The same is probably true for many other measures, including unpaid internships (as in the UK) – they can actually lengthen the transition without providing a good quality job. It is also important not to leave the most difficult cases behind (and to avoid the creaming of easy-to-place cases).

## *How are the countries/employment regimes faring in supporting school- to- work transition?*

Coming from the assessment of four policy fields related to the labour market integration of young people (education, active labour market policy/activation, employment and unemployment protection), based on qualitative and quantitative multi-criteria assessment, Hora et al. (2016a) distinguished five employment regimes: inclusive, employment centred, liberal, sub-protective and transition/post-communist.

Dingeldey et al. (2017) integrated some similar criteria regarding education, active labour market policy/activation and unemployment protection into one measure that characterises the school-to-work transition effort and summarised that three groups of countries may be distinguished regarding the general effort in labour market integration/school-to-work transition policies for young people. Actually, when the overall policy effort in the policies that support the young in school-to-work transition is assessed in Norway (inclusive regime), it is very close to Germany and Switzerland (employment-centred regime), where the effort is the strongest. Regarding the overall policy effort, the UK (liberal regime) clusters with the Czech Republic and Poland (transitional regime); Bulgaria (transitional regime) clusters with Greece and Spain (sub-protective regime), where the effort to support the school-to-work transition is the lowest. In the following discussion, we use this above-described typology.

More concretely, an enabling policy approach and at the same time a systematic school-to-work transition system (i.e. where the education is seen as a central element to support young people to find work and the measures focus on the attainment of school or vocational training certificates) are practised in Germany, Switzerland and Norway.

A work-first approach for young people is pursued by all the other countries. The countries of the sub-protective regime are represented by Spain and Greece; the post-communist countries by the Czech Republic, Bulgaria and Poland; and the liberal country is the UK, where employment policy aims at integrating young people quickly into jobs, although the instruments used might differ slightly. All six countries also have enabling policies targeting young people. Training measures are often short-term and generally not characteristic of the general approach. Two groups of countries are distinguished in this work-first oriented cluster. In the first group (UK, Czech Republic and Poland), there exist support-mechanisms to ease the transition for young people into the labour market, but they are less encompassing than in the systematic school-to-work transition group of countries. In these, there is less relevance of apprenticeship programmes, more limited access to unemployment benefits, less spending on ALMP. Hence, it is labelled a *guided school-to-work transition system*. In the second group (*Greece, Spain and Bulgaria*), efforts to support young people during their entrance into the labour market are made, but in many cases, young people are left alone throughout their transition into the labour market. The vocational training system is school-based and barely includes firm-based work practice or access to unemployment benefits, as registration incentive is limited or very limited, and spending on ALMP is quite low. Therefore, these countries are supposed to have *solitary school-to-work-transitions* (Dingeldey et al. 2017: 17-18).

We will characterise how the policies for integrating young people into the labour market are working in the above-distinguished groups of countries, taking into consideration both the general trends in the policies as well as more specific measures for young people. We will also identify the strengths and weaknesses, or policy failures, in the

countries in focus in order to consider the policy implications and suggest policy recommendations.

In doing so, we do not follow the same kinds of policies or measures in each country systematically. Rather, we focus on the individual countries in terms of their most promising policy developments, on the one hand, and the significant policy failures/gaps, on the other. There is, however, the following logic in the approach: first, we look at the general level policies or aspects of the policies/measures that affect the overall governance framework, as well as most of the policy fields, ALMP instruments, and target groups of (young) people (related to the general level measures). Secondly, we focus on the measures that are more specific in their focus on young people and/or specific groups of young people (specific measures). When doing this, we always distinguish the dimensions of policy governance and policy substance.

### *Enabling employment regimes with systematic school-to-work transitions*

As explained above, in these groups of countries the policy effort in supporting a school-to-work transition is strong and systematic, and emphasis is more on the enabling than work-first approach.

Two countries in this group – Norway and Switzerland – did not apply a YG scheme. However, they can serve as examples to follow for the other EU countries in integrating young people into the labour market. This is because they have abundant experience with school-to-work transition policies for youth, which are based on the guarantee principle and are underpinned with both strong financial and personnel resources provided at the national level and an appropriate governance framework. Germany is a country where the integration of young people, including the implementation of YG, was also underpinned with strong financial and personnel resources, as well as supported by a developed dual VET system, well functioning employment services and ALMP measures.

There are numerous strengths in the policies of these countries which clearly prevail over the weaknesses.

In **Norway**, the unemployment rate of youth 15-29 during the crisis and beyond increased to only 8.2% and the NEET rate to 7% (2015);<sup>5</sup> meanwhile, youth part-time employment was high (43.8%) and temporary employment was 19.9%. At the same time, the ALMPs effort was strong (expenditure per 1 percentage point of the unemployment stock was 0.15% of GDP in 2013<sup>6</sup>).

The offer of further education, training or a job after a certain period of unemployment (similar to the offer under YG) was first implemented in 1979; the legal right to upper secondary education was provided later. The following features of the approach (for details see Schoyen et al. 2016, Lindholm et al. 2016) are worth noting:

#### *General policies/measures*

##### Governance of the measures

- (1) The major administrative reform of 2006 created one-stop service in the interaction between citizens and government: New Labour and Welfare Administration, which also serves young people effectively.

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<sup>5</sup> Data by Eurostat, based on LFS.

<sup>6</sup> Own computations based on OECD labour market database.

- (2) Case work is a common principle in working with the unemployed. There is a strong concern for the youth with mental and physical disabilities and those who drop out of upper secondary education, as they represent the major part of NEETs.

#### *Specific (youth) measures*

##### Governance of the measures

- (3) An individual activity plan is established within the first month of unemployment for the youth (-25 and -29 with reduced work capacity), as well as individual follow-up within three months and guaranteed measure arrangements within 6 months.
- (4) Follow-up Service is available for upper secondary school dropouts and for the young participants of ALMP measures. This agency automatically registers everyone from the 16-19 age group who is not in upper secondary education or in close cooperation with the local Public Employment Services; it ensures that the guaranteed measures are provided, most often Work Training before re-entering secondary education.

##### Substance (contents) of the measures

- (5) Students who are in danger of dropping out are offered preventative measures like summer jobs or summer school. Furthermore, a practice-oriented VET program is provided: The Certificate of Practice (2-year Lower Level Trades/Crafts program), Training Candidature (individually adapted education and training measures), etc.
- (6) There are several specific programs targeted at people with problems on the labour market. Young people can make a claim through the Employment Scheme Benefit (ESB), which is connected to participation in a labour market activation program, or qualification allowance (QA). The ESB is at a lower rate for people until the age of 18; the QA until the age of 25. Parents are not required to take care of their children after the age of 18<sup>7</sup>. A state education loan fund offers economic support for students. The ESBs are connected with an increased level of activity and do not entice young people to quit school.

There were some weaknesses/challenges identified in this developed system of YG, which was a reason to reform the system by merging the differentiated measures for the three distinct age groups of youth into one scheme. The criticism was that the YG is quantity rather than quality driven: while no standards are set for the guaranteed offer, the individual plans established by case workers are assessed as too strict and insufficiently tailored to the individual needs of the clients (Lindholm et al. 2016).

In **Switzerland**, the unemployment rate of youth 15-29 increased during the crisis and beyond to only 7.1%, the NEET rate to 7.2% (2015);<sup>8</sup> meanwhile, youth part-time employment was 27.1%) and temporary employment was high (38.7%). The ALMPs effort was strong (expenditure per 1 percent of the unemployment stock was 0.13% of GDP in 2013<sup>9</sup>).

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<sup>7</sup> Or until the child finishes education (but not longer than until the age of 20).

<sup>8</sup> Data by Eurostat, based on LFS.

<sup>9</sup> Own computations based on the OECD labour market database.

The EU YG was not implemented in Switzerland, however, many measures corresponding to the aims and principles of the YG were already in place there (see Imdorf et al. 2016, Kilchmann et al. 2016).

### *General policies/measures*

#### Governance of the measures

- (1) The main device for a successful school-to-work transition is the federalist model of the dual track VET, which is generally seen as a 'success story'.
- (2) The industry-specific funds (to which the employers contribute) that promote VET with respect to branch- or industry-specific needs have been established in 8 cantons.

#### Substance (contents) of the measures

- (3) There is an obligation of parents to support children family members up to the age of 18 (25 in the case that children are still students). Social assistance support for the completion of education is provided in cases of insufficient family financial support. Young people should live with their parents, if possible. Supplementary income is provided to people who participate in low paid work.

### *Specific (youth) measures*

#### Governance of the measures

- (4) One of the most important labour market integration measures for the young unemployed who are eligible for unemployment insurance is the SEMO (*semestre de motivation*) – Motivation training and guidance, that is, a federal/national level program backed by the vertical and horizontal coordination of relevant actors.<sup>10</sup>

#### Substance (contents) of the measures

- (5) The constitutional right to sufficient vocational education and training (*Apprenticeship Initiative*) was widely discussed and finally adopted in 2004 in two cantons (Geneva and Jura).
- (6) Praxifirma (Practice Firm) is another widespread related measure which offers work experience in hypothetical companies to young people with a VET certificate.
- (7) In spite of the special regulation against the chaining of temporary contracts, temporary employment is quite widespread (see above) and typical for university graduates – in such cases, it may, however, function as a stepping stone to a future career.
- (8) VET Case Management launched in 2007 supports young people who have learning problems and social stresses until they graduate from upper secondary school.

On the other hand, there are rigorous requirements for obtaining the entitlements to UI, and it was made even more strict for young people in 2011. Benefit duration is explicitly shorter for both young people (up to the age of 25) and people without previous social insurance contributions. People after completing school can only receive benefits after a 120-day waiting period, and only at the flat/base level.

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<sup>10</sup> SEMO is one of the most important measures for young people (15-24), most often providing VET programs, a route back to secondary education, an internship or job. This is coordinated by cantons, which involve the Regional Employment Centre and other local actors (public administration, non-profit and business enterprises, companies).

In **Germany**, the unemployment rate of youth 15-29 dropped during the crisis and beyond to 6.5% and the NEET rate to 8.5% (2015);<sup>11</sup> meanwhile youth part-time employment was 21.7% and temporary employment was high (38.7%). The ALMPs effort was strong (expenditure per 1 percent of the unemployment stock was 0.13% of GDP in 2013<sup>12</sup>).

The previously existing policies that in fact met the main YG principles and sufficient measures to reduce youth unemployment were also adopted. However, the implementation of the YG and YEI has been approached thoroughly and the policies have been further developed (Assmann et al. 2016, Dingeldey and Steinberg 2016).

### *General policies/measures*

#### Governance of the measures

- (1) The governance framework is also supportive in principle: there is coordination among education, labour market, economic and social departments at the national level, although it is not always unproblematic.
- (2) Emphasis is put on the individualised needs based approach aiming to reach all young people and provide follow up services; Individual Action Plans are applied as obligatory.
- (3) The establishment of one-stop agencies (youth career agencies – YCA) where support services – employment services, education and social services – have been introduced at the local level and represent a considerable improvement of cross-sectional/horizontal coordination in some regions in Germany. Vertical coordination was improved by adopting certain Federal/Lander agreements.
- (4) Germany puts strong emphasis on the enabling/human capital development measures: the dual VET system is still quite effective in mediating the school-to-work transitions. Many measures aim for the attainment of school or vocational training certificates.
- (5) The national resources provided to YG are generous: the amount provided for YG measures per participant in YG scheme in average is the highest in the EU (it is 20, 765 euros) and exceeds the recommended amount three-fold (ILO 2015: 15-16).

### *Specific (youth) measures*

#### Governance of the measures

- (6) NEETs are explicitly addressed by Encouraging Youth in the Neighbourhood program JUSTiQ. This program, provided over a period of 12 to 18 months at the municipality level, includes the coordination of support among youth welfare, employment promotion and income support implemented through the Coordination Unit. Four modules of the program provide some choice: case management (core module, obligatory), outreach social work, low-threshold counselling, and micro-projects. Motivation and trust-building are the key aims of the program.

#### Substance (contents) of the measures

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<sup>11</sup> Data by Eurostat, based on LFS.

<sup>12</sup> Own computations based on the OECD labour market database.

- (7) Some programs were implemented which target disadvantaged youth like people with disabilities, refugees, asylum seekers and young migrants.
- (8) Career Entry Support by Mentoring (CESM) is applied nationwide and supports students who are likely to have difficulties with completing secondary school or special needs school in the transition from school-to-vocational training.
- (9) Good quality Introductory Training, which includes pay and social insurance contributions subsidized for long internships (6-12 months), was established.

However, there are some weaknesses (see Dingeldey and Steinberg 2016, Assmann et al. 2016).

#### General policies/measures

##### *Governance of the measures*

- (1) The critique is related to the employment agency benchmarks used, such as placement rates (which are not necessarily a sign of positive development), and to the sanctions the agency uses towards young people, the consequence being that the young people often feel lost and distrust the agency).

##### Substance (contents) of the measures

- (2) In spite of the emphasis on the enabling/human capital development, work-first measures were also considered: there is some relevant expansion of non-standard and precarious forms of employment (see figures above), which is interpreted as the flexibilisation of the margins. A large share of young people work on temporary contracts and are over-represented in the agency work. Rules for dismissal protection apply the seniority principle. Many young people work at Minijobs – a form of contract (short-term, up to an earning limit) with fixed-rates of taxes and social insurance contributions that do not give provide individual benefit entitlements in the social security system. Incentivising of the youth may be seen in the fact that the national minimum wage was implemented in 2015, but young people below 18 were excluded from it.

#### *Work-first regimes and guided school-to-work transitions*

In **Poland** the problem of youth unemployment is moderate and the impacts of the crisis were not so strong when compared to the countries in Southern Europe. The unemployment rate of youth 15-29 increased during the crisis and beyond to 14.2%, the NEET rate was up to 14.6% (2015);<sup>13</sup> meanwhile, youth part-time employment was low (9.0%), and temporary employment was high (54.3%). The ALMPs effort was rather modest (the expenditure per 1 percent of the unemployment stock was 0.04% of GDP in 2013<sup>14</sup>).

The experience gained there documents a mixture of the strengths and weaknesses in policies. Some interventions were identified that may develop into strengths in the future (Michoń and Buttler 2016a, 2016b).

#### *General policies/measures*

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<sup>13</sup> Data by Eurostat, based on LFS.

<sup>14</sup> Own computations based on OECD labour market database.

#### Governance of the measures

- (1) The individual approach is considered necessary, with the Individual Action Plan for young people being one of the key tools. However, in practice, the Individual Action Plans are provided in a rather schematic form, which is not actually tailored to the individual needs of individuals, nor is their potential taken into account appropriately.

#### *Specific (youth) measures*

#### Governance of the measures

- (2) In response to this problem, the Voluntary Labour Corps (VLC) was established. It consists of 900 organisational units in the country that directly contact young people who do not attend school or who face problems in the labour market. It coordinates measures provided for them through various actors and also runs specific projects for young disadvantaged people.

#### Substance (contents) of the measures

- (3) The need to improve school-to-work transitions is well reflected by the government, particularly the need to increase the professional skills of young people and develop vocational education and vocational training.
- (4) Several new labour market instruments were implemented, such as the training voucher, work-practice voucher, employment voucher (for unemployed younger than 30), activation services, loans to launch business activities, and other measures that provide stronger support and more choice for young people.
- (5) There is also emphasis on targeting the measures to NEETs.

On the other hand, the capacity for these tasks, or for the programmes of professional guidance of young people, is limited due to high workloads (i.e. 769 unemployed per one counsellor in 2015).

The national reports still recognise several policy failures or gaps:

#### *General policies/measures*

#### Governance of the measures

- (1) There is less developed cooperation with employers in various fields: vocational education, professional training, counselling, etc. that could help address the shortages of competences (including soft competences).
- (2) There is a lack of development in the following: monitoring as a key instrument for the evaluation of the effectiveness of different programmes, the quality of the offer, and labour market monitoring and forecasting in this field.

#### Substance (contents) of the measures

- (3) There is low quality of education, lack of rapid response of education to the needs of the local labour market, and less developed lifelong learning.
- (4) There are key weaknesses in the educational system in terms of less developed professional counselling that would help to objectively assess the predisposition of the student, indicate choices towards further learning and plan career paths.

- (5) There is a very high share of young people working on temporary contracts (72% in 2015), which are often involuntary and low paid. Civil law contracts are allowed and usually are used for employing someone for a specific task. Such contracts do not provide protection in the scope that other employment contracts do (e.g. no minimum wage, easy dismissal and limited contribution to social insurance) and are overused in comparison to employment contracts. There were some reforms aimed towards reducing temporary contracts and civil law contracts.

#### *Specific (youth) measures*

##### Substance (contents) of the measures

- (6) There is weak support of entrepreneurship, including the use of professional advice and training in this field.
- (7) The needs of specific sub-groups of young people are not well met by the measures.
- (8) Young people are not actively supported by unemployment insurance (UI) or social assistance – only rarely are young people entitled to unemployment benefits. The unemployment benefit is lower (80%) for people who worked for less than five years. It is assumed that parents remain responsible for their children. On the other hand, the protection for parents of small children is relatively comprehensive (incl. new parental benefit).

The **Czech Republic** experienced a fast increase in youth unemployment in 2009; however, since 2014 it decreased considerably. The unemployment rate of youth 15-29 increased during the crisis and beyond to 9.0%, the NEET rate to 11.8% (2015);<sup>15</sup> meanwhile, youth part-time employment was low (6.9%), although temporary employment increased to 21.8% (from 10.5% in 2008). The ALMPs effort was rather modest (expenditure per 1 percent of the unemployment stock was 0.05% of GDP in 2013<sup>16</sup>).

Furthermore, the youth disadvantaged in the labour market are seen as in need/worth being addressed by YG measures or other support (see Hora et al. 2016a, 2016b).

The strengths of the policies are as follows:

#### *Specific (youth) measures*

- (1) YG has brought some innovative elements in measures for young people; in particular, internship programs for students can be assessed as an important new or renewed measure in the Czech context.
- (2) Similarly, “professional experience for young people up to 30 years” and its successor – the “Guarantee for Youth” programs (apprenticeship schemes) – include innovative elements such as the introduction of mentorship, a holistic approach dealing with multiple barriers, traineeship abroad and returning to school.

On the other hand, there remain many shortcomings in providing support to young people and their transitions into the labour market.

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<sup>15</sup> Data by Eurostat, based on LFS.

<sup>16</sup> Own computations based on the OECD labour market database.

## *General policies/measures*

### Governance of the measures

- (1) Low efficiency and effectiveness of the public employment services (EC 2016b) is resulting among other factors from the longstanding insufficient personnel capacity of employment offices in providing an individualised approach.
- (2) The Czech Republic is traditionally below the EU average in terms of expenditure on and participation in ALMPs, which has not changed since the introduction of the YG. The ESF financed measures actually substitute the national measures: specifically, an ALMP measure was provided to one-quarter of those who registered for the YG program during 2014-2015, which is approximately equal to the share of all unemployed regularly participating in ALMP measures.
- (3) According to the Employment Act, the Individual Action Plans (IAP) are obligatory for all unemployed after *5 months* of registering at the Employment Office. However, due to an insufficient capacity of PES to provide individual counselling, IAPs are often only a formal arrangement that is not very different from the standard job mediation procedure. Furthermore, IAPs were not coordinated with the YG programme, which assumes that the offer be made within *4 months*.
- (4) The emphasis on the integrated and holistic approach has not been very apparent to this day, nor has the coordination of ALMPs with other social services.

### Substance (contents) of the measures

- (5) Most of the participants in the YG scheme obtained just a job offer – the quality of the job, however, is doubtful: this is defined as 'transparent/provable information about a job'.
- (6) The labour market was made more flexible by a reform in 2012 (e.g. the notice period of dismissal is now based on years of employment and the maximum period of temporary employment was prolonged to nine years) and the reversal of attempts to regulate some aspects of flexibility (e.g. by the restriction of specific contracts). The fact that young people can be employed on temporary contract for nine years (probably the longest period in the EU) and that there is a growing share of temporary contracts of young people 15-24 years old both document that young people are more prone to non-standard/precarious jobs. For them, this means growing job insecurity and the negative material consequences of temporary employment or job loss (see Trlifajová et al. 2015).

## *Specific (youth) measures*

### Governance of the measures

- (7) There is only marginal attention devoted to the non-registered NEETs – the registration with the Employment office is in fact an essential condition for entering the YG programme. Outreach strategies and support to nonregistered NEETs need to be further developed.

### Substance (contents) of the measures

- (8) Targeting of the measures for youth is problematic: the available data show that participants from the target group in internship or apprenticeship programmes

often had an upper secondary or tertiary level education (Employment office 2016), while those less educated were under-represented.

In the **UK**, the unemployment rate of youth 15-29 increased during the crisis and beyond to 10.7%, and the NEET rate rose to 12.7% (2015);<sup>17</sup> meanwhile, youth part-time employment was at a higher level (26%) and temporary employment was low (10.7%). The ALMPs effort was modest (expenditure per 1 percent of the unemployment stock was 0.03% of GDP in 2013<sup>18</sup>).

ALMP in the UK is work-first oriented. The claiming of benefits is connected to the signing of the Claimant Commitment, which takes into consideration strict compliance with the opinion of a counselor, strict job acceptance criteria, skill conditionality (to be available for training) and severe sanctions. Jobcentres Plus one-stop shops are a suitable platform for this work-first approach.

YG was not implemented: the government refused it as the Youth Contract programme had been launched earlier (2012) and was assessed as better-adapted to the national context. In addition to the reluctance towards specific interventions proposed at the EU level (the binding offer principle), the intervention timing was similarly a subject of critique; this is because for 4 months the youth may be 'locked' into a state of inactivity instead of being able to ease their way out of benefits.

The strengths of the work-first approach applied in the UK are recognised in the following (see Bussi and O'Reilly 2016a, 2016b):

#### *General policies/measures*

##### Governance of the measures

- (1) The effort to improve the involvement of employers in apprenticeship (which is considered a weakness in the UK) increased; the Apprenticeship Grant for employers was implemented, as was the Apprenticeship Trailblazers and Apprenticeship Levy, incentivizing employers to develop apprenticeship standards and programmes. These efforts also have some disadvantages such as a strong dependence on the respective businesses.
- (2) The governance of the programmes is increasingly decentralised with stronger coordination at the local level through Local Enterprise Partnerships (LEPs).
- (3) The Working Futures programme and Youth Promise Plus represent two new locally provided programmes addressing disadvantaged youth.

##### Substance (contents) of the measures

- (4) Incentivising young people towards job finding is strong. The reform of Universal Credit enables young people to receive in-work benefits. Wage incentives with a duration of three years were implemented, linked to the Youth Contract, and paid only if the person stays employed for at least half a year.
- (5) There was a programme targeting young NEETs (16-17), including intensified meetings with a work coach every two weeks, which was evaluated as successful (resulting in a reduction of NEETs).

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<sup>17</sup> Data by Eurostat, based on LFS.

<sup>18</sup> Own computations based on the OECD labour market database.

On the other hand, there are several weaknesses in this approach:

#### *General policies/measures*

##### Governance of the policies

- (6) Three major problems were recognised that related to EU funding: the tight deadline for delivering results is in contrast with the high ambitions of the YEI programme. The other two weaknesses are due to administrative barriers related to the proof of the eligibility criteria of young participants that providers need to collect, as well as the overlapping rules coming from ESF procurement guidance and public contract regulations.

##### Substance of the measures

- (7) No attention is paid to the quality of job offers, and only short periods of training are provided with focus mainly on basic skills. The key problem seems to be that mainly short-term and low paid/non-paid work experience is available for the youth.
- (8) Conditionality and harsh sanctions may destroy the trust and cooperation between young people and employment services.

#### *Work-first regimes and solitary school-to-work transitions*

In **Bulgaria**, the unemployment rate of youth 15-29 increased during the crisis and beyond to 14.4%, the NEET rate rose to 22.8% (2015);<sup>19</sup> meanwhile, youth part-time employment was low (3.4%), as was temporary employment (7.6%). The ALMPs effort was weak (expenditure per 1 percent of the unemployment stock was 0.015% of GDP in 2013<sup>20</sup>).

The progress in policy development may be seen in the following (see Stoilova et al. 2016, Spasova et al. 2016):

#### *General policies/measures*

##### Governance of the measures

- (1) The numerous programme materials by the government and legal acts reflect on these problems well and suggest appropriate measures to some extent; the YG is considered a good opportunity for the country.
- (2) Horizontal coordination was ensured through the creation of special inter-institutional networks and bodies at the national and local levels (Networks Agreements on cooperation).

##### Substance (contents) of the measures

- (3) The enhancement of an enabling/human resources investment approach has been evidenced: the legal acts from 2013 and 2015 brought measures promoting dual VET training and regulations on internships and apprenticeships.

#### *Specific (youth) measures*

##### Governance of the measures

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<sup>19</sup> Data by Eurostat, based on LFS.

<sup>20</sup> Own computations based on the OECD labour market database.

(4) An innovative measure was implemented with youth mediators who are appointed by municipalities and are expected to identify and make contact with inactive persons up to 29.

#### Substance (contents) of the measures

(5) Long-term unemployed youth and NEETs have been put as a priority target group.

(6) Some standards related to a good job offer were applied in practice: this offer should match qualifications, health status, offer employment security, healthy and safe working conditions, possibility of individual growth, and remuneration of no less than the minimum social security contributions threshold.

(7) Afterwards, the job position must be preserved for 12 months after the end of the wage subsidy and half of the young people must be kept in employment.

On the other hand, remarkable weaknesses were recognised:

#### *General policies/measures*

##### Governance

(1) Funding is the key problem: while youth unemployment represents about one-fifth of the unemployment stock, the funding of youth measures amounts to only about ten percent, which means that the scope of the measures in the numbers of participants and quality is actually limited.

(2) Governance, administrative capacity and personnel capacity are rather weak, which makes it difficult to implement the measures effectively, as well as to conduct individual case work or monitor the measures.

#### Substance (contents) of the measures

(3) There is a considerable discrepancy between the programme documents, on the one hand, and the implementation of the concrete measures, on the other.

(4) Targeting ALMP programmes at vulnerable groups (young, low-skilled, Roma) is not sufficient.

(5) The implementation of YG was somewhat 'mechanical' – as it was motivated mainly by the opportunity to obtain EU resources – and their added value is not apparent. These problems probably cause the lower effectiveness of YG: in 2015 only one-quarter of those completing the YG scheme started a job/employment or resumed their education.

(6) The labour market was made more flexible (e.g. introduction of contracts to work certain days a month and a new agricultural type of contract with the same social security contributions). The reforms also enabled home and distant work. The number of young people working on a fixed-term contract has dramatically increased in recent years. There was only one measure adopted to reduce the use of overtime hours in part-time contracts.

(7) Young people can work in subsidized temporary jobs (some of them part-time). The disadvantage of such jobs is seen in the low wages resulting in low future

benefit compensation. Such programs are not seen as a stepping stone to full-time or stable employment.

- (8) Most young people are excluded from unemployment benefits. These benefits are hardly accessible to young people: they are low (below the subsistence level) and only available for a short period of time.

There is a substantial waiting period for some claimants of social assistance. The economic dependence of young people on parents is growing.

### *Specific (youth) measures*

#### Governance

- (9) No effective mechanism for encouraging the registration of NEETs has yet been put into practice.

**Greece** is the country that was the most severely hit by crisis. The GDP shrank by 25%, and Greece was also exposed to drastic fiscal discipline measures. The unemployment rate of youth 15-29 increased during the crisis and beyond to the alarming rate of 41.3%, and the NEET rate rose to 24.1% (2015);<sup>21</sup> meanwhile, youth part-time employment was 17% and temporary employment 23.5%. In contrast, the ALMPs effort was weak (the expenditure per 1 percent of the unemployment stock was 0.02% of GDP in 2013<sup>22</sup>).

The key trend regarding young workers was flexibilisation – both in nominal flexibility (prolongation of the trial period from 2 to 12 months) and wage flexibility (minimum wage of people under 25 was set at 32% less than the national level). YG measures, on the other hand, have had only limited impact.

However, some progress has been noticed in the education sector, although there are reservations about the effectiveness of the measures (see Karamessini et al. 2016, Kaminou and Parsanglou 2016).

### *General policies/measures*

#### Governance

- (1) The Act of 2013 expanded apprenticeship in the full range of vocational education (Class Apprenticeship in the fourth year of vocational high school).
- (2) Career offices were created within the Vocational Schools of PES.
- (3) The priorities of the Greek Action Plan on YG were to establish a permanent system for the assessment of labour market needs; they targeted vocational training for the integration of youth in the labour market, and supported internship, the enhancement of youth entrepreneurship, and second-chance schools.

On the other hand, the measures of YG suffer some serious weaknesses.

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<sup>21</sup> Data by Eurostat, based on LFS.

<sup>22</sup> Own computations based on the OECD labour market database.

## *General policies/measures*

### Governance

- (1) The governance frame is ineffective: the effort of many stake-holders in education, vocational training, and employment is fragmented; an integrated framework for Internship is lacking. Horizontal coordination at the national and local levels is also a challenge.
- (2) The need to restructure the operation model of PES and provide an individual approach has been recognised; however, it remains a challenge to future reforms.
- (3) The workload of the Public Employment Agency staff is too high; individual support is beyond the personnel capacities. For similar reasons, an offer under YG was not made obligatory, as it would not be realistic to comply.

### Substance (contents) of the measures

- (4) Greece has one of most residual and fragmented unemployment protection systems. There are specific stricter rules for first-time claimants of UI. A guaranteed minimum income scheme was introduced in 2014. There are also specific benefits or measures for young people (e.g. for the long-term unemployed), although they are also of a residual nature. Young people are often obliged by their conditions to live with their parents.

## *Specific (youth) measures*

### Governance

- (5) Voucher programmes were implemented for internship and professional experience, which provide more choice for young people. However, these programmes fail to offer any kind of professional certificate at the end and the training period is too short.
- (6) There are indications of serious failures of the programmes: training providers typically do not perform any consulting and monitoring after the training is completed. Employers providing internships often do not provide any support to young interns, using them merely as a form of free labour. About 90% of the employers did not hire the interns after they completed the internship period.<sup>23</sup>
- (7) The programmes do not address young people with migrant backgrounds or members of other minorities; they fail to integrate them into the education system or labour market.

In **Spain**, the unemployment rate of youth 15-29 increased during the crisis and beyond to 36.7%, and the NEET rate rose to 19.4% (2015).<sup>24</sup> Youth part-time employment was 27.7% and temporary employment was extremely high (55.1%). However, the ALMPs effort was weak (expenditure per 1 percent of the unemployment stock was 0.02% of GDP in 2013<sup>25</sup>).

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<sup>23</sup> This has to do with the general economic situation.

<sup>24</sup> Data by Eurostat, based on LFS.

<sup>25</sup> Own computations based on the OECD labour market database.

Spain adopted its own plan to combat youth unemployment shortly before the EU YG was launched. This initiative has led to some new developments towards the enabling/human capital development approach to some extent (see Ayllón and Ferreira-Batista 2016a, 2016b).

#### *General policies/measures*

##### Governance of the measures

- (1) At the end of 2012, education and training system reforms were legislated. They started the gradual implementation of the Dual Training system/VET, which aimed to decrease the number of school drop-outs and improve the basic skills of low performing students.

##### Substance of the measures

- (2) There was also the Second Chance programme for drop-outs, initiated as a small scale measure. However, financial support to the participants is only conditional on family income.

On the other hand, there were several serious failures/shortcomings evidenced during YG implementation:

#### *General policies/measures*

##### Governance of the measures

- (1) The most important problem appears to be the lack of coordination between the national level and the Autonomous Community governments (which is very important since the National Employment System is decentralised – each Autonomous Community conducts its own ALMPs). In fact, neither serious discussion was carried out with most of the Communities before the implementation of YG, nor was a mechanism for horizontal coordination established.
- (2) There is a lack of horizontal coordination among educational systems, companies and the PES active labour market policies.
- (3) Insufficient financial resources is a problem: after YG was extended to the group 15-29 in 2015, the lack of resources caused a detrimental effect on programme effectiveness (the estimated level of per capita investment was reduced by half to 560 euros).<sup>26</sup> The Autonomous Communities lack resources in their budgets to complement national funding.
- (4) The poor institutional capacity of PES is also a problem: due to delays in the set-up of the central information system, the application procedures for young people were complicated. Even the creation of a new central system in parallel to the already existing system on the local level was a problem. There were no specific outreach mechanisms for NEETs; only about one-third of the expected numbers of young people were registered in YG scheme (data by April 2016). The bureaucratic procedures do not take young people's competences into account.

##### Substance (contents) of the measures

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<sup>26</sup> In Germany (a leader in this respect), there were 20,765 Euro per capita provided (see above).

- (5) Due to these circumstances, the measures did not comply with the needs of young people in providing an individual tailored approach; nor have they managed to attain the trust of young people.
- (6) The share of temporary contracts among young people has been very high in Spain for a long time. There is still a very great difference in EPL for permanent and temporary contracts.
- (7) Unemployment protection for young people is weak (and has been further reduced recently). Entitlements based on the past contributions, as well as age and family status, are some of the factors that contribute to the low chance of claiming any unemployment benefits at all.

#### *Specific (youth) measures*

##### Governance of the measures

- (8) It is not possible to obtain reliable evidence on the performance of the programme as the monitoring of YG is poor: no information is available as to how many are registered, or how many of those completing the scheme went to a job/employment or returned to school.<sup>27</sup>

##### Substance of the measures

- (9) There were hiring incentives for employers provided; however, there is a criticism of the misuse of the bonuses: the young people in the programme would have been hired without the subsidy. This is again documented by the fact that the hiring rates were not improved despite the subsidies. This situation is due to the poor governance/regulation of the programme implementation.

To conclude by generalising the above assessment, in the group of countries where the work-first approach prevails, the above shortcomings stem from the general trend of flexibilisation, inadequate governance frameworks, and insufficient financial and personnel resources. It is desirable to adopt new solutions both at the national and EU levels to reverse this general trend (for the recommendations see the next section).

## **2 Policy implications and recommendations: when the policies may be effective**

### *Shaping the overall economic and social policy context*

The analysis of the developments in policies that facilitate the integration of young people into the labour market have highlighted several unfavourable development trends in 2007-2013 that hamper the effectiveness of the policies for youth in several respects:

- (1) The economic policies of the EU went explicitly or implicitly against the objectives expressed in the Council YG recommendation. In particular, the Excessive Budget Procedure and related fiscal austerity policies undermined the fiscal capacities of many countries (Greece and Spain are the best examples) to co-finance the

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<sup>27</sup> This also relates to the missing communication between the national and local levels.

measures needed to face a problem of such magnitude. This contradiction deserves more corrective actions at the EU level.<sup>28</sup>

(2) The national political priorities regarding the economic and social policies matter primarily in that they are sometimes influenced by the Council requirements related to the country's fiscal discipline measures. The two priorities are identified in the policies:

- The first one is the flexibilisation of the labour markets, which includes the reduction of unemployment income protection; in the case of youth in particular, this would involve wage flexibility and the expansion of non-standard contracts (e.g. Hora et al. 2016a).
- The other policy concerns the increasing emphasis on the work-first approach, combined with workfare policies (Lødemel and Moreira 2014).

In contrast, the YG principles emphasize the guarantee of the offer, the quality of the offer, and the individualised, enabling/human capital development approach. These principles originate in the experience of the Scandinavian welfare states, which possess sufficient financial, governance and personnel capacity to put them into practice. Such principles, however, are not compatible with an austere climate or the above actual priorities of the policies.

(3) Experience shows that an adequate governance framework is needed for the effective implementation of measures to integrate young people into the labour market. Such a framework includes:

- Adequate financial resources (EC 2016a, 2016b recognised this problem as well)
- Effective vertical coordination – at the EU, national, regional, local levels
- Effective horizontal coordination of the policies across policy fields/sectors and among different actors (public/non-profit, for-profit/employers, social partners)
- Personnel capacity of the key actors, primarily, Public Employment Services (see EC 2016a): the overload of front-line staff represents a serious obstacle to the individualised, holistic measures.
- Monitoring and evaluation capacity and skills are needed.

### *Recommendations for the EU level of policy-making*

(1) There are contradictions leading to unintended effects between EU economic policies and employment/social policies that sometimes conflict with each other. The discussion of this discrepancy is not new (e.g. Barbier et al. 2015, Ferrera et al. 2002, Sharpf 2002), but the crisis made it an even more pressing problem. The negative impacts of the economic austerity policies need to be avoided as much as possible.

(2) Coming from the above assessment of the policy performance of the nine countries, the most important policy recommendation is to build the appropriate governance framework and infrastructure, which should have priority over specific

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<sup>28</sup> We reflect that 're-financing' to members states by around one billion Euros improved the situation to some extent.

measures like YG. There is an obvious discrepancy regarding the inadequate governance framework (the long-term task) that hampers the possibilities for implementing the specific measures on the short-term. Consequently, failures of the specific measures often emerge.

It is not realistic to expect that the structural reforms in the governance framework or the building of institutional infrastructures would emerge as a by-product of the YG or similar initiatives. EU funds that are available for employment policies, education and social inclusion should be better coordinated with specific initiatives like YG and be more focused on the governance framework and institutional capacities.

These issues have been discussed as recommendations in some analyses on YG implementation: the need to strengthen insufficient human and financial resources (OECD 2014, EC 2016a), to ensure long-term funding (ETUI 2016), and to create an appropriate governance framework (ILO 2015). Nevertheless, the impact of these recommendations has only been marginal to date.

- (3)** Bureaucratic barriers to the effective implementation of the measures supported by EU funds should be removed. Despite the fact that the support of the EU is welcome on the local level, the local political actors often fail to apply for EU-funds because the documentation is very extensive and complicated. Bureaucratic obstacles are often barriers to the successful implementation of measures: the overly detailed forms or high documentation requirements hamper the application for EU-funds for the participation of young people in useful measures financed by the EU. Communication concerning the administrative procedures linked with ESF/YEI is often too complicated and not transparent.

## *Policy recommendations for the national and sub-national level*

### *Improving governance*

The experience from the nine countries shows that the measures may be effective under the following conditions:

#### **(1) Better coordination**

##### ***Vertical coordination: balanced decentralisation***

The overall coordination between national and lower levels of governance seem to be a key factor for the effectiveness of policies. Some freedom on the local level is necessary for adaptation to local needs and tailored measures. A strong hierarchy in Public Employment Services, especially when combined with inadequate quantitative targets for case workers is not effective.

On the other hand, the perverse effects of decentralisation represent a barrier to success where strategic decisions are transferred to lower levels but not supported by an actual capacity of co-funding (as is the case of LEPs in the UK or a more general problem for ALMPs in Spain).

Possible overlapping and contradictory legislation on procedures also represent a barrier and should be avoided.

### ***Horizontal coordination: towards a holistic approach***

Where more cross-sectional coordination of employment- and education-oriented measures with other social services like child-care, housing, social inclusion-oriented services is in place, the measures seem to be more effective. However, the lack of such coordination is a weakness of public policies in most of the countries.

Projects that adopt new modes of governance supporting long-term change in the governance structures are helpful in improving the governance framework (Network Agreements in Bulgaria, Voluntary Labour Corps in Poland, or Apprenticeship and Internship schemes in the Czech Republic are good examples).

### **(2) Developing partnership and network governance**

Cooperation with employers in various fields is beneficial: vocational education, professional training design, counselling, etc. are needed in order to address the shortages of competences (including soft skills) and to provide work experience to youth. In particular, closer cooperation between the business sector and education (in terms of internship) is beneficial. Except for Norway, Switzerland and Germany, this cooperation is not intensive enough.

Similarly, closer cooperation with the businesses and companies that have the capacity, time and resources for integrating young disadvantaged people also brings results. Cooperation at the local level and the direct contact between policy makers and entrepreneurs are among the main conditions for creating new training positions.

The systematic inclusion of trade unions in the programme design and strategic consultation is absolutely necessary for the appropriateness of apprenticeship, training schemes and skills development.

Close cooperation with the schools is helpful (as is already happening in Norway and Germany) to reach young people preventively, before they drop out of the system, and for the follow-up of the drop-outs.

On the local level, the involvement of youth social work is beneficial, mostly when the aim is to reach out to young people with complex problems. Similarly, the involvement of civil society and youth organisations helps better identify the needs and potentials of young people.

These principles are also emphasised in the original YG guidelines (Council 2013); however, they are not consistently applied in most of the countries (EC 2016a, 2016b).

### **(3) Improving financing and personnel capacity**

Reliable funding is the basis of sustainable projects (see also EC 2016). When possibilities are not created on the basis of national budgets to perpetuate well-functioning projects or programs, the effects are only marginal. The number of participants/offered places in such projects seems not to be appropriate to the scope of the problem in some countries.

Similarly, sufficient personnel capacity of PES is necessary for the targeted, needs-oriented individualised approach to young people. This condition, however, is often not met.

#### **(4) Providing an appropriate time frame**

The EC (2016a) highlighted that the Youth Employment Initiative (YEI) suffered from having too short a time-frame for the implementation of such a comprehensive scheme.

Similarly, Assmann et al. (2016) emphasize that the personal development of the young and projects and measures for combatting youth unemployment need time: highly effective measures like “career entry-support by mentoring” develop their effects only on the long-term; nevertheless, they are more successful since they help young people gain true self-confidence and develop realistic aims, which are a source of lasting motivation for them.

Furthermore, programmes at the local level need *time to be built up*, which shows the case of the implementation of a complex cooperation scheme like the “Youth Career Agency”. If fundamental changes are wanted, political actors need sufficient time to implement them.

Moreover, the exclusive orientation towards rapidly decreasing unemployment rates and quick job placement is counter-productive in this context.

It follows that the long-term effects and sustainability of the outcomes should be made a priority in their support over the short-term measures. These effects are directly associated with the job and training quality. They can be captured through long-term monitoring of the measures and their participants.

#### **(5) Implementing monitoring: towards evidence-based policy-making**

The need to implement the monitoring of labour market developments and of the programmes as a key condition for the evaluation of the effectiveness of different programmes is recognised, as is the need for the quality of the offer to be more prioritised in practice. Similarly, the monitoring and forecasting of the professional/educational needs of the labour market/employers are also considered as necessary.

In particular, precise information on targeting the individual measures to the young unemployed (including the division of participants into groups and sub-groups). Data on the effects of the programme, in terms of the particular job retention in these subgroups, is lacking but considered to be needed.

A qualitative model of assessment of the policies would be useful to be implemented, based on the long-term analysis of the economic activities of the young people.

A systematic database about the path of each young person in the YG system, and an improvement in the evaluation of the effectiveness of the programme could help in this.

The delays in implementing monitoring systems and the need to establish qualitative assessments were also discussed in the EC report (2016a).

## *Improving the substance of the measures*

The measures are more effective when bearing the following qualities:

### **(1) More individual support and choices, respecting the needs and potentials of young people**

Basically, the effectiveness of the programmes depends on how well they are adapted to the needs of specific sub-groups of young people and to what extent they are individualised.

Improvement of diagnosis (profiles) and individual case work is helpful in this respect. For this purpose and for the effective coordination of the Individual Action Plans and YG scheme, a more individualised and integrated approach towards young people is needed.

In particular, for the sustainable integration of young people, it is necessary that they receive personal guidance; a good relationship with the respective case worker is often increasingly important (as we know especially from the qualitative interviews, see Stoilova et al. 2017). Similarly, the mentoring programs are also quite efficient (especially for young people with complex problems), because the personal contact with the mentor who supports them helps the young people to gain self-esteem, develop personally, and pursue their career goals.

### **(2) Developing skills/enabling approach**

The quality of education and the flexible response of the education system towards the needs of the local labour market is another quality that is needed but often insufficient.

The development of VET systems along the dual track model, coordinated with the internship and traineeship schemes, proves to be crucially important for successful school-to-work transitions.

From a more general perspective, the improvement of competences and the acquisition of new professional and social skills of young people by promoting lifelong learning is considered to be crucially important.

Full-time education and social inclusion programmes that do not necessarily lead to paid jobs or qualified training can also serve as alternative exits from unemployment.

Career counselling for young people, as well as outreach strategies and follow-up focused on (potential) school drop-outs are all important tools for many young people who face multiple problems.

### **(3) Focusing on the quality of the measures**

Focus on the sustainable integration of young people in education or labour implies a strong focus on the quality of measures and jobs (see also EC 2016a, 2016b).

Regarding YG at the EU level, a better specification of what a 'qualified offer' means exactly could help to improve the quality of measures. Otherwise, YG cannot meet the expectations that young people would be provided with a real new chance (or 'guarantee').

It is worth noting that in Germany, Norway and Switzerland, the well-developed policy infrastructures and measures provide a window of opportunity for a stronger focus on the quality of the measures and, more generally, on the quality of offers for young people. Specific measures for the most disadvantaged youth (often of migrant origin or disabled) may also be effectively developed. Some of the other countries would probably accept more modest objectives; however, there should be a benchmark.

The issue of quality was strongly emphasised in the YG recommendation (Council 2013); nonetheless, it seems to be insufficiently implemented, therefore, resulting in it being put on the agenda again (European Parliament 2017).

#### **(4) Targeting the needs of vulnerable groups**

Focus on young people with multiple obstacles helps to increase the effectiveness of the measures. However, their problems are complex and it is necessary to develop measures, learning environments and support structures that are adapted especially to their needs. This includes ensuring that such groups are able to complete sufficient level of initial education.

This also means that a better selection of measures and programmes should be offered in order to optimally respond to the different demands/characteristics of the various sub-groups of unemployed youth.

The strict eligibility conditions for participation in YG and the registration process often represent a high barrier/threshold in many cases; for this reason they need thorough consideration. The criteria for obtaining support could also be verified through a more in-depth qualitative analysis.

A mechanism for encouraging the registration of NEETs could help to make these principles work (see also EC 2016a, 2016b). Similarly, better information provided to the youth about the programmes available through various channels might improve the targeting and intake.

#### **(5) Fine-tuning the instruments**

Sufficient economic incentives for employers to encourage them to hire young people after their internship help to improve the chances of young people. Similarly, supporting entrepreneurship and enabling the use of professional advice and training in this field should be strengthened.

The sustainability of apprenticeship and internship placements after the programmes expire also needs attention, particularly in times of economic recession: when the subsidised work ends, the young people are often laid off, because there are no "real" jobs for them (see above on the problems with subsidising measures in Greece). Sustainable placements help young people to avoid the risk of scarring and also alleviate reservations from the side of the

employers when hiring young people (for a discussion of these aspects, see Imdorf et al. 2017).

Most of the above principles (points 4, 5) were outlined in the YG recommendation (Council 2013); however, the assessment of implementation in the countries in focus documents the persisting gaps/policy deficits (EC 2016a, ILO 2015).

## Conclusion

The above findings on the conditions for success of the school-to-work transitions and labour market inclusion of young people, and the related policy implications are relevant for most of the countries in focus here.

As illustrated in the previous section, there are still remarkable differences between the countries: the largest gaps/weaknesses in the substance of the policies and overall governance, financial structures, implementation conditions and, similarly, the specific measures are identified in those countries that put much more emphasis on the work-first approach than on the enabling/human capital development approach. This means that far-reaching structural reforms in policies and their governance are necessary there, as well as the turn-off in the overall approach from so much work-first oriented towards more enabling.

Finally, the policies often fail to correspond to the scope of the problem in those countries where the unemployment and NEET rates are extremely high. Their situation requires an even more comprehensive strategy and a better balance of economic and social policies.

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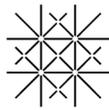
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