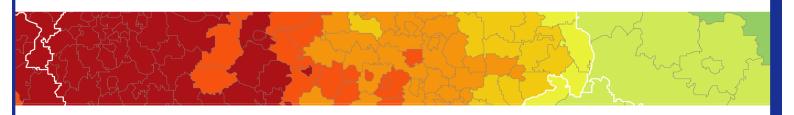


Inspire policy making by territorial evidence



# YUTRENDS – Youth unemployment: Territorial trends and regional resilience

ANNEX 3
CASE STUDIES

**Applied Research** 

This applied research activity is conducted within the framework of the ESPON 2020 Cooperation Programme, partly financed by the European Regional Development Fund.

The ESPON EGTC is the Single Beneficiary of the ESPON 2020 Cooperation Programme. The Single Operation within the programme is implemented by the ESPON EGTC and co-financed by the European Regional Development Fund, the EU Member States and the Partner States, Iceland, Liechtenstein, Norway and Switzerland.

This delivery does not necessarily reflect the opinion of the members of the ESPON 2020 Monitoring Committee.

#### **Authors**

Andreea Pop, Byron Kotzamanis, Emmanuel Muller, John McGrath, Kenneth Walsh, Marjolein Peters, Robert Girejko, Christophe Dietrich ICON-INSTITUT Public Sector GmbH (Germany)

#### **Advisory Group**

Project Support Team: Katharina Degen (MC CH), Silvia Jost (MC CH), Arni Narain (MC UK), Petra Goran (DG EMPL)

ESPON EGTC: Michaela Gensheimer(Senior Project Expert), Johannes Kiersch (Financial Expert), Laurent Friederes (Head of Unit), Piera Petruzzi (Outreach)

Information on ESPON and its projects can be found on www.espon.eu.

The web site provides the possibility to download and examine the most recent documents produced by finalised and ongoing ESPON projects.

This delivery exists only in an electronic version.

© ESPON, 2019

Printing, reproduction or quotation is authorised provided the source is acknowledged and a copy is forwarded to the ESPON EGTC in Luxembourg.

Contact: info@espon.eu

# Content

A.	Case Study: Blagoevgrad Region (Bulgaria)	4
В.	Case Study: County Donegal (Ireland)	19
C.	Case Study: Gdańsk City Municipality (Poland)	31
D.	Case Study: Hamburg Region (Germany)	49
E.	Case Study: Leeds City Region (United Kingdom)	65
F.	Case Study: Navarre Region (Spain)	79
G.	Case Study: Riga (Latvia)	95
Н.	Case Study: Tampere (Finland)	. 105
l.	Case Study: Turin City Region (Italy)	. 120
J.	Case Study: Twente Region (Netherlands)	. 141

## A. Case Study: Blagoevgrad Region (Bulgaria)

#### **Abbreviations**

BG	Bulgaria
BLG	Blagoevgrad
EA	Employment Agency
EURES	The European job mobility portal
ESF	European Social Fund
HRD OP	Human Resource Development Operational Programme
NEET	Not in Employment, Education or Training
NSI	National Statistical Institute
EYG	European Youth Guarantee
LO	Labour office(s)
NUTS	Nomenclature of Territorial Units for Statistics
REO	Regional Employment Office
SME	Small and Medium-sized Enterprise
YEI	Youth Employment Initiative

#### 1. Background and context

#### 1.1 The area

The objective of this case study is to identify good practice in implementing the European Youth Guarantee (EYG) in Blagoevgrad (BLG)<sup>1</sup> district in Bulgaria (BG). Secondary information from the National Statistical Institute (NSI) and administrative statistics of the Employment Agency (EA), the Regional Employment Service (RES) of BLG district and information from the Labour Offices (LOs) have been used. Primary information about improving youth employment was collected from representatives of the labour administration and other stakeholders through interviews.

The BLG district (NUTS 3) is a province of South-Western Bulgaria and includes 14 municipalities with 11 towns (see Figures 1 and 2). The total population was 307,900 in 2017, or 4.4 % of the total population of Bulgaria. The ethnic composition of the population includes 77.6 % Bulgarians, 5.3 % Turks and 3.0% Roma. The principal (and biggest) city is Blagoevgrad (77,400 inhabitants), followed by Petrich (54,000) and Sandanski (40,500)2.



Location of Blagoevgrad district in Bulgaria



Blagoevgrad district with municipal subdivisions and centres

.

<sup>&</sup>lt;sup>1</sup> Blagoevgrad district has been recommended by the Employment Agency as a district with good practices in applying the European Youth Guarantee.

<sup>&</sup>lt;sup>2</sup> Population census 2011.

The district has had good results in reducing youth unemployment in a territory with a mixed ethnic composition, low diversity in the municipal economies and lower labour costs compared to the national levels. The common feature of the municipalities in the district is that they still better (but still declining) demographic characteristics in comparison with the national trend3.

The key indicators of BLG are shown in Table 1. In 2017 the employment rate at 69.2 % was higher than the national average by 2.3 % and the unemployment rate at 4.6 % is less than the national average by 1.2 %. Unemployment peaked at 14.1% in 2014 but fell back to 6.9% in 2017. Across the 14 municipalities, there are large variations in employment and unemployment with the more deprived areas of rural municipalities suffering most.

Table 1: Key Indicators (2017, in thousands) Blagoevgrad region

Key Indicator	Data
Resident population	307,900
In employment	143,400
Unemployed	6.9 %
Employment rate 16-64	69.2 %
Youth unemployment share 16-24 of the total number of registered unemployed*	5.7%

<sup>\*</sup>At NUT 3 level the administrative statistics is available, and it is about the number and shares of the youth unemployed. The Labour force survey does not provide information of good quality at this level about the unemployment rate and thus such data is not published. Source: NSI.

The Blagoevgrad district labour market is serviced by REO and seven LOs and their affiliates, located in the municipal centres of Blagoevgrad, Razlog, Gotse Delchev, Petrich and Sandanski. The LOs cover the whole territory of the district.

#### 1.2 The development of youth unemployment and inactivity

In 2017 the total number of unemployed aged 15 and 24 years old registered with the labour offices in BLG district reached 866 persons, which was almost twice lower from the peak of 1,960 persons in 2014. The distribution of young unemployed across the territory is varies with concentrations in the towns of Petrich (15.5 %), Blagoevgrad (15.1 %) and Belitza (11.1 %).

Youth unemployment is falling due to combination of special measures to tackle it, economic recovery in the region and the the demographic factor. The intensity of this decrease is close to the national tendency, though slightly below it (table 2).

Table 2: Youth Unemployment Trends (Annual average)

rable 2. really enempleyment fremae (rumaar average)							
Age	Pei	rcentage rat	Unemployment rate, %				
groups	15- 19	20 - 24	15 - 24	15 - 64			
2008	1.8	6.3	8.0	6.69			
2009	1.4	6.9	8.4	9.3			
2019	1.3	7.1	8.4	11.8			
2011	1.3	7.7	8.9	12.2			
2012	1.5	8.2	9.7	14.1			
2013	1.4	7.8	9.2	14.3			
2014	1.1	6.5	7.6	15			
2015	0.9	5.6	6.5	13.8			
2016	0.7	4.7	5.5	12.5			
2017	0.7	5.0	5.7	10.3			

Source: RES -Blagoevgrad.

The distribution of unemployed youths by ethnicity follows the general distribution of the population in the district. Young Bulgarians predominate, followed by those with Turkish and Roma ethnicity. The structure of the supply of youth to the workforce by education and qualification has not changed significantly since the post crisis period. Among unemployed youth, those with basic and lower education predominate.

<sup>&</sup>lt;sup>3</sup> In 2017 the natural increase rate of the population in BLG was -4.6 %, whereas that for Bulgaria was -6.5%. Source: National statistical institute (NSI), http://www.nsi.bg/en/content/6718.

In 2017, the relative share of young people not in employment, education or training (NEET) in BLG district was 13.5%. Since 2004, this figure fluctuated like the total in BG. The decline started in 2014 and by 2017 their share reached 13.5 % from 10.4 % in 2008. The activation of the inactive young people remains a problem in BLG district.

#### 1.3 Reasons for youth unemployment

The dynamics and structures of the unemployed young people and the rate of NEETs in BLG district depends on some common reasons:

- The mismatch between the supply and demand for the young workforce because of inadequate skills (or lack of them) and low educational;
- Low interest of employers towards the young people claiming such problems as insufficient discipline, experience, and particular qualifications.

The reform in secondary professional education is still lagging and the dual system and apprenticeship programmes are not effective. The perceptions of Bulgarian employers towards the quality of education and the skills of the workforce are vital factors over the past few years.

In addition, the economic situation in the BLG region appears to be not very attractive for young people because of the limited degree of technological transformation of local manufacturing and other branches (with a few exceptions). The job offers tend to be for the low qualified and the attractive sectors for the young people tend to be mainly in tourism. The combination of these preconditions underpins the precarious position of youths on the labour market and consequently their emigration decisions<sup>4</sup>. At the same time, there is a demographic potential in the region that should be utilised in a better way and overcoming youth unemployment and inactivity should be a major strategic priority.

#### 2. Policies and structures in tackling youth unemployment

#### 2.1 Key policies

The policies combatting youth unemployment in BGL are part of the following:

- Active labour market policies (ALMPs) applied by the territorial units of the EA at regional and local levels, in cooperation with district and local administrations;
- Other polices for regional and local economic and social developments.

The goals of these policies are to activate youth, improve their employability and assist transfers to employment. In terms of content, the instruments include programmes, measures and projects; different types of training or studying of key competences and subsequent hiring on subsidized jobs; informing the young people and employers and mediation of their contacts; motivating and consulting services for young people. In some of the cases, the instruments are specifically oriented towards the youths who are the only target group. The majority of the other programmes and measures include youths as one of their targets and could be financed from the State Budget, European Social Fund (ESF) and Youth Employment Initiative (YEI) and from other external donors (for details see Annex 2)..

The only programme for the young unemployed that is financed by the State Budget is for those with higher education and without work experience after graduation. The Programme provides employment in public administration (ministries, agencies and other primary and secondary budget spending units), regional and municipal administrations in correspondence with the educational profile of the young people.

The measures for unemployed young people are stipulated in the Employment Promotion Act and include subsidised employment for a period no longer than 18 months and subsidised

<sup>&</sup>lt;sup>4</sup> There is not particular data about youth migration. During the interviews with representatives of labour administration was suggested that it becomes more intensive after 2014 towards the capital Sofia and the nearby town Plovdiv – the two main economic centers on Bulgarian territory. The emigration abroad (in neighbouring Greece, on a first place) remains attractive option, as it was suggested by the experts.

apprenticeships (for those with basic or lower education and without any previous employment) and internships for 12 months with paid assistance of mentors. The measures were changed between 2008 and 2010 and in 2015 to lengthen the employment periods to stimulate the mentors engaged in the on-job-training.

In 2017 five projects for youth were financed from the Youth Employment Initiative (YEI) and European Social Fund (ESF) under procedures from HRD OP (2014-2020). Investments were oriented towards training of young people and their transitions to employment; provision of broad information; and activation of the young people. Some include innovative elements reflecting Bulgarian practices.

Implementation of the EYG (2014–2020) focused on broadening the political initiatives and their provision as well-coordinated (integrated) services; on development of holistic activation policies that bring together counseling, employment, training, and psychological support. A National Implementation Plan 2014 – 2020 (NYGIP) was developed to organise the work taking a long-term perspective. It allows flexibility and regionalization of the initiatives to reflect the changes in the labour demand and supply at regional level.

All the policies against youth unemployment and inactivity are applied at local and district levels and in accordance with the needs of these territories and the labour administration carries the main responsibilities in these processes.

#### 2.2 Current structures and national policies

In Bulgaria, youth has always been the target of specific employment policies, and particularly so since the effects of the crisis started to become clearer. As a result, a number of structures is present and active in the country.

The National Employment Agency is the main executive agency to the Minister of Labour and Social Policy for the implementation of the government policy on employment promotion. Acting within the limits of an articulated legal framework (including the Act on Employment Promotion, its applicative Regulation, and the Labour Code), the National Employment Agency Main is responsible for a number of functions, including

- · registering both unemployed and available vacancies;
- providing employment mediation services;
- networking with municipalities and employers for public-private partnerships;
- networking with other institutions, programmes and organizations in the field of employment, TVET, and social integration;
- supporting Bulgarian citizens abroad and foreign citizens in Bulgaria in the search of jobs;
- researching and expanding available knowledge on national labour markets.

In addition to this, specific active labour market policies have been implemented at national level since 2011, including "Work for young people in Bulgaria 2012-2013", Youth Strategy 20120-2020, National Youth Programme 2011-2014. The "Work for young people in Bulgaria 2012-2013" is particularly relevant as it exemplifies the main lines of the national activation and employment policies:

- Capillary service provision at local level through Labour Offices, providing consultations, activation measures, information, and registration of unemployed youth;
- Provision of mediation and motivation services, propaedeutical literacy trainings, recognition of professional qualifications and competences
- Support in the education-work transition, including through the facilitation of internships, and apprenticeships, as well as through the promotion of entrepreneurship and remote work

#### 2.3 Effectiveness of policies and structures

Bulgaria's active labour market policies are considered good compared to EU standards, and relatively innovative when compared to the rest of Europe. However, they have not been enough to reach the strategic objective of reducing unemployment, with decreasing numbers of young

people receiving assistance between 2008 and 2012, and decreasing number of young unemployed registered in labour offices. In 2012, only 30% of unemployed youth sought the assistance of labour offices to find jobs.

The unsuccess of the national active labour market policies is probably a symptom of structural weakness in both the business cycle and the policies adopted. On one side, it is probable that the effects of the crisis affected labour demand so heavily that in a way that no implemented measure could generate the vacancies and jobs necessary to curb youth unemployment. On the other side, some of the policies were more effective than others, with labour office mediation services having strong net impacts on young people seeking jobs, in contrast to a large number of youth programmes (more than 43) diluting efforts across the nation.

# 3. Tackling youth unemployment and activation of inactive youths in BLG district

#### 3.1 Specialization and co-location of services

RES and LOs have recruited qualified staff to work only with unemployed youths<sup>5</sup>. This is one of the recognized good practices in Bulgaria, where the hired young mediators (selected among unemployed young people) provide support to young jobseekers. Currently, four youth mediators are working in the municipalities of BLG (Gotse Delchev, Petrich and Sandanski) where the concentration of inactive youths is high. Youth mediators suggest individualised and specialised services to their clients organised as "one-stop-shop" (co-located) services with the labour offices.

The main functions of the mediators are, firstly, to prepare an individual action plan immediately after registration and, secondly, to outline a personal profile and portrait of the unemployed with the necessary information necessary for a suitable job. Mediators are required to conclude an agreement with long-term unemployed youths for integration into employment, requiring a personal commitment of the young person to carry out the assigned tasks and actions for overcoming his/her problems. As a priority, young people are included in Ateliers for Jobseekers to the labour offices, where they gain knowledge and skills for job searching and personal behaviour in meeting employers.

The LOs also include in their staff psychologists and case managers also specialized to work on youth unemployment in collaboration with labour mediators. Roma mediators are also appointed in the labour offices to address the specific needs of Roma youth. They hold formal and informal groups and individual meetings with inactive Roma young people with a view to encouraging their registration at a labour office.

In addition, career consultants work at RES BLG and their main task is to provide information on opportunities for career and professional development. A Career Centre was established in RES BLG in 2017 and provides professional information, guidance and counselling to unemployed youths, information about the local labour market, training on job search strategies, planning of professional development.

#### 3.2 Cooperation

The LOs in BLG apply broadly the "open doors" initiatives for bringing together employers and jobseekers (not only the registered unemployed). A good practice in the RES and LOs in BLG district is to organize "employer's days" in their premises (free of charge). The employers present their company and announce job vacancies for young people. In the period January-December 2017, for example, 36 such events were held and 763 job vacancies were announced. The proposed jobs were almost fully filled, indicating the efficiency of this type of face-to-face event where young people meet an employer.

The *youth job fairs* have already proved their efficacy and are widely applied in BLG region. In the period 2014-2017, nine youth job fairs were organized in BLG district with 135 employers with 991 new jobs and two third of them were filled.

8

<sup>&</sup>lt;sup>5</sup> A list of these employees with their contacts is published on the EA's website.

A special feature of the work of labour administration with youths in BLG district is the priority given to the prevention of unemployment. The transitions of young people graduating from higher education into employment is a focus and in 2015, a cooperation agreement was signed between RES BLG and Southwest University "Neofit Rilski" to ensure access to suitable job information and to activate students to seek employment services through the labour offices. Some of the initiatives involved the participation of representatives of RES BLG and LO BLG in information events organized by Southwest University, such as the career day, open doors day, etc. In addition, through the Career Centre at this university, up-to-date information has been provided about the local labour market and opportunities through the European Employment Services (EURES) and the HRD OP.

Another feature is the cooperation of the labour administration with the Regional Education Department and the active care for the young people completing secondary education. Information meetings are organized for pupils to get acquainted with the regional labour market, the services offered by the labour offices, the EURES network and the professional mobility within the EU (an example of a young person from the town of BLG is presented in Annex 3).

Cooperation is established with the regional and local institutions for the social protection of young people who finished secondary education or vocational training and live in specialized establishments for children. These are family-type placement centres, homes for children deprived of parental care, social vocational training centres, shelter housing (protected, transient and monitored homes). This group of young people are among potential unemployed and helping them to start living with labour income is extremely important. The work with this group consists mainly in providing motivation for continuing education or integration into employment, as well as orientation towards other institutions. After registration in a labour office, they are included as a priority group in ateliers for jobseekers (an example of such a young person from Bansko is provided in Annex 3). Psychologists and case managers at the labour offices are involved and career consultants also consult the young people.

Labour offices keep contacts with the "Union of People with Disabilities" for targeting disabled people on programmes and measures for employment and training. Another social function is the work in a team with a labour mediator on social integration of released prisoners. Local structures of NGOs working with the Roma population have been involved in the work with those inactive young people far from the labour market and the high involvement (and capacity) of certain national bodies offers a range of support in finding and establishing contacts with inactive people and gaining their confidence.

In rural areas and those with mixed ethnic populations, the labour administration is in contact with local structures established under the Leader+ Programme and other rural development programmes. In the BLG district, local initiative groups (LIG) work for the municipalities of Gotse Delchev, Garmen - Hadjidimovo. Two project proposals for training of the unemployed and employed people have been prepared recognising that young people up to 29 years of age are one of the priority groups of the unemployed. The trainings will contribute to the realization of the rural development programme 2014-2020 through the community-led local development approach and also expand the partnership approach for the implementation of the Youth Guarantee<sup>6</sup>.

#### 3.3 Establishment of partnership agreements

In the BLG district, each LO signed an agreement for implementation of the EYG with the municipalities it serves. Similar agreements were signed between RES in BLG and the Regional Education Department, regional structures of employers and trade unions and meetings with representatives of these organizations are held regularly. Issues discussed include the activities on implementation of policies for young people, changes in previously applied project schemes, current problems and the situation on the local labour markets. Importantly, agreements include implementation of joint activities of importance for young people in the region and include the following:

<sup>-</sup>

<sup>&</sup>lt;sup>6</sup> Trainings for unemployed persons are eligible actions under HRD OP, including training in the field of agriculture and forestry, but in strict observation of a demarcation with Operational Program "Regions in Growth" for applicants who will train or hire trained persons under the procedure.

- Identifying young NEETs not registered in a LO; coordinating and supporting the activities
  of the youth mediators employed by the municipalities within National Programme
  "Activation of inactive persons"; field visits and meetings with inactive youths. The
  fieldwork teams include Roma mediators, case managers and youth mediators, health
  mediators, ethnic and integration experts, mayors of small settlements and others.
- Organizing and delivering information meetings with young people, including students, to
  promote the services offered by the labour offices: information about employment
  opportunities, including professional mobility through the EURES network; increasing
  motivation for active behaviour and integration on the labour market; provision of
  employment services for young people through field work;
- Meetings and consultations with partners in relation to announced procedures for employment promotion measures under the Employment Promotion Act, including on youth employment;
- Meetings with the mayors of municipalities / representatives of the municipal administrations to discuss and implement the policy on promoting youth employment;
- Providing information about the opportunities for tackling youth unemployment, given through the open procedures under HRD OP and through training;
- Implementing joint projects on professional qualifications, key competencies and employment for young people in cooperation with the social partners;
- Carrying out information campaigns "Come and register in a Labour Office", "Open Doors Day", etc.; exchange of information and joint activities with the Youth Information and Counselling Centres.
- Initiatives for youth participation in youth job fairs and employer's days to fill vacancies announced by the LO.

#### 3.4 Integrated services for young NEETs.

In 2017 the innovative project "Ready for Work" (2017-2019) has started to make the work with NEETs more efficient. Its target group is NEETs up to 29 years. The project is innovative in the work with inactive young people, because it applies:

- Integrated approach to the whole cycle from finding inactive people until their placement in employment.
- Multivariate approach at each stage of the cycle and for each project group of actions, which allows finding appropriate tools for working with young people;
- A unified approach for providing infrastructure prerequisites for the implementation of the project at local level in each LO and RES.
- Expansion of the partnership approach in youth activation specialized NGOs are delegated activities related to identifying and activating some groups of young people, as well as developing methodological materials for working with them.

The activities in the "Ready for Work" project (Human Resource Development Operational Programme (HRD OP)) has been an important focus in the work of the BLG district labour administration over the past two years.

#### 4. Degree of local autonomy

Local autonomy in Bulgaria is limited mainly because of the low financial capacity of the district and municipal budgets. At regional and local levels, labour administration experts apply the labour policies financed by the State Budget, ESF (in cases EA is the only beneficiary) or YEI. The partnerships already established do not need additional financing (and contracting). These so called 'loose' partnerships rely on the human resource capacity of the partners involved. Therefore, training programmes provided of the labour administration have priority and especially for the work with young NEETs (such as the project "Ready for Work" which included training sessions held by psychologists and other external experts.

The public administration is not sufficiently supported by local employers and the NGO sector in the work with unemployed youths. Employers' representative organizations (and those of the trade unions) receive funding from the State budget to implement national labour programmes, mainly in the field of training and for some studies of common interest. However. most of the NGOs rely funding opportunities for specific projects after which they tend to demise. Voluntary work has been poorly developed especially in terms of psychological support and motivation but the assignment of activities to external organizations within the "Ready for Work " project may bring a positive effect and stimulate cooperation between labour administration and NGOs.

#### 5. Effectiveness and diversity

The importance of EYG initiatives for young people in the BLG district is evident in some indicators of youth transitions to employment. There are some fluctuations in the data (Table 3) but the important indicator shows that the shares of employed young people increase, mainly because of employer demand.

The programme funded under the HRD OP provide more opportunities for transition to subsidised employment, compared with programmes and measures financed by the state budget. This is an expected outcome, which corresponds to the structure of the financial resources allocated for these instruments.

rable 3. Employed young people up to 24 years old in BLG region								
			Employed,	structure, %		Relative share		
Years	Total number	Total (%), incl.	On the open market	In programmes and measures	In HRD OP project schemes	of the employed to the registered		
2014	2421	100.0	70.6	9.0	15.6	11.7		
2015	2106	100.0	65.5	4.7	25.9	13.0		
2016	2481	100.0	54.6	2.6	37.3	20.0		
2017	2036	100.0	71.5	2.2	22.1	19.6		

Table 3: Employed young people up to 24 years old in BLG region

Source: Administrative statistics of RES in BLG.

The results of the work with NEETs are also encouraging with more than 80% of the identified NEETs registered with BLG labour offices<sup>7</sup>. The first results of the implementation of the "Ready for Work" project are good, but there is not enough empirical data for firmer conclusions to be made. The distribution of the results between the labour offices in the district is uneven and specific reasons still are not given.

For this district, the development of local policies can be observed in the following:

- Extended prevention of youth unemployment by including graduates of secondary education; regular contacts with the University in BLG and its career centre;
- Good contacts and cooperation with the local institutions for social protection and social services;
- Close contacts with Roma NGOs on BLG territory;
- Implementation of common initiatives with local structures and extending the number of external organizations for activating young inactive people.

### 6. Strengths and weaknesses of policies implemented

#### 6.1 Strengths

<sup>&</sup>lt;sup>7</sup> Source: RES administrative statistics.

The BLG district can be considered having a with a good overall implementation of the EYG, based on the effectiveness of the local labour administration and its partnerships with the municipal offices, the regional social assistance offices and the regional education department. It has proved to be dynamic, especially in work engagements and capable in organizing external experts and their organizations to work together in favour of youth employment.

#### 6.2 Key weaknesses

The policies for the young people on the labour market include variety of possible intervention as single activities of their combinations. The suggestions coming from the annual National Plans for Employment are quite dynamic, but uniform by their nature. There is a need to make them more flexible and more 'open' to the needs of the young people on the territories of the municipalities.

A suggestion that came during the interviews is to assure longer periods of subsidised employment of the young people (18 and more months), but with decreasing rate of the subsidy. Such provisions could contribute to stabilising the youth employment on particular work places that are of need for the employers there.

#### 6.3 Evaluation of the policies

The RES and the LOs within the BLG district follow common requirements for the monitoring and evaluation of active labour market policies in Bulgaria. However, a study on the implementation of EYG in BLG district has not been carried out.

In the opinion of interviewed officials, the work guidelines at regional level should follow the general recommendations for improving the implementation of the EYG at national level. The recommendation for the BLG district is to activate young people and improve their awareness, improve employers' awareness, enhance the application of the partnership approach and its sustainability.

No mid-term evaluations have been done for the "Ready for Work" project due to the need to accumulate a enough critical mass of participants. However, case information on youths with changed status from inactive or unemployed to employment are Annex 3 giving some indication of success.

#### 7. Transferability of local experience

The key aspects of the local experience that can be offered elsewhere include the following:

- Appointment of mediators in municipalities and their involvement in the activation of inactive persons;
- Encompassing all stages of work with inactive people from their identification until their inclusion in employment or training on key competence, part of a profession or literacy courses
- Involving external organizations in the process of identifying NEETs and activating vouths.
- Regular work with graduates of higher and secondary education, providing information on possible transitions to employment.

Each of these practices would be most relevant in small countries with top-down youth policies applied with a low degree of decentralization and a major role for the PES in the implementation of ALMPs.

#### 8. The future

A top priority in 2018<sup>8</sup> is to make a qualitative offer to young people for training, work or returning to the education system, according to their profiles and labour market demand. There is also a need to make an offer within the fourth month after the registration in labour offices is also needed. The recognition of the EYG as a commitment by all institutions and organizations with interests in youth policies would benefit from being strengthened.

It is necessary to find ways to meet the challenges related to identifying inactive young people but currently the activities of local authorities and professional organizations/industrial chambers or associations is insufficient.

The delegation of activities on youth activation to NGOs should be secured by a system of monitoring and controlling their work but have yet to be proposed. It is likely that the general extension of the partnership approach will need changes in the current organization of work, in particular with regard to the monitoring and control of these activities.

The efficiency of the YEI strongly depends on local initiatives and their decentralization and orientation towards the needs of youths in areas should be encouraged by new policy instruments of by revising some of the existing ones by, for example, the greater involvement of local stakeholders and young people themselves.

\_

<sup>&</sup>lt;sup>8</sup> It is listed in EYG Implementation Report for 2017 (February 2018).

#### References

Regional statistics, RES BLG: Annual reports of the regional and local labour offices for the period 2008 -2017; Annual monitoring data for the BLG region and its municipalities.

Employment Agency: Annual plans and reports; Annual monitoring data; information for programmes, measures and project schemes under the HRD OP;

Ministry of Labour and Social Policies: Annual report for YEJ for 2016 and 2017 (signed by the Minister, not published); administrative statistics on the YEI implementation.

National Statistical Institute: Regional statistics; Labour Force Survey Study; SILC survey; additional information received after request.

#### **ANNEX 1: Blagoevgrad District**

#### Socio-economic characteristics

According to the administrative division of the country, Bulgaria is divided into 6 NUT2 regions (*rayoni za planirane* /planning regions); 28 NUT3 regions (*oblasti*/districts), including the metropolitan capital district Sofia, and 264 municipalities.

Blagoevgrad district (BG 413) is located in Yugozapaden planning region (BG41), which includes five NUT3 regions.9

Blagoevgrad district (BLG below) is on a territory of 6449.5 sq.km and comprises 281 settlements<sup>10</sup> with total population of 307.9 thousand in 2017. This population has higher natural increase rates (per 1 000 persons of the population, ‰), compared to the population in the country (Table 1). Although the demographic situation in the district is deteriorating, it still manages to maintain its position on one of the relatively high proportion of young people.

Table 1. Key indicators for socio-economic development in BLG

	Years					
Indicator	2012	2013	2014	2015	2016	
BLG: Population as of 31.12 Total (number)	320160	318110	315577	312831	310321	
Proportion of the total BG population (%)	4.45	4.39	4.38	4.37	4.37	
BLG: Natural increase rate (per 1 000 persons of the population) - ‰	-2.6	-2.7	-3.6	-3.5	-3.5	
BLG: Foreign direct investment in non- financial enterprises at cumulative base as of 31.12. (thousand Euro)	306899	353627.1	384666.4	446364.4	482986.7	
Proportion of the total in BG (%)	1.4	1.5	1.8	1.9	2.5	
BLG: Output (thousand Euro)*	1809180	2025315	2150756	2456859	2493195	
A proportion of the total BG output (%)	2.6	2.9	3.0	3.1	3.2	
BLG: Value added at factor cost (thousand Euro)*	507624	574464	580641	702084	755073	
A proportion of the total BG value added cost (%)	2.5	2.7	2.6	2.7	2.7	
BLG: Relative share of enterprises with up to 9 persons employed in total number of enterprises in the district (%)	92.7	92.9	93.4	93.3	93.7	
Difference (BGL- BG)	0.5	0.6	1	0.9	1.1	
BLG: Relative share of enterprises with 10-49 employees in total number of enterprises in the district (%)	5.9	5.8	5.4	5.6	5.3	
Difference (BGL- BG)	-0.5	-0.4	-0.8	-0.6	-0.8	
Relative share of enterprises with 50- 249 employees in total number of enterprises in the district (%)	1.2	1.2	1.1	1	0.9	
Difference (BGL- BG)	0	0	-0.1	-0.2	-0.2	
BLG: Relative share of enterprises with more than 250 employees in total number of enterprises in the district (%)	0.2	0.1	0.1	0.1	0.1	
BLG: Relative share of the population aged between 25 and 64 years with higher education (%)	17.7	18	19.6	19.5	19.4	
Difference (BGL- BG)	-6.3	-7.6	-7.4	-8	-8.3	
BLG: Relative share of the population aged between 25 and 64 years with secondary education (%)	64.8	60	56.6	57.7	58.8	

<sup>&</sup>lt;sup>9</sup> The list of the other districts includes Sofia City, Sofia region, Pernik District and Kyustendil District.

<sup>10</sup> Here and further below NSI data are used, if other source is not mentioned.

Indicator	Years					
mulcator	2012	2013	2014	2015	2016	
Difference (BGL- BG)	7.8	3.7	2.5	3.3	4.2	
BLG: Relative share of the population aged between 25 and 64 years with primary or lower education (%)	17.5	22	23.8	22.8	21.9	
Difference (BGL- BG)	-1.5	3.8	4.9	4.7	4.2	
BLG: Physicians in health establishments as of 31.12. per 10 000 population (number)	28.4	28.8	29.8	31.5	30.3	
Difference (BGL- BG)	-10.9	-11.1	-10.2	-9.1	-11.3	

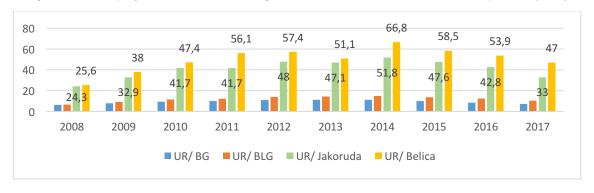
Source: National Statistical Institute (NSI).

Table 2. Rates of economic activity, employment and unemployment (15 - 64 years, in %)

	2012	2013	2014	2015	2016	2017
BLG: Economic activity rate	73	73.2	73	70.8	69.8	72.6
Difference (BGL- BG)	5.9	4.8	4	1.5	1.1	1.3
BLG: Employment rate	65.4	63.3	62.6	63.4	64.0	69.2
Difference (BGL- BG)	6.6	3.8	1.6	0.5	0.6	2.3
BLG: Unemployment rate	10.4	13.5	14.1	10.3	8.3	4.6
Difference (BGL- BG)	-1.9	0.6	2.7	1.2	0.7	-1.2
BLG: Unemployed persons registered at the labour offices as of 31.12. (number)	21218	22690	21523	20895	16535	15254
Proportion of the total number of the registered in BG (%)	5.65	5.88	6.13	6.35	6.33	6.44

Source: NSI: Regional statistics and Labour Force Survey.

Figure 1. Unemployment rates in BLG regions and Belica and Jakoruda municipalities (in %)



#### Annex 2: Programme: "Ready for Work"- cases of success

#### **Labour Office in Razlog**

Most young people in the group with physical or mental disabilities have the feeling of inequality and social exclusion, ambiguity and poor awareness of their rights and opportunities for realization in the labour market. Some of them do not have work habits or professional experience, which makes them discourage to look for a job on their own. Others have a professional qualification, but have difficulties contacting employers. That is why the employees of the labour office pay great attention not only to motivating young people but also to finding suitable employers who should be consulted and motivated in advance to recruit young people with disabilities and inactive young people in general.

A.T. is a young person with 71% permanently reduced working capability, with primary education, qualifications "tailor" and "worker in culinary industry", without work experience. A.T. was placed in a protected shelter operated by the office for Social Care Establishments in Bansko. The young person was informed, consulted and motivated for registration in the Labour Office and participation in the programme "Ready for Work". After registration, a consultation was provided about the opportunities of starting work under the "Youth Employment" Programme with an employer who is well known to the person. This makes it easier to adapt the person to the specific work environment.

As a result: On 21.02.2018, A.T. filled in a card for participation in the Project and registered as unemployed at the Labour Office Razlog. An individual action plan has been prepared and the young person participated in the project activities by starting work after 2 months (on 16.04.2018) on a subsidized working place under HRD OP "Youth Employment" scheme as a sanitary worker at the "Social Care Establishments" in Bansko.

#### **Labour Office in Razlog**

M.S falls in the group of young people who experience inertia, vague desires, lack of purposeful thinking.

In order to reach young people up to 29 years of age, a small event under Project "Ready for work" financed from the HRD OP was held on 18.05.2018 in Razlog with the group of NEETs, M.S. attended the meeting. During the conversation it was found out that the young person possesses a secondary education specialty mechanization of agriculture and a qualification of mechanic of agricultural machinery. Nonetheless, M.S. was not sure about choosing a profession, had not visited employers to find a job and missed job searching skills. In the process of individual counselling and motivation for participation in the Project, the opportunities for employment through participation in the Project "Ready for Work" were explained. On the day of the event 18.05.2018, the person filled out a card for participation, but did not wish to register at the Labour Office. Further phone conversations and re-explanation of the services by the Labour Office staff motivated the person to register on 17.07.2018. An individual action plan was developed and information about the services offered by the Labour Office was provided once again. The person mentioned an interest in the Youth Employment scheme and started work as a car washer on 28.08.2018 under the subsidized employment measure.

#### **Labour Office Gotse Delchev**

In October 2017, a joint initiative was carried out with the mayor of village Borovo on the activation of young people from the village. R.G. attended the meeting and filled in a card for participation in the project the same day. On 03.11.2017, the person was registered in Labour Office Gotse Delchev as a jobseeker. According to the individual needs, specific services were offered by the Labour Office staff, and corresponding activities were included in the person's individual action plan. R.S. was hired as a sewing machine operator on 08.11.2017 through the cooperation of the labour Office.

#### Labour Office Blagoevgrad

S.B. is 19 years old from Blagoevgrad, graduate from secondary education.

The person was identified after established contacts with the manager of 5<sup>th</sup> secondary school Blagoevgrad, who provided data about young people who graduated from the school in 2017/2018 school year. This became possible after a meeting of the professional consultant-moderator in the Atelier for job seekers from the LO Blagoevgrad with the director of the school. S.B. was invited by phone to a meeting at the labour Office to get information about joining the "Ready for Work" project. S.B. showed an interest in the project and the opportunities provided, visited the LO where detailed information about the opportunities under the project were presented. As a result, S.B. registered in the Labour Office and the further steps of the work of the labour administration with this person included: inclusion in the Atelier for job seekers and finding a suitable job in a large food chain, where S.B. started work on July 12, 2018.

#### Labour Office Blagoevgrad

D.K. is 22 years old from Blagoevgrad, with primary education.

The person was reached during a field work in the New Roma neighbourhood of the town of Blagoevgrad, by the professional consultant-moderator in the Atelier for job seekers from the LO Blagoevgrad.

In a deliberate conversation, the project "Ready for Work" was presented, which was implemented on the territory covered by the labour Office of Blagoevgrad as well as throughout the country. The potential benefits and opportunities for inclusion in the project were clarified. On August 16, 2018, D.K. filled in a card for participation in the project, after which the person was invited to the LO for registration. The person was motivated and registered as a jobseeker. D.K. was enrolled in the Atelier for job seekers on 23 and 24 August 2018, and studied the topics "How to look for a job" and "Building a professional project — support for jobseeker". D.K. is active and motivated to start work but has not yet begun working.

#### **Labour Office Sandanski**

A specialist on activation, appointed within the project "Ready for work", visited a four member family in need after a signal by a municipal councillor. Their child is an inactive young person who qualifies for inclusion in the project. After the conversation, the person was motivated and visited the labour Office to register as a jobseeker. Work with the person continued within the framework of the planned project activities. The young person was approached individually by repeatedly providing information, advices and motivation for active and successful entering the labour market. The person was several times directed to job vacancies from different companies, was also included in an atelier for job seekers, was regularly contacted by phone and informed about newly announced job vacancies. Currently the person is working as a waiter.

## **B. Case Study: County Donegal (Ireland)**

#### **Abbreviations**

SOLAS	An tSeirbhís Oideachais Leanúnaigh agus Scileanna
ETB	Education and Training Board
DETB	Donegal Education and Training Board
EU	European Union
FÁS	Foras Áiseanna Saothair
DSP	Department of Social Protection
INTREO	Abbreviation of the term 'introduction' combined with 'treo' the Irish for direction
VEC	Vocational Education Committee
CSCS	Construction Skills Certification Scheme

#### 1. Background and context

#### 1.1 The geographic and political context

This case study focuses on the county of Donegal in Ireland (IRE) because it is a very good example of an area with multiple disadvantages which has nevertheless implemented many successful initiatives in combating youth unemployment.

Ireland is composed of 26 counties of which Donegal is one. It is part of the NUTS2 region entitled 'Northern and West Western'<sup>11</sup>. The county is in the North-West corner of Ireland (see map below). Both its Northern and Western perimeters overlook the Atlantic Ocean, while all its eastern perimeter and almost all of its southern perimeter forms a border with Northern Ireland - which is part of the United Kingdom.

Access to the rest of Ireland from county Donegal is through a road which enters the rest of the country through a narrow strip of land near the town of Bundoran at the bottom South-West corner of the county. To place the location of the county in perspective, a person who wished to travel to Letterkenny from Dublin, the capital city, would travel 320.5 kilometres if they wished to remain within Ireland while making the journey. However, if the person decided to travel to Letterkenny through the United Kingdom via Northern Ireland, the journey would take only 236.5 kilometres.

The peculiar position of County Donegal vis-à-vis the rest of Ireland means that there is more demographic movements and economic trade between the County and the United Kingdom than there is between the county and the rest of Ireland.

Regarding demographic movements, there is a very significant movement of students every year to the North-West Regional College which is located in the City of Derry in Northern Ireland. These students having completed their second-level education in County Donegal, enrol in courses in the College which is just across the North-West border of the county. The motivation to attend a College in Northern Ireland rather than in Donegal varies, but in general, it is easier to obtain either an apprenticeship or post-secondary qualifications from North-West regional college than it is from similar post-secondary colleges in Ireland. Furthermore, the qualifications obtained provide opportunities to find employment in the much larger United Kingdom economy.

Because of the significant annual movement of school-leavers from County Donegal, the number of places on post-leaving certificate courses (i.e. 180 places) provided by Donegal ETB is the lowest per school-leaver of any county in Ireland. If Brexit does occur, this situation may change as the United Kingdom would then be at liberty to charge fees to EU-country students attending their education institutions. Should that scenario materialise, the Donegal ETB may have to review its current provision of post-leaving certificate courses with a view to significantly increasing the number of places on offer.

<sup>&</sup>lt;sup>11</sup> Ireland has three NUTs regions; the others are 'Southern' and 'Eastern and Midlands'

Regarding trade, the port of Larne in Northern Ireland is used by many companies in Donegal, particularly on the eastern side of the county, for exporting to Scotland, England and Wales. It is more convenient than transporting the goods to Dublin port.



Figure 1: Map of County Donegal (green); Northern Ireland (white) and rest of Ireland (vellow/orange)

#### 1.2 The Labour market governance structure in Ireland

Until 2012, almost all further education and training programmes in Ireland were delivered either by FAS or by thirty-three vocation and education committees (VEC's). FAS was responsible for the delivery of initial and continuing vocational training programmes including apprenticeships, some work-experience programmes and community training schemes. It was also responsible for the national network of Public Employment Service (PES) offices.

In 2012, the network of PES offices was formerly transferred to the Department of Social Protection (DSP) and were renamed Intreo Offices. This was followed shortly afterwards with the dismantling of the 33 VEC's and their replacement by 16 autonomous Education and Training Boards (ETB's). The vocational training infrastructure of FAS, including nineteen training centres, were transferred to the ETB's and the remaining functions of FAS were incorporated into a new institution called SOLAS.

As a consequence of this extensive restructuring of the Further Education and Training (FET) System in Ireland, most of the vocational training programmes in County Donegal are delivered by the County Donegal ETB, which inherited two of the 19 former FAS training centres; the largest being located in Letterkenny close to the eastern border of the county (see Figure 1) while the other, smaller training centre is located in the Gaeltach area of Gaoth Dobhair. The Intreo offices deliver the work experience programmes and the major community-based work experience and training programme, the Community Employment Scheme (CES). SOLAS is responsible for the

funding of the programmes delivered by the ETB, for the development of national policy in relation to initial and continuing FET, and for research on the skills needs of the labour market.

#### 1.3 The composition of the local labour market

The most frequently used source of data on the labour market in Ireland is the quarterly Labour Force Survey (LFS). However, as the LFS is based on a sample, the data on variables such as employment and unemployment are not reliable at the county level. Therefore, this information must be derived from the Census of Population which occurs at five-year intervals. The key labour market indicators from the most recent three Census of Population are shown below in Table 1.

Main indicators	2006	2011	2016
Population >15	113,838	124,188	124,150
Population 15-19	10,860	10,538	10,857
Population 20-24	9,715	9,229	7,550
Population 15-24	20,575	19,767	18,407
Numbers employed	56,670	53,277	58,353
Looking for first regular job	1,157	1,380	1,167
Unemployed having lost job	7,265	17,489	11,662
Total unemployed	8,422	18,869	12,829
Unemployment rate (all ages)	12.56%	26.2%	18%
Unemployment rate (15-24)	-	49.4%	32.6%
Student or pupil	11,122	13,137	13,329
Looking after home	15,402	12,930	10,644
Retired	15,284	19,065	22,365
Unable to work due to illness	6,593	6,653	6,121
Others	345	257	509

Table 1: Key labour market Indicators - County Donegal 2006-2016

In reviewing the composition of the labour market in County Donegal over the decade 2006-2016, it should be borne in mind that the Irish economy and labour market experienced a very severe recession which began in 2008 and the economy and labour market only began to recover from 2014 onwards.

There are several features of the labour market in County Donegal which reflect the impact of that recession. While there is some difference between the 15-19-year-old age cohort in 2006 and the 20-24-year age cohort five years later, that difference becomes quite significant when the 15-19 year old age cohort in 2011 is compared to the 20-24 year old cohort in 2016. The numbers of young people in that age cohort had declined by 28% by the time these young people had moved into the 20-24 years cohort five years later.

Undoubtedly, one of the main contributory factors for this significant decline is the increase in the number of school-leavers attending post-secondary and third-level colleges outside of the county and jurisdiction. For example, there were a total of 5,260 students from Ireland enrolled in colleges of further education in Northern Ireland in the academic year 2012/13 and the majority were from County Donegal. It is not known how many of these were resident in the North during the school year. <sup>12</sup>

There was net outward migration from the population of County Donegal of 7,900 in the intercensus period 2006-2011 and inward migration to the population of 10,700 in the intercensus period 2011-2016 as the economy and labour market began to recover.

Total employment in Donegal declined by 6% between 2006 and 2011 reflecting the onslaught of the recession. However, as the economy recovered, significant net growth (10%) occurred in the jobs market.

21

<sup>&</sup>lt;sup>12</sup> Joint Report by the Department of Education and Learning and the Department of Education and Skills; June 2015; 'An Analyses of Existing Statistics on Student Flows between Northern Ireland and the Republic of Ireland in Higher Education and Further Education'.

The county suffered severely as a result of the recession and this was evident in the numbers unemployed which were the highest of any county in Ireland in 2011. Youth unemployment was particularly adversely affected with one in two young people unemployed <sup>13</sup> that year. While there has been a significant improvement in unemployment, the county still had one of the highest rates of youth unemployment in 2016. <sup>14</sup>

Regarding those not in the labour force, two developments are particularly striking. Firstly, despite the decline in the population aged 15-24, the increase in the number of students, which occurred during the recession, was maintained through to 2016. Secondly, there was a significant decline in the numbers engaged in 'home duties' throughout the period.

#### 1.4 The development of youth unemployment

Table 2: Trend in overall and youth unemployment 2006-2018

Year (April)	All ages	% change	<25 years	% change
2018	11525	-13.87%	1376	-15.27%
2017	13381	-13.40%	1624	-23.50%
2016	15451	-10.69%	2123	-16.84%
2015	17300	-9.91%	2553	-19.46%
2014	19203	-5.53%	3170	-12.62%
2013	20327	-2.45%	3628	-8.75%
2012	20837	-4.10%	3976	-11.86%
2011	21727	3.48%	4511	-1.44%
2010	20996	14.37%	4577	2.65%
2009	18358	78.60%	4459	92.20%
2008	10279	21.10%	2320	33.95%
2007	8488	-0.12%	1732	-3.29%
2006	8498		1791	

Source: Central Statistics Office STATBANK

As stated above, it is not possible to track youth unemployment using the quarterly Labour Force Survey because the data is not reliable at the county level. However, data on the numbers receiving unemployment related payments is gathered on a monthly basis by the local Intreo offices. This database is known as the Live Register and it forms a useful measure of the numbers of unemployed at county level.<sup>15</sup>

Table 2 above shows the total number on the Live Register in County Donegal and the numbers under 25 years over the period 2006 to 2018. The figures show that young people were more affected by unemployment when the recession began in 2008 than the labour force as a whole. Indeed, the numbers of unemployed young people on the live register increased by one-third that year compared to an overall increase of around one-fifth, and almost doubled the following year.

However, the decline in youth unemployment was also more rapid as the recovery gradually emerged. For each year of the period 2012-2017, the decline in youth unemployment on the live register was significantly greater than the overall decline.

<sup>&</sup>lt;sup>13</sup> It should be noted however that the national youth unemployment rate in 2011 was also high at 38.7%

<sup>&</sup>lt;sup>14</sup> The national rate was 25.6% in 2016

<sup>&</sup>lt;sup>15</sup> The main differences between the numbers on the Live Register and the official ILO measure of unemployment is that the former includes persons on part-time work, while the latter includes persons who do not qualify for unemployment payments.

Table 3: Distribution of young unemployed 15-24 years by local Intreo Office for selected years 2006 and 2018

Intreo office	April 2018	Distribution	April 2006	Distribution
Ballybofey	249	18.10%	211	11.78%
Ballyshannon	115	8.36%	101	5.64%
Buncrana	229	16.64%	337	18.82%
Donegal	70	5.09%	74	4.13%
Dunfanaghy	67	4.87%	157	8.77%
Dunloe	76	5.52%	186	10.39%
Killybegs	63	4.58%	128	7.15%
Letterkenny	507	36.85%	597	33.33%
Total	1376	100%	1791	100%

Source: Central Statistics Office STATBANK

The figures in Table 3 above show how skewed the geographic distribution of youth unemployment is in County Donegal. In 2006, one in three unemployed young people were living in the county town of Letterkenny while by 2018 this share had increased to 37%. Only two other towns, Buncrana and Ballybofey, has significant numbers of young people in receipt of unemployment payments, and Ballybofey is reasonably close from a geographic perspective to Letterkenny (see Figure 1).

The figures show the uneven distribution of the population in County Donegal and one of the most difficult challenges for the FET system is how to contact and support young unemployed living in relatively remote regions of the county. The west and north-west of the county has many pockets of relatively small numbers of young employed.

#### 1.5 Principal reasons for youth unemployment

The county of Donegal poses enormous challenges to any institution which has the responsibility of enhancing the employability of young, unemployed jobseekers. These challenges reflect geographic, historical, cultural and political considerations.

In terms of geography, as already mentioned, the county is virtually cut-off from the rest of Ireland. It has a very large landmass (4 861 sq. kms) representing 6.9% of the land mass of the State, but a very low population density of just 32.76 per sq. kms. This is particularly the case in the North and West of the county which face the Atlantic Ocean, and which have relatively few industries. Agri-business - particularly fishing and fish processing - and tourist related activities are the main sources of employment. There was a total of 7,616 active enterprises <sup>16</sup> in the county in 2016, but over 90% of them were micro-enterprises (i.e. 10 or fewer people employed).

From a historical and cultural perspective, the county has had stronger links with Scotland than the rest of Ireland. There is a thriving Gaeltach area on the West coast with a population of roughly 25,000, and the training centre in Gaoth Dobhair provides all its upskilling courses through the medium of the Irish Language.

Finally, due to its location on the border with Northern Ireland, Donegal has been embroiled in the violence known as the 'Troubles' more than any other county in Ireland. A significant proportion of residents in the county have moved there from nationalist areas in Northern Ireland during the most difficult periods of the conflict, and for a variety of social and cultural reasons, it is particularly challenging to reintegrate some of their children into the workforce.

<sup>&</sup>lt;sup>16</sup> Central Statics Office Business Demography.

#### 2. Policies and structures in tackling youth unemployment

#### 2.1 Key policies

The key to understanding the relative effectiveness of County Donegal in addressing a very serious youth unemployment problem lies both in the way jobseekers are processed through the system and in the range and innovativeness of many of the training and employment initiatives on offer.

Job-seekers using their own initiative may enrol on any training programme offered by Donegal ETB if they meet the eligibility criteria. However, most of the trainees who participate on training programmes offered by the ETB are referred to them from the Intreo offices; they are unemployed jobseekers who are registered on the Live Register. The Department of Social Protection, which is responsible for the operation of the national network of Intreo offices, has a highly sophisticated profiling system which allows their counsellors to identify those who are most vulnerable to becoming long-term unemployed. These unemployed persons are then referred to the ETB who then assess them and agree with them the type of training which would be most appropriate to their needs and capabilities.

However, an unemployed person must be 18 years of age to qualify for an unemployment payment. Therefore, the Introe offices do not have access to jobseekers who are 16 and 17 years of age. Furthermore, concerns about national and European data protection legislation is inhibiting the extent to which data on early school-leavers may be formerly shared between the second-level schools and labour market institutions such as the Intreo offices and the ETB.

There is an acknowledgement that the lack of information on the 18 to 18-year-old jobseeker cohort is a fundamental weakness in the process of identifying and appropriately assisting the young unemployed. It is appreciated by all the institutions dealing with youth unemployment that it is critical to offer support to this group to prevent them from becoming disillusioned and leaving the labour force altogether. Accordingly, Donegal ETB has recently embarked on a major initiative under the 'Youth Employment Guarantee Scheme' which is systematically mapping the locations of the young unemployed as a prelude to designing an extensive range of local supports for them - including training courses.

#### 2.2 Current structures

Once the unemployed jobseekers enter into the system, they encounter a very wide range of different work experience and training supports, and together with their councillor, they can choose the type of assistance which is most suitable for their situation. The range of courses currently on offer is extensive and the great majority of these courses are provided either by the network of local Intreo offices or by the Donegal ETB.

In general, the Intreo offices offer profiling services, counselling and places on work experience programmes where such an offer is appropriate. The largest of these work experience programmes is the Community Employment Scheme, which is a part-time programme based in the secondary labour market, which combines community-based work experience with an element of training. It is a very useful programme for persons who are peripheral to the labour market as it helps them to gradually acclimatise to the world of work in a non-pressurised environment, while also earning a wage, which is important for building confidence and self-esteem.

The profiling system is key to understanding the effectiveness of both the local Intreo offices and the ETB in combating youth unemployment. The profiling system enables the Intreo offices to design a customised pathway for each young unemployed person. This pathway often will entail some component of up-skilling and, as such, the unemployed jobseeker is frequently referred to the local ETB.

Almost all the vocational training programmes are provided by Donegal ETB. While the nine Introe offices are spread across the county, the ETB, as already noted, has just two permanent training centres located in the county town of Letterkenny on the eastern perimeter and in Gaoth Dobhair (see Figure 1). However, through its external training department, the ETB has access to an extensive network of local training providers. The training courses provided externally by the ETB are usually of a theoretical nature as it is expensive to either purchase or transport capital to relatively remote regions for upskilling courses that may only be offered in a locality on a sporadic

basis. In the case of skills training courses which incorporate practical training modules using machinery and other equipment, this capital is usually provided by the company in which the work placement modules are located.

While each training course is different, the suite of training courses provided by Donegal ETB can be divided into two specific categories; basic training programmes which are designed to prepare people for the world of work, and vocational skills training programmes which are designed to equip trainees with a marketable skills-set.

There is a range of different basic training courses, but they are all designed to enhance the employability of very disadvantaged trainees. This is achieved through improving key work-based related competences. On some courses, this involves teaching the trainees literacy and numeracy, in addition to soft skills such as communication and teamwork. While employment is regarded as the key performance outcome on the second category of courses (i.e. marketable skills courses), certification and progression to a mainstream training course are considered acceptable outcomes in the case of basic training courses.

It is the second category of courses, the marketable skills training, which has made a major contribution to the decline in youth unemployment in County Donegal and therefore it is worth focusing on the relevant programmes in some detail.

There are three major categories of marketable skills programmes; apprenticeship, specific skills training and traineeships. In Ireland, apprentices are part of the workforce. Every apprentice must be employed or 'sponsored' by an employer before being eligible to register as an apprentice. Consequently, there is a limit to the extent to which the vocational training authorities can utilise the apprenticeship system to reduce youth unemployment; the number of apprentices who register reflects the market demand for the products and services provided by the companies who sponsor apprentices.

The Specific Skills Training (SST) programme and the Traineeships both provide training in a range of skills and competences, which have been shown by research to be required by local employers. The main difference between these two programme categories is that the Traineeship model has a greater involvement by employers in both the recruitment of trainees and the design of the curricula and, critically, in the quality and extent of the work placement modules.

Employment is the key performance indicator in evaluating the success of individual SST or Traineeship courses. SOLAS advises the ETB on what an appropriate placement target would be, considering the capacity of the local labour market to generate jobs. If the course fails to meet its targets, a review will be undertaken, and changes made to aspects of the structure or delivery. In cases where a course continues to significantly under-perform in terms of reaching placement targets, it may be terminated.

It is the task of SOLAS to measure the outcomes from courses delivered by each ETB. This is done by comparing the trainee's unique social insurance number against several databases, which show if the number is visible on either the tax-related employment database, unemployment payments databases or education databases. In this way, an accurate, timely and comprehensive measure of outcomes can be obtained.<sup>17</sup>

In recent years, the Traineeship model has consistently outperformed the SST courses in terms of placement. This is true both at a national level and for County Donegal. As a result, the Donegal ETB has introduced several new traineeships and these are discussed in detail in section 2.4 below.

#### 2.3 Effectiveness of policies and structures

Despite its relative success in addressing the problem of youth unemployment, there is a serious structural weakness in the vocational training infrastructure in County Donegal in respect of the systematic integration into the workforce of early school-leavers. This weakness reflects a lack of co-ordination between the different institutions involved in providing supports to young

25

<sup>&</sup>lt;sup>17</sup> This method of measuring outcomes has only recently come into operation. The system for systematically gathering the unique identifier of every trainee (i.e. the Programme and Learner Support System) which underpins the evaluation system, has just been completed.

jobseekers. There is a good, functioning working relationship between the Intreo offices and the Donegal ETB. However, the relationship between the second-level school system and the institutions involved in providing support to young jobseekers appears to be ad hoc and informal. As a result, access to data on early school-leavers is not available on a systematic basis to the Donegal ETB and consequently, young jobseekers aged 16 and 17 years can slip 'below the radar'. This is a serious gap in the system because research has shown that if young unemployed jobseekers are not retained within the education and training system when they leave school, it becomes much more difficult to successfully reintegrate them into the world of work when they are older.

#### 3. Divergence from national and regional policy

#### 3.1 Key aspects of the approach

The key to understanding the relative success of both the Intreo office and the ETB in addressing youth unemployment is in the approach taken to up-skilling. There are three stages in this process. Firstly, the structure of employment in the county is analysed and the broad skill-sets which are most frequently used are identified. In recent years, construction, engineering software, tourism and health- related skills emerged as being among the type of skills frequently used by the workforce in the County, together with the skills associated with a strong tourism industry. Secondly, this process of skills identification is further refined by entering into a partnership with the relevant industries, and this partnership allows a much greater refinement of the skills which are considered by the industry to be most useful to their day-to-day operations. Finally, a curriculum is designed, often in partnership with the relevant industry, to provide training in the appropriate skills.

There are several features of this approach that are particularly noteworthy; the very strong and proactive engagement of industry with the training institution; the very wide range of skills modules available on the courses; certification with City and Guilds and in most cases, the eligibility of jobseekers with relatively poor education attainment. While there are a few notable exceptions, the general philosophy is not to offer highly specialised skills courses, but rather to provide as wide a range as possible of the skills which employers want entry level workers to possess. Indeed, some of these courses could be described as 'hybrid' courses in the sense that they combine modules taken from different national courses in order to maximise the employability of the trainees. The best examples of this approach are in four particular courses; two of which are Traineeships and two of which are SST programmes. A short summary of these courses is outlined below.

- Traineeship in engineering operations this traineeship has been developed by engineering professionals in conjunction with Donegal ETB. Cutting edge technology is available in the workshops of the engineering companies involved. The trainee may continue to receive their training allowance, but may also work, provided it does not affect their attendance on the programme. The trainee learns a wide range of skills including MIG welding and AutoCAD modules which are delivered by the local third-level college of technology. The status of the trainees is such that upon completion, the trainee qualifies for entry to an apprenticeship or an honours degree engineering programme in the College of Technology in Letterkenny. A wide range of additional optional training modules are available including working on mobile elevated platforms, forklift and overhead gantry crane training.
- Construction groundwork skills: as in the case of the engineering operations skills, traineeships, this skills training course was developed from a partnership between the Donegal branch of the National Construction Industry Federation and the Donegal ETB. The course is designed to provide a wide range of skills in the tasks most associated with semi-skilled and skilled work in the building industry. Training is not only provided in the laying of concrete and other ground-based skills, it is also provided in maintaining and operating a range of plant, including dumpers and JCBs. In doing this, the Donegal ETB has taken many of the individual modules from the national Construction Skills Certification Scheme (CSCS) and incorporated them into mainstream training courses. Upon successful completion of the course, the trainees not only receive the appropriate

City and Guilds certification, they also receive the cards associated with successfully passing whatever plant-related CSCS training modules they have undertaken.

- Software tester the training courses in automated software testing together with the course on cloud platform and infrastructure, were designed by Letterkenny ETB following an ICT/FINTECH skills audit of the requirements of the software industry in County Donegal. Although the course is less than a year in operation, one of the trainees has already achieved the City and Guilds medal of excellence. As with the other courses, the key to the success of the training programme lies in the relevance of the skills imparted and the strong involvement of local industry, particularly through the extensive work placement experience. This ensures that the trainees, most of whom have had no prior experience of working with software, are able to perform effectively in a working environment on completion of the course.
- Career traineeship in hospitality operations this traineeship provides training in a wide range of hospitality operations including reception and front-line office skills; customer services; food preparation restaurant skills and work experience. The traineeship is almost a year long (i.e. 48 weeks), including almost four months of work placement, and upon successful completion the trainees receive a City and Guilds level 5 award<sup>18</sup>. As in the case of many of the other traineeships, unemployed jobseekers need only possess a junior certificate to qualify for inclusion on the programme.

Traditionally, the suite of traineeships and skills training courses offered by the ETB have included at least one significant 'outdoor pursuits' course. Currently the Donegal ETB offer a traineeship in 'Outdoor Activity Instructor' and a skills training programme in 'Surf Instructor and Beach Lifeguard'. While the primary objective of these courses is to assist the trainees to find employment in these sectors, the instructors have found that: 'this type of skills training is also very effective in building confidence and self-esteem. The engagement with adults from a position of authority often against a backdrop of relatively hazardous outdoor activities appears to have a very positive psychological impact on the young unemployed'.

#### 3.2 Requirements for local policy effectiveness

The decision of Donegal ETB to initiate a comprehensive mapping exercise to identify the location of young jobseekers, particularly those aged 16 and 17 years, will provide a very practical test of the capacity of the system to attract young unemployed and NEETs to the Intreo offices, from where they can be referred to appropriate upskilling programmes. It will take some time before the effectiveness of this initiative can be evaluated.

#### 4. Strengths and weaknesses of key policy

#### 4.1 Key strengths

The key strengths of Donegal ETB in tackling youth unemployment can be summarised as follows:

- In-depth understanding of their local labour market which is based on the quality of the relationship which the staff in Donegal ETB have with local employers. Employers proactively contact the training centre because they know, through experience, that Donegal ETB will carefully listen to their skills needs and in conjunction with them, will design a course structure, delivery model and curricula which will meet those needs and, in the process, provide decent employment for the trainee.
- The ability of the staff at Donegal ETB to think 'outside the box' both in their identification of 'new' skills and in creating curricula which in many cases are an imaginative and effective 'mix and match' from other national courses (e.g. CSCS).

<sup>&</sup>lt;sup>18</sup> The Irish Qualifications Framework is different from the European Framework in that it includes 10 rather than 8 levels. Level 5 corresponds to the Leaving Certificate qualification which second-level students obtain on successfully completing the second-level education cycle.

- The identification of certain types of skills particularly skills involving leadership roles in the great outdoors - as confidence-builders.
- A good working relationship with the local Intreo offices, which refers young unemployed jobseekers to the ETB who are suitable for upskilling.
- Creation of a highly efficient national evaluation model combining the unique identifier of the trainee with several national databases that can identify the status of former trainees at a point in time.

#### 4.2 Key weaknesses

- The key weaknesses of the further education and training system in County Donegal is the lack of a formal co-ordinating structure which would facilitate the sharing of resources and data. Currently, that gap creates a situation where many 16- and 17-year olds can drift aimlessly until they register for unemployment payments when they reach 18 years of age. This is particularly unfortunate in that many of the training programmes designed by Donegal ETB are available to school-leavers who have only a junior education certificate. Consequently, developing a means of systematically contacting these young people could be of enormous benefit to them.
- There is a need for communication channels to be created especially with young schoolleavers living in relatively remote areas of the County. There is merit in Donegal ETB exploring the feasibility of designing youth-friendly communication instruments such as social media platforms.

#### 4.3 Overview

There is no doubt that the institutions in county Donegal involved in assisting young jobseekers to find employment have done remarkably well, particularly in view of the multiplicity of challenges they face. Some of the features of living in the County, for example the legacy of the 'Troubles' is unique and forms the basis of some employment supports which would be difficult to replicate elsewhere.

For example, recently, a new cross-community programme for young people aged 14- 25 was launched in Donegal. Funded through the European Union's PEACE IV Programme and the Special EU Programmes Body (SEUPB), 'Peace Bytes' aims to provide support and training for marginalised young people across all communities, with centres in East Inishowen in county Donegal, and Derry and Newtownabbey in Northern Ireland. The programme aims to help young people become community leaders and promote peace and reconciliation in their local community. Upon completion of the programme, participants will receive a minimum of three OCN qualifications. Childcare and transport are provided where required, as a financial incentive for those who are eligible. It would be difficult to replicate these types of initiatives in other European NUTS 2 regions as they reflect a unique and sometimes difficult political legacy.

#### 5. Transferability

#### 5.1 Key ingredients

The key ingredients which formed the basis of the strategy for enhancing the employability of young jobseekers in county Donegal include the following:

- A very good functioning pipeline between the point at which the young unemployed
  person registers at the local Intreo office for, inter alia, their unemployment payment and
  their entry to an active labour market measure, be it a work experience programme or a
  vocational training course, or a mixture of both.
- A willingness to be creative and to think 'outside the box' particularly in the context of designing innovative upskilling courses.

#### 5.2 Contextual prerequisites

The 'ingredients' listed above require a context and any attempt to transfer the approach taken by the FET institutions in county Donegal to other regions should be cognoscenti of the following:

- The relatively small size of the employer base in county Donegal, while a disadvantage from some perspectives, does enable the placement counsellors in the Intreo offices and the trainers in the two ETB training centres to develop an in-depth understanding of the employers' skill requirements. In many cases, employers would be on first name terms with the staff of these institutions. These relationships form the basis of a regular exchange of information on skill needs which is of a much higher quality than could be found from research texts alone.
- The ETB's are independent legal entities; they have their own Boards and while there is a
  national body which oversees the work of the sixteen ETB's, their function is entirely
  advisory. Specifically, it has no executive authority. This situation provides each ETB, such
  as the Donegal ETB, with considerable autonomy and flexibility a point vividly illustrated
  in the choice and design of many of the training courses they offer the young unemployed.

#### 6. The future

#### 6.1 Prospects for youth unemployment

Evaluations of course outcomes both in county Donegal and nationwide have consistently found that the highest placement rates are from traineeships, followed by specific skills training. Feedback from both employers and former trainees point to the positive role that significant work placement plays in enhancing the employment prospects of the trainees. Because of the strong correlation between employment outcomes and courses which incorporate significant work placement, the Government has recently announced a major work experience for unemployed young people aged 18-24 years; the Youth Employment Support Scheme (YESS). The YESS is exclusively targeted at young jobseekers who are either long-term unemployed or face significant barriers to employment. It provides work experience in a supportive environment for at least twenty-four hours per week, spread over 3-4 days. The duration of the work experience is at least three months, but it can be extended to six months with the approval of participant's case officer.

The rationale underpinning the YESS is to assist young jobseekers to overcome the impediment of not being able to obtain employment because of a lack of real work experience.

#### 6.2 Likely policy developments

As already noted, there is a widespread appreciation of the lack of co-ordination between the various institutions involved in assisting young, unemployed jobseekers in County Donegal. This lack of co-ordination applies specifically to the sharing of data. The mapping exercise which the Donegal ETB has embarked upon is a first step towards addressing the dearth of data on young unemployed aged 16 to 17 years old. However, it is not realistic or efficient to conduct such mapping exercises on an annual basis. A systematic process must be established based on the on-going sharing of data that is currently collected by the second level schools, especially data on early school-leavers. There is an appreciation among those involved in the education and training of young people that this is an issue that needs urgent attention.

The National FET system in its current format is too centralised regarding data management. There is no centre within County Donegal where data on the young unemployed may be assessed and analysed. Each of the Intreo offices have data on their own catchment area, and specifically on the unemployed who are registered with them. However, they do not have access to data on the total unemployed in their county.

The absence of data impedes the capacity of the FET institutions in County Donegal; to strike early and effectively, and to intervene before young jobseekers become long-term unemployed and apathetic. It is important that the absence of a centralised source of relevant data on the young unemployed is effectively resolved in the next few years.

# Annex: List of specific skill training and traineeships provided by Donegal ETB to young job-seekers in 2017.

Software Developer Full Time (Training Services)
Accounting Technicians Ireland - 2nd Year
Catering
Multimedia Donegal
Software Tester
Coded Pipe Welding
Surf Instructor & Beach Lifeguard Training
ECDL – European Computer Driving License V6
Construction Ground Work Skills - SP4
Accounting Technicians Ireland - First Year
Horticulture Major Award Level 5 Full Time (Training Services)
Hairdressing Skills
IT Support Specialist - Traineeship
Welding
Surf Instructor & Beach Lifeguard Training
Welding Intermediate
Basic Welding Full Time (Training Services)
Business management Level 6 Major Award- Full Time (Training Services)
Childcare Level 5 Major Award Full-Time(Training Services)
Business Administration
Early Childhood Care and Education
Outdoor Activity Instructor Traineeship
Career Traineeship in Digital Sales & Marketing
Healthcare support
Healthcare supportLevel 5 Major Award (Training Services)
Agriculture, Horticulture and Mariculture
Hairdressing, Beauty and Complementary Therapies
Financial Services
Information Technology
Sport and Leisure
Web Development & Design
Engineering (Mechanical)
Built Environment
Hairdressing, Beauty and Complementary Therapies
Food and Beverage
Childcare Level 5 Major Award Full-Time(Training Services)
Business Administration
Early Childhood Care and Education
Beauty Therapist Traineeship
Career Traineeship in Digital Sales & Marketing

# C. Case Study: Gdańsk City Municipality (Poland)

#### **Abbreviations**

PUP	Powiatowy Urząd Pracy – Poviat (local) Labour Office		
GUP	Gdański Urząd Pracy – Poviat labour office in Gdańsk		
WUP	Wojewódzki Urząd Pracy – Voivodeship (regional) Labour Office		
MRPiPS	Ministerstwo Rodziny, Pracy i Polityki Społecznej – Ministry of Family, Labour and		
	Social Policy		
VLC	Ochotnicze Hufce Pracy (OHP)– Voluntary Labour Corps		
CRT	Centrum Rozwoju Talentów – Talent Development Centre		
BGK	Bank Gospodarstwa Krajowego – National Economy Bank		
GUS	Główny Urząd Statystyczny – Central Statistical Office		
EU	European Union		
PL	Poland		
NEET	Not in Employment, Education or Training		
YG	Youth Guarantee		
YEI	Youth Employment Initiative		
SME	Small and Medium-sized Enterprise		

#### 1. Background and context

#### 1.1 The area

This case focuses on the Gdańsk area (covering the City and Municipality), in the Pomeranian voivodeship (province) in Poland. Gdańsk has been successfully tackling youth unemployment and inactivity since the Great Recession, with the combined use of national, regional and local level measures. Gdańsk is the Polish maritime capital with the population nearing half a million. It is in the north of Poland, at the southern coast of the Baltic sea at the Bay of Gdańsk. Due to this, it is strategically located at the crossing of major transit routes and plays the function of a large transport and cargo handling node. It offers a well-developed business infrastructure, rich research, technical and advisory backup, and highly educated human resources. All these factors put Gdańsk among the top-ranking Polish cities in terms of investment attractiveness<sup>19</sup>.

The recent ten-odd years have brought huge transformation of the Gdańsk **economy**. The city's industrial map continues to include some of the traditional branches (e.g. shipping, petrochemical, chemical and food industries) but the share of know-how based sectors such as electronics, telecommunications, IT technology, or cosmetics and pharmaceuticals is increasing.



Source: Wikipedia

19 https://www.gdansk.pl/en/about-gdansk/gdansk-the-sea-of-possibilities,a,3041

31

The key indicators of the region are shown in Table 1. The Pomoranian province has a population in excess of 2.3 million, while the population of Gdańsk exceeds 464,000. The unemployment rate in the province is significantly higher than in the city of Gdańsk.

Table 1: Key Indicators – Gdańsk City and Municipality and Pomaranian province

Key Indicator	Pomeranian province	Gdańsk
Resident population (30-06-2018)	2,328,200	464,254
Unemployed (31-12-2017)	44,301	6,807
Unemployment rate 16-64 (30-09-2018)	4.8%	2.6%

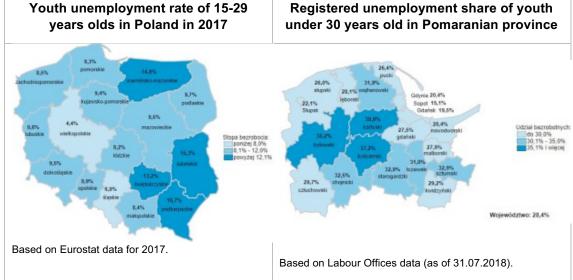
Source: GUS - Główny Urząd Statystyczny (Central Statistical Office)

#### 1.2 Development of youth unemployment

Although the situation for young people in Poland is challenging, the unemployment levels in this group are oscillating around EU average, which puts Poland in a situation much more favourable as compared to times before EU accession. According to Eurostat data, the national youth unemployment rate for those aged 15-29 fell significantly from 30.6% in 2004 to reach its lowest point in 2008 (12.0%) (see Table 1 in annex). The Polish economy was affected by the crisis comparably late and to a smaller extent than in many other European countries, which is also visible in the data relating to the labour market situation of youth. From 2009, the labour market situation for youth deteriorated, with the unemployment rate peaking at 18.9% in 2013. Since there has been a gradual improvement at a pace faster that EU average and in 2017 it was 9.4%, establishing a new lowest historical level.

However, it is noticeable that the situation of the age group 15-24 is comparably less favourable (unemployment rate of 14.6%), especially as compared to the level of the working age population (4.9%). The situation of youth in the Pomaranian province is more favourable than the national average but varies greatly at the local level (see Figure 2). Gdańsk city and its municipality (along with two other cities – Gdynia and Sopot – that form a metropolitan area of so-called "tricity") have a relatively lower level of unemployment compared to other poviats forming Pomoranian voivodeship.

Figure 2: Youth unemployment in Pomeranian province.



Source: Aktywność młodych osób w województwie pomorskim [Activity of youth in Pomeranian province], Pomorskie Obserwatorium Rynku Pracy, Gdańsk 2017 (based on Eurostat data)

In terms of the employment and unemployment rates for youth, the situation in the Pomeranian province improved more than the national average following the Great Recession (see Table 2 in the Annex). Currently the region has above average levels of employment rates (both for men and women) as well as lower unemployment rates for youth.

For Gdańsk City and its municipality, in December 2017 76 501 people aged 18-29 live in area and in October 2018, 1 768 people under 30 were registered as unemployed (while the total

number of unemployed amounted to 8 228 persons). Some 6 536 people under 30 were registered as unemployed throughout 2017 (though there could be some individuals counted more than once). 3 628 people under 30 were signed off the unemployment register after they declared taking up a job throughout the whole of 2017 (again there could be some double counting).

#### 1.3 Principal reasons for youth unemployment

Poland (also applies to Gdańsk) is generally characterised by low activity rates of young people under 25 years of age. To some extent this can be attributed to the conscious prolongation of the educational cycle by obtaining higher level of educational attainment (mainly university level education – both at undergraduate and graduate levels).

Also, the NEET rate in the age group of 15-17 years old is very low in Poland, which can be attributed to compulsory schooling until age 16 and compulsory education until age 18. That also explains why the dropout rate is low. However, the NEET rate increases with age – especially for the 18-24 cohort.

The causes of problems young people have in finding employment result from various factors dependant on the level of education, gender or place of residence. Young men often do not have problems with employment, but it can be working in the black economy without any employment agreement. That is why they are included in the numbers of unemployed. Young women periodically leave employment mostly for child care reasons and sometimes they cannot send children to nurseries or preschools because of financial reasons or the lack of places in institutions close to their place of residence<sup>20</sup>.

Young people who graduate from schools are faced with the problem of a lack of experience. Also, it is often the case that the wages offered by the employer are far lower than the person's expectations. In recent years having a university graduate diploma has lost its value on the labour market and confirmation of qualifications other than those gained at university has become a necessity<sup>21</sup>.

According to Eurostat data, the main causes of inactivity in youth aged 15-29 in EU and in Poland include:

- Learning completing qualifications EU 79.0%, Poland 79.2%
- Family obligations and obligations related with housekeeping EU 9.4%, Poland 19.5%
- Childcare or care of dependant EU 5.3%, Poland 9.2%
- Illness, disability EU 3.3%, Poland 3.3%
- Discouragement resulting from ineffectiveness of job search EU 1.8%, Poland 1.4%

This shows that in Poland it is more often the case that young people remain inactive due to family and care obligations and much of this can be attributed to the weak institutional childcare support.

According to the Team for monitoring the Youth Guarantee (YG), Polish NEETs are characterised by some specific features:

- Marital status: 87% single,
- Gender: Women are more likely to be NEET than men,
- Place of residence: NEET rate is highest in rural areas or small cities,
- Education level: 90% of NEETs have basic vocational education or secondary education.
- Family background: 87% of NEETs come from physical worker families (low social, cultural and personal capital).

As regards the demographic structure of those unemployed under 30 in Gdańsk<sup>22</sup>:

According to age: 18-24s constituted 37% of those registered and 25-29 63%;

<sup>22</sup> As of Sep 30<sup>th</sup> 2018, data of GUP

<sup>&</sup>lt;sup>20</sup> Aktywność młodych osób w województwie pomorskim [Activity of youth in Pomeranian province], Pomorskie Obserwatorium Rynku Pracy, Gdańsk 2017 (based on Eurostat data)

Aktywność młodych osób w województwie pomorskim [Activity of youth in Pomeranian province], Pomorskie Obserwatorium Rynku Pracy, Gdańsk 2017 (based on Eurostat data)

- According to gender: women 77%, Men 23%;
- According to time since first registration: Up to 1 month 18%, 1-3 months 22%, 3-6 months 14%, 6-12 months 17%, 12-24 months 16%, Over 24 months 13%;
- According Formal education level: junior high, primary and lower (ISCED 0-2) 27%, vocational (ISCED 3) 11%, general secondary (ISCED 3) 19%, technical secondary (ISCED 3) and post-secondary (ISCED 4) 20%, higher (ISCED 5-8) 24%;
- According to work experience: none 22%; up to 1 year 45%; 1-5 years 28%, over 5 years 4%;
- According to other characteristics: 35% have at least 1 child under 7; 4% people with disabilities, 36% long-term unemployed (among women 42%).

From this it can concluded that the NEET group in Poland and Gdańsk is highly specific, with low levels of educations and vocational skills, with no or short work experience, with often "inherited" inactivity and as most of the group is constituted by women, family obligations causing a return to the labour market more problematic. Therefore, effective policies aimed at getting NEETs into employment need to address these problems in a comprehensive way.

#### 2. Policies and structures in tackling youth unemployment

#### 2.1 Key policies for tackling youth unemployment

The labour market situation of young people in Poland as well as corresponding interventions should be analysed in historical context. In 2002, the number of young unemployed (under 25) registered with labour market offices reached almost 900 000, with the unemployment rate far exceeding 40%. With the Poland's entry into the EU and the consequent opening of labour markets and new jobs in the country, the level of youth unemployment fell significantly.

Poland has a long tradition of measures aimed at supporting young people on the labour market, with some long-standing measures in the labour market policy framework, most notably in the areas of subsidised employment, traineeships and internships, as well as vocational and career guidance.

Poland is eligible for the Youth Employment Initiative (YEI) with a budget allocation of EUR 550 million. The country also submitted its Youth Guarantee Implementation Plan in December 2013, with the main goal of making young people more employable through acquisition of work experience or requalification according to the needs of employers. However, the 2014 Country-Specific Recommendations (CSR) for Poland included strengthening efforts to reduce youth unemployment, notably by further improving the relevance of education to labour market needs, by increasing the availability of apprenticeships and work-based learning places, by strengthening outreach to unregistered youth, and strengthening cooperation between schools and employers.

Therefore, an updated plan for YG implementation was prepared in October 2015<sup>23</sup> and new measures introduced to tackle youth unemployment<sup>24</sup>, most notably focused on NEETs' support. The Polish definition of the NEET group defines them as young persons aged 15-29 who meet the three conditions:

- not in work (i.e. unemployed or professionally inactive),
- not in education (i.e. not participating in formal, full time education)
- not in training (i.e. not participating in out-of-school activities with the aim of acquiring, supplementing or improving professional or general skills or qualifications necessary to perform work.

This group is further divided into four subgroups to which the specific measures of the YG offer is adjusted:

<sup>23</sup> The YG scheme in Poland was initially open to young NEETs aged 15-24. In October 2015, the Ministry of Labour and Social Policy, extended the coverage to include young people up to 30 years of age.

<sup>&</sup>lt;sup>24</sup> Most of the measures introduced in the reform of the labour market institutions in recent years in Poland, are not exclusively an element of Youth Guarantee policy, but a part of broader labour market intervention. Thus, the measures aimed at young people, included in the Youth Guarantee in Poland should be treated as supplementary rather than replacing existing measures.

- People aged 15-17, early school leavers people neglecting their schooling obligation (until 16 years of age) or education obligation (until 18 years of age),
- Young people aged 18-29 who are not in education, employment or training (NEET) –
  including persons requiring special support (i.e. distant from the labour market), from
  disadvantaged backgrounds, from rural areas,
- People aged 18-29 who are registered as unemployed including also the registered students of part-time and extramural studies,
- Unemployed youth and job-seeking graduates of schools and universities within 48 months from the day of graduating from school or obtaining a vocational title, aged 18-29 about support for youth entrepreneurship

Each of these groups is supported with specific measures within the existing institutional framework described below.

The main target group of the YG in Poland are persons aged 18-29 registered as unemployed, who are supported through the existing institutional framework of local labour offices with measures available to unemployed persons in a special situation on the labour market. Young people registered in the Poviat Labour Office can be supported through two kinds of services:

- (1) basic measures for professional activation with a long-standing tradition in Polish labour market policy, such as:
  - · vocational guidance;
  - traineeships/internships;
  - vocational courses;
  - training loans;
  - intervention works:
  - public works:
  - grant for self-employment,
- (2) new measures (adopted in the *Act on Employment promotion and labour market institutions*) such as:
  - vouchers for internship, training, employment and settlement;
  - refunds of contributions for social insurance (for the unemployed under 30 years old taking their first job).

Within the framework of support to youth, some measures have been included as obligatory:

- Individual identification of needs, profiling (depending on the degree of remoteness from the labour market),
- Vocational guidance (including planning a career and improving vocational qualifications) or labour agency (including the choice of profession in accordance with qualifications and competences).

In addition, there are some market tools and services aimed at the disabled and focused on bridging barriers in gaining and retaining employment through financing the work of assistant to a disabled person or equipping jobs accordingly to the needs of disabled persons.

Most notably new measures include vouchers for employment, training, internship/traineeship and for settlement:

- internship voucher the young registered unemployed may receive an internship voucher to be used at selected employers. The proposed duration of the internship is 6 months, with a subsequent guarantee of 6 months employment at the given employer. The funding under the voucher includes: learning for the unemployed in the amount of 120 % of unemployment benefit, costs of travel for the unemployed person, costs of medical or psychological examinations (when necessary).
- training voucher covers the costs of training as well as additional costs (travel, accommodation, costs of necessary medical and psychological tests) up to the amount of the average salary. Similar to the internship voucher, the key eligibility criterion is the formulation of the individual action plan for the young person.

- **employment voucher** again the use of this instrument is dependent upon the preparation of the individual action plan (IAP) for the participant. Under this arrangement, the 12 months part refund of salaries including social insurance contributions, up to the level of unemployment benefit. The limitation for this measure is the necessity to guarantee the employment of the unemployed person for a total of 18 months (including the period of 12 months of subsidised employment, with a further 6 months after the subsidy ends).
- **settlement (relocation) voucher** young unemployed people (under 30) taking employment or other gainful economic activities outside their place of residence can benefit from this measure. The place of work must be at least 80 km away from the place of residence, or the commuting time both ways has to be longer than 3 hours per day. Another requirement is the necessity of holding employment for at least 6 months during the 8-month period. The maximum amount of funding cannot exceed twice the average wage in the economy.

The last measure aimed at young unemployed people is the **reimbursement of expenses incurred on social insurance**. This measure can be used by employers hiring unemployed individuals directed to them by the local labour office under the age of 30 and who are undertaking their first job. The social insurance contributions for such employees can be refunded for a total period of 6 months. The eligibility criterion is the guarantee of employment for the period of 6 months after the end of the refund period.

One of the key stakeholders in relation to NEETs and the YG an in Poland is the **Voluntary Labour Corps (VLC)** – a specialised labour market institution with a long tradition and a well-developed network of local branches throughout Poland. The VLC is aimed at support of the first two target groups of young people mentioned above. The youngest beneficiaries of the YG (15-17-year olds) are mainly supported through the ESF-funded projects. One of the key projects is called "An idea for yourself", the main aim of which is the socio-professional activation of this group who neglect compulsory schooling or compulsory education, with a particular focus on people living in rural areas and people with disabilities. The second target group is also included in the measures addressed to people over 18 years old carried out by the VLC, and are divided into two kinds of support: (1) those clients who require support for vocational activation in the area of labour market and social integration gain standard support which includes job placement and career counselling (individual and group); (2) those clients who are in a disadvantaged situation on the labour market. The key measure in this respect will be the project entitled *Equal on the labour market*.

In Poland, the provisions of statutory employment services through labour market institutions (especially poviat labour offices - PUP) is financed from national resources, mostly through the Labour Fund. New measures provided by labour offices are funded from the Minister of Labour's reserve funds. However, the projects implemented by the VLC are part of the YG intervention funded through ESF. In Poland the YG also includes ESF projects funded through central and regional competitions<sup>26</sup> in the field of cooperation with labour market partners who are eligible to enter the competitions.

According to the **Pomeranian Province Development Strategy 2020**<sup>27</sup>, the Regional Strategic Programme on vocational and social activity has a leading role in the realisation of actions of the Pomeranian province council in such areas as employment, human capital and education. In relation to the youth employment, there are three key activities of the province council:

<sup>&</sup>lt;sup>25</sup> Such as those who have only a basic level of education and lack professional qualifications / experience, as well as persons who have qualifications and professional titles but live in rural areas and small towns. For the second group there is provided deeper support, which includes classes from soft skills and training courses, such as languages, computer, driving license course.
<sup>26</sup> Projects chosen by the Ministry of Family, Labour and Social Policy have a clearly defined target group

<sup>&</sup>lt;sup>26</sup> Projects chosen by the Ministry of Family, Labour and Social Policy have a clearly defined target group (young persons particularly disadvantaged on the labour market) – youth from custody leaving custody, graduates of youth education centres and special education centres, mothers from single mothers' homes, young persons leaving prisons.

Adopted by the Pomeranian Province Council on 24th September 2012

- 1. implementation of a regional system of monitoring and evaluation of the labour market based on the Pomeranian labour market observatory;
- 2. integration of actions of regional labour market institutions, support and social integration institutions regarding support in exiting vocational inactivity of the province's inhabitants;
- 3. implementation of regional vocational guidance system.

Specific support is also offered within the framework of the ESF funded project – both in relation to labour market and education support. Related to this, a number of **ESF funded projects aimed at supporting youth** are implemented in Gdańsk city and municipality.

**Gdański Urząd Pracy** (Gdańsk Labour Office) has been implementing three such projects aimed at NEETs during the period of 2015-2018, with the combined budget of PLN 25.8 million (over EUR 6 million). These projects were aimed at the economic activation of youth and the total number of participants to September 2018 was 2 898 (including 1 871 women and 1 027 men) <sup>28</sup>. Within the framework of the project, all participants have been provided with career counselling and/or recruitment assistance. Apart from this, more specific measures have been used in the form of:

- apprenticeships 1 893 participants,
- start-up grants 784 beneficiaries,
- training 834 participants (mostly basic entrepreneurship course for pre-start-ups),
- employment voucher 26 beneficiaries,
- settlement voucher 63 beneficiaries.

The main results of the project, measured as the direct effect, amounted to 91.8% since 2 262 of 2 465 participants continued in education, took up work or self-employment (even for 1 day) within first 4 weeks after finishing the project. Employment effectiveness measured by taking up work for at least 3 months after finishing the project amounted to 81.2% in the first project and 67.8% in the second project.

There are also examples of projects aimed at improving the functioning and cooperation of vocational schools. One of the most important is the Gdańsk - the City of Professionals Project<sup>29</sup> aimed at increasing the quality of vocational education. This project covers the period of 01.10.2016 - 31.08.2020 with a budget of PLN 13 million (about EUR 3 million) including cofinancing from the EU of PLN 11.7 million (around EUR 2.7 million). The main objective of the project is the improvement of future employability of vocational training students. Within the project framework, teachers and practical vocational learning trainers will be able to take part in trainings, courses and studies aimed at raising qualifications and competences. Additionally, teaching staff will take part in meetings of the cooperation network and workshops organised by councillors. These meetings will be aimed at increasing the knowledge of vocational guidance in the development of youth, possible forms of vocational development, and influence of teachers on the development of vocational path of young persons. Pupils will be included in the support of councillors in the form of individual consultations and group workshops. Additionally, they will take part in vocational trainings, courses and extracurricular courses raising qualifications and competences of pupils. Moreover, the participants of the project will be able to take 150 hours paid apprenticeships. All the measures will contribute to increasing the competitiveness of graduates of vocational schools on the labour market.

## It is planned that during the project:

\_

- 134 vocational education teachers and practical vocational learning trainers will gain qualifications or competences after leaving the programme,
- 167 vocational education teachers and practical vocational learning trainers will be included in the support of the Programme
- 2750 students of schools and vocational training centres will take part in internships and apprenticeships.

The 3<sup>rd</sup> of the projects is still on-going at the time of writing this report, so the total number of participants can change.
The project is realised within the framework of Regional Pomeranian Province Operational Programme,

<sup>&</sup>lt;sup>29</sup> The project is realised within the framework of Regional Pomeranian Province Operational Programme, Priority Axis III Education , 3.3 measure the Quality of Vocational Education co financed from the EU resources within the framework of European Social Fund.

The key success factor of the project is the engagement of almost all out of the 13 vocational schools functioning within Gdańsk city<sup>30</sup>.

Some specific support is also offered by special units such as the **VLC** within their local branches in the Pomeranian voivodeship and Gdańsk, **Talent Development Centre** (Centrum Rozwoju Talentów) and **NGOs** active in the field of youth support. Their roles and specific activities in the area of the study are described below.

## 2.2 Current structures in the area of tackling youth unemployment

Cooperation between different institutions providing services to young people is crucial. In this respect, the Polish approach to NEETs (including the YG) envisages the division of tasks and responsibilities between central and regional institutions. Measures realized at the central level are coordinated by the Ministry of Labour and Social Policy, whose main responsibility is to identify the priorities (consistent with the government's strategic and programming documents); monitor the implementation of the YG; supervise the VLC; cooperate with the BGK in financing loans; lead the competitions at central level and direct those at regional level. The Ministry of Infrastructure and Development is also involved and responsible for managing YEI in Poland and securing funds for its implementation (including defining the principles; monitoring the proper spending of funds allocated to the YG from the ESF and YEI; and reporting on the use of YEI and ESF funds).

At the regional / local level, the YG is implemented by: voivodeship labour offices (WUP), poviat labour offices (PUP), local units of voluntary labour corps (VLC), financial intermediaries of the BGK and labour market partners (social partners, employment agencies, NGOs, social economy actors, educational institutions, social dialogue institutions, municipalities and employers) selected to implement the YG.

At the local level, key role is played by Local Labour Office (PUP) an in Gdansk this role in vested in the Gdański Urząd Pracy (GUP) (Figure 3.)

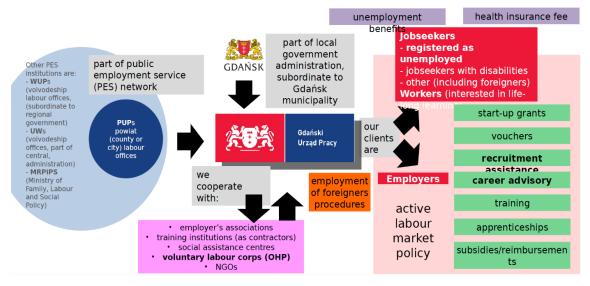


Figure 3: Role of Gdański Urząd Pracy

Source: Gdański Urząd Pracy (GUP)

<sup>&</sup>lt;sup>30</sup> Apart the Centrum Kształcenia Zawodowego i Ustawicznego Numer 1 w Gdańsku (Centre for vocational training nr 1 in Gdańsk) which acts on behalf of the municipality, the support is targeted at persons learning or working in the following schools: Zespół Szkół Morskich – Technikum nr 16; Szkoły Okrętowe i Ogólnokształcące Conradinum – Technikum nr 18; Zespół Szkół Samochodowych – Branżowa Szkoła I Stopnia nr 12, Technikum nr 12; Zespół Szkół Łączności – Technikum nr 4; Państwowe Szkoły Budownictwa – Branżowa Szkoła I Stopnia nr 5, Technikum nr 5; Zespół Szkół Energetycznych – Branżowa Szkoła I Stopnia nr 10, Technikum nr 13; Zespół Szkół Gastronomiczno-Hotelarskich – Branżowa Szkoła I Stopnia nr 3, Technikum nr 3; Zespół Szkół Architektury Krajobrazu i Handlowo Usługowych – Technikum nr 7; CKZiU nr 2- Technikum nr 8 i Technikum nr 14.

Figure 3 shows that local-level support to unemployed youth NEETs - including measures delivered under the Youth Guarantee – is provided by:

- Gdański Urząd Pracy, with its specialised unit Talent Development Centre,
- Regional and local units of Voluntary Labour Corps (VLC),
- Local NGOs.

The specific approach of the GUP is the creation of the special unit – Talent Development Centre (CRT - Centrum Rozwoju Talentów). The CRT is a new unit of GUP, opened in July 2016. The centre is a modern coaching and counselling unit focused on diagnosis and strengthening of beneficiaries' talents. It is located apart from the GUP headquarters in modern office located at the business centre of Gdańsk (Olivia Business Centre) and is open to all interested clients, not only the unemployed. The Centre is focused at lifelong career counselling, creating a clientfriendly environment to develop talents, creative and critical thinking, communication and cooperation and self-awareness. It is divided into three zones with different expectations, work schedules and ways of communication: Self-development zone, Career academy and Youth talents zone. Especially focused on youth, the Youth Talent Zone offers individual counselling sessions, helping to discover the young person's strengths and talents, as well as provide support in career planning taking into account current labour market's trends<sup>31</sup>. The Centre also offers individual counselling for pupils and their parents, as well as support to school counsellors.

The Centre also offers a group support model, through creative multisensory workshops about:

- understanding relations of education and future work,
- obtaining information about professions / vocations, based on actual labour market situation,
- improving job searching skills,
- human resource processes at companies mainly recruitment and selection including meetings with future employers offering work and internships,
- on-site study trips to workplaces.

The workshops offered are also tailored to the needs of different students and pupils target groups, for example:

- "Get to know yourself check your talents" is aimed at lower and upper secondary
- "The chest of talents" is aimed at lower and upper secondary schools,
- "Secret language of CV" is aimed upper secondary schools,
- "The labyrinth of professions how to find the right way" is aimed at lower secondary schools.

The approach is highly experimental with the use of well-known tools (like Shein Anchors) own developed tools (Metafora Café, Poker osobowościowy - Personality Poker, Dream Way). It also uses tools such as the city game called "Employer Hunt". It is also attractive to youth - not only by offering a modern, creative space - but also through initiatives like trips to explore local business, summer activities ("Holidays with talents") or meetings with famous stars and celebrities ("Talent in the main role").

The key strength of the approach is close cooperation with the educational sector (vocational schools<sup>32</sup>) on the one side, and employers on the other thereby offering the link for making schoolto-work transitions easier for young individuals.

The process is aimed at the:

- Better adjustment of graduates to employer needs,
- Awakening awareness and flexibility to follow labour market requirements.
- Anticipating changes in the labour market in the era of technological revolution,
- Sustainable balance to cope with stress.

<sup>&</sup>lt;sup>31</sup> Interactive guide of education offers is available at the website: www.centrumtalentow.pl – with access to education offers in Gdańsk and descriptions of professions.

32 The Centre also supports the implementation of the "Gdańsk – City of Professionals" project, described

in this report.

- Personal and social competences necessary to gain and build professional qualifications,
- Cognitive curiosity in Talent Management,
- Teamwork ability to cooperate as a team member,
- Ability to use information about professions and various labour markets.

In the individual counselling sessions as many as 3 156 participants took part (within 6 852 counselling sessions, which means each individual was supported more than once) while the 585 workshops were attended by 9 378 clients.

As described in the previous section, in Poland a special support role offered to NEETs is played by VLC which has organisational Units located around the whole country. In the Pomeranian Unit, the upbringing and education of the young people is set up within 9 Labour Corps and 2 Training and Education Centres. In the whole Pomeranian Unit as many as 1 875 young people are supported, while in Gdańsk itself it is 239.

As already noted, the beneficiaries of VLC support are those aged 15-18. The VLC system is based on learning and vocational preparation (dual system) and across the country, the VLC participants are trained in 62 professions. In the Pomeranian Voivodeship, the young people often choose the vocational education of a: salesperson, car mechanic, hairdresser, cook, confectioner and carpenter. Employment and vocational training of the VLC participants is based on the individual employment contracts and done under the terms related to the juvenile employees<sup>33</sup>. Thus, they have advantage from the social benefits and the period of vocational preparation is counted as a working period for pension purposes.

For the youngest beneficiaries, OHP offers two main forms of support: pedagogical care and fully boarded support (through Education and Training Centres).

**Pedagogical care** is provided through the activities of the community day care centres, where young people (both VLC participants as well as the representatives of the local community) under supervision of the staff, can do their homework, spend time with their peers, enjoy free access to the Internet, pursue their interests and develop talents. Pedagogical care is provided by developing interests within the special interests' groups, (e.g. vocal-dance, sports, art, culinary etc.; educational, recreational and sporting events; organization of winter and summer break recreation; trips, rallies and camps). Pedagogical care is also provided through the implementation of the educational programmes. In the school year 2016/2017 in the Pomaranian province, 66 educational, preventive and resocialization programmes have been implemented.

**Education and Training Centres** carry out the same tasks as the VLC, offering young people free accommodation, full board and training workshops. In the Pomeranian Voivodeship there are two Education and Training Centres offering accommodation for 100 teenagers. There are also workshops offered preparing for the professions of cook, confectioner and building and finishing workers. Currently, 66 young employees participate in the training workshops.

Support of VLC is also provided to young people in the area for finding employment through job brokering and placement, vocational counselling and information and organization of trainings. These services are aimed at young people aged between 15 and 25 years old.

Job brokering and placement is organised by specialised units of the VLC: Youth Labour Offices and Job Centres. The services provided includes:

- collecting job offers (providing offers of permanent, seasonal and short-term work),
- cooperation with employers, including cyclical organization of job exchanges and job fairs,
- providing jobseekers with help in obtaining employment appropriate to their qualifications.

In 2017, in the Pomeranian Voivodeship, about 16 700 unemployed were supported by the VLC in the field of job placement, with 19 job fairs and 137 job exchanges organised.

-

<sup>&</sup>lt;sup>33</sup> This is a special category of workers covered by Labour Law, with increased protection and limitations of the number of working hours, etc.

Vocational counselling and information are run by Mobile Centres of Vocational Information and Youth Care Centres. Support includes:

- individual and group classes of vocational guidance,
- active job searching workshops,
- disseminating information about possibilities of education and training,
- self-presentation techniques,
- creating entrepreneurial attitudes,
- mini lectures on job searching methods and mechanisms for starting the own business,
- · conducting individual research on talents and interests.

In 2017 36 900 young people were covered by career guidance in the Pomeranian Voivodeship.

As part of the activities aimed at supporting NEET youth, for many years the VLCs have been implementing projects co-financed from European funds. In 2017, two projects were finalised:

- "Wake up your potential",
- "Action activation".

This year, the VLC has started implementation of another project called "From training to employment" which is expected to end on 31 August 2018.

In Gdańsk an important role in help offered to young people – especially NEETs – is played by NGOs. While it should be noted that many NGOs are active in this field and receive support from public funds (national, regional and local) as well as private grants and donations, one of the most significant examples is the Fundacja Innowacji Społecznej and Gdańska Fundacja Innowacji Społecznej "Dobro Wspólne".

They offer a comprehensive system of support (see Figure 4) to diverse target groups, covering:

- · children from Homes for Children at the age of 16,
- young people from Homes for Children in crisis after leaving the Homes,
- people with intellectual disabilities,
- participants of Social Integration Centres,
- beneficiaries of the Labour Office.

Figure 4: Local system of support offered by Fundacja Innowacji Społecznej in Gdańsk area



## = EFFECTIVE START IN ADULTHOOD

Source: Gdańska Fundacja Innowacji Społecznej "Dobro Wspólne" & Fundacja Innowacji Społecznej

While this case study focuses on the school-to-work transitions of youth with the aim of participation in education and labour market, the most significant are their achievements in the area of **social companies creation and support**.

The model of support is based on the internships system in a chosen social company, followed by a possible employment offer. As the first step, a meeting with the manager of the social

enterprise is organised where positions and rules for internship are discussed. The internship lasts from 1 week to 3 months and is paid according to the minimum hourly rate as applicable in the labour law. The young person in introduced to the workplace and their progress is monitored by the manager of the social enterprise. At the end of internship, the young person prepares the journal of reflection on the internship and can then be offered a job position at the given company.

The Foundations operate currently three social companies in Gdańsk: Kuźnia café, So Stay Hotel and Bar Mleczny Centrala. **Kuźnia café** has been established since 2012, with an additional mobile point in the Italian Piaggio, started in 2018. At the café, young people can learn customer service skills.

**So Stay Hotel** is the first socially responsible hotel in Poland and opened in Gdańsk in 2015. The process of establishing it started in 2008 with long efforts to acquire the required funding. It is operated by the partnership of the NGOs, Gdańsk Municipality and with funding from The Velux Foundations and local business partners. At the hotel young people can learn in four educational paths: client service, cleaning service, reception and gastronomy. It is worth noting that the hotel has been awarded for its good practice in the field of putting young people onto the open labour market (out of 270 reported practices from 219 cities from 29 different countries).

The most recent development is the **Centrala Bistro**, opened in February 2017 in the City Hall, aimed at serving city hall staff as well as external clients.

Currently in Gdańsk there are:

- 33 employees in 3 social companies,
- 54 young people from Homes for Children after the internship in social company,
- 34 young people from Homes for Children working in social companies,
- 18 disabled people after the internship in social companies.

These numbers might seem relativelt small in relation to the number of young people in need, but actions offered by NGOs are aimed at specific groups with complex problems and distant from the labour market requiring a comprehensive support package.

## 2.3 Effectiveness of policies and structures

Due to the different starting points in relation to the NEET group, Polish approach (unlike in some other EU countries) is aimed primarily at the employment activation of youth and not the educational activation. There are measures facilitating school-to-work transitions including: services in Academic Career Offices that aid students and graduates of the university for entering the labour market; a nationwide database of internships and apprenticeships; job fairs; and the use of modern forms of communication to inform young people. These measures are complementary to other general changes aimed at the support of youth integration into the labour market, such as vocational education reform, higher education reform, or changes in approach towards the unemployed. The Polish approach to NEETs – mainly through the Youth Guarantee – is a comprehensive approach to the support of young people, as the measures include not only ad hoc instruments but also long-term measures to better link education with the labour market to prevent youth unemployment in the future. This makes this approach to NEETS holistic, integrated and complex.

At the national level, as noted by YG monitoring<sup>34</sup>, most of the indicators are positive but are still an issue of concern. EC data shows that situation of young people (aged 15-24) six months after exit from the YG in 2016 in Poland still lags behind the EU average, with measures effectiveness of 25.1% (as compared to EU average of 48.5%). These figures are worse after 12 months (13.5% in Poland as compared to 50% in EU), and 18 months (9.3% as compared to 48%).

In Gdańsk, the approach was successful in reducing unemployment not only due to improving economic conditions (which was the case throughout the country). Gdańsk succeeded in cooperation of different institutions aimed at the activation of youth and participation of employers.

<sup>&</sup>lt;sup>34</sup> Data collection for monitoring of Youth Guarantee schemes: 2016.

## 3. Divergence from national and regional policy

#### 3.1 Key aspects of the approach

The Gdańsk municipality approach towards supporting young people on the labour market is in many ways restricted by national level regulations that define the support instruments, limiting funding and institutional framework. However, under the given conditions it is in many ways different – mostly though active cooperation with institutions within and outside the framework (labour market institutions, employers, schools, NGOs). It is also active in the creation of new institutional units such as a unique Talents Development Centre or supporting NGOs initiatives. Therefore, it may be appropriate to call this approach "creative within boundaries".

Significant in the approach is the dual focus on:

- Employment support through ALMPs and other support measures offered by labour market institutions, the municipality and NGOs,
- Employability support focused on the long-term matching of young people's skills with the requirements of the labour market.

One of the key problems related to the employability of youth (both on national and local levels) is matching skills (and qualifications) to the requirements of the labour market.

- Quality of education with more focus on educational outcomes than the process of education (to increase the quality of education),
- Demand-driven approach in the education of youth where the skills and qualifications are in line with employers' demands and expectations.

It does not mean that the educational offer should be tailored to the needs of a given employer as such an approach is highly unlikely to work in cases of labour markets like Poland where the demand for labour is generated mostly by the SME sector and not large companies. Therefore, a local (and regional) as well as sectoral coordination is needed.

One of the examples of the importance of the role of employers in Gdańsk – formally supported by the municipality – is the obligation of vocational schools to cooperate with local business in the creation of new classes. When a school wishes to open a new class to prepare the students in a new vocation, it has to sign a letter of commitment with employers (confirming the need and will of employing graduates) to increase the chances of young people entering the labour market smoothly. This obligation covers all 13 vocational schools in Gdańsk and no new classes are opened without it.

Another initiative by the municipality department responsible for education and the labour market is the coordination of vocational school offers. In the past, two (or more schools) could offer courses in the same vocation, thus creating internal competition between schools. Currently the offer is coordinated to cover all vocations for which there is demand on the labour market and in this way schools can focus on cooperation with employers and not compete with each other for the student.

#### 3.2 Requirements for local policy effectiveness

The essential requirement for local policy to be effective is the close cooperation of stakeholders within the existing institutional framework – involving employers, labour market institutions, the municipality and educational institutions. Close cooperation between stakeholders, including the active role of employers requires:

- Responsibility (and cost) sharing among stakeholders in the educational process, focused on the development of required skills. In Poland employers are not eager to invest in the development of skills and their investment is often limited.
- Promoting lifelong learning also among youth so they understand the need for adjusting skills and qualifications to the changing labour market needs and will participate in such developmental activities in the future.
   Vocational and career guidance – supported by up-to-date information on labour market requirements in terms of skills and qualifications, in order to support educational and career choices.

## 4. Strengths and weaknesses of key policy

#### 4.1 Key strengths

Based on the diagnosis of the situation on the labour market in the Pomeranian Voivodship<sup>35</sup>, the key challenge is to ensure the balance of demand and supply of labour resources with particular consideration of the aspect related to the adaptation of employees' competences and qualifications to the needs of employers.

In consideration of this, five challenges of regional labour market policy for 2018 were formulated:

- · Supporting spatial and professional mobility,
- Use of untapped labour resources,
- Promotion of entrepreneurship,
- Matching competences and qualifications to the needs of the labour market,
- Strengthening activities supporting labour market institutions.

For each of these challenges appropriate measures have been planned, the implementation of which should contribute to the development of the Pomeranian labour market.

Looking at the measures described in this case study, it could be concluded that this strategy is implemented successfully at the local (Gdańsk municipality) level.

It is mostly due to the:

- Existing political and officials embraced the initiative and developed a new (experimental) approach,
- Involvement of the key stakeholders, resulting in fruitful cooperation within an institutional framework and external partners (mostly employers),
- Strong existing institutional framework with clear division of tasks allowing for synergic effects (and not the duplication of work).

#### 4.2 Key weaknesses

One of the key weaknesses identified is the sustainability of the approach, with many measures implemented on a project basis, financed mostly by ESF sources. Poland, apart from offering some measures (as described above) under PES support financed from national sources, benefits greatly from ESF funds (also in terms of the YG and other measures aimed at youth). Inclusion of experimental approaches and project experiences into permanent PES offer, followed by stable financing would provide sustainability of the most prospective measures.

What could also probably be strengthened is the approach towards internal and external communication strategies for the target group of youth. General external dissemination envisages activities suited to target groups: use of social media, leaflets, conferences, information available in Labour Offices and the offices of VLC. However, more efforts could be made to reach NEETs that do not actively search for information on existing possibilities.

Somewhat problematic is also the cooperation of PES with other services – most importantly social services. This a nationwide problem since the system envisages the division of tasks between PES and social services<sup>36</sup>. This makes the coordination of support mechanisms problematic, especially for young people with complex problems.

As noted in the evaluation of support mechanisms in the Pomeranian province<sup>37</sup>, PES have virtually no possibility to work closer with excluded groups as the labour offices, in principle, do

Ī

<sup>&</sup>lt;sup>35</sup> Regionalny plan działań na rzecz zatrudnienia dla województwa pomorskiego na rok 2018 [Regional action plan for employment in pomeranian voivodeship in 2018], WUP Gdańsk, 2017.

This includes division of payment of benefits – unemployment benefit is administered and paid by PES, while other social benefits – by social services.
 Skowrońska A., Osoby młode na w trudnej sytuacji na pomorskim rynku pracy – potrzeby, możliwości i

Skowrońska A., Osoby młode na w trudnej sytuacji na pomorskim rynku pracy – potrzeby, możliwości i instytucje wsparcia (Young people in a difficult situation on the Pomeranian labour market – needs, possibilities and supporting institutions), CARITAS, Gdańsk.

not undertake either social work or environmental work (and work with the clients who seek help themselves).

The last of the weaknesses (and possibly a missing element of support system in Poland) is inadequate participation of youth themselves (and their representatives) in the process of measures development. The participation of young people themselves in shaping programmes aimed at them (including the YG) is low due to decentralisation and regionalisation, as well as low participation in youth organisations.

## 5. Transferability

## 5.1 Key ingredients

The presented policy can provide an important lesson for creating fruitful cooperation when shaping future measures, especially going beyond public employment services. One of the features is a clear division of tasks between the public sphere organisations. At the public-private (personal) level, this partnership is embedded in changing the concept of intervention (implemented as a part of PES reform): starting with a comprehensive evaluation of the potential of a person seeking employment, individual support lifting barriers in returning to the labour market and the appropriate selection of the most effective tools for the individual.

Some of the key ingredients of the approach include:

- The Polish NEETs approach (mainly through YG measures) focuses primarily on employment activation of youth and not educational activation. In Gdańsk, thanks to coordination of the labour market (including employers) and education, the approach is more comprehensive.
- Development of new (experimental) approaches within the existing framework such as the Talents Development Centre, which serves as an example of successful initiative.
- Support (including financial) to NGOs which are much more successful in reaching some target groups of NEETs and can lead them to labour market participation (in the long-term).

#### 5.2 Contextual prerequisites

It is important to note that most of the features of the local policy are strongly embedded in the Polish labour market policy framework and have a long tradition of measures and institutions aimed at supporting youth (like the VLC). These features would be hard to replicate in another context. As such, the key contextual prerequisite to transferability would be the unique institutional framework of support.

Another issue would be the scale of the youth employment problem. The institutional frameworks were created in times of much higher unemployment among young people to offer significant interventions. As such, the framework itself needs to evolve, to offer a more individualised support and create closer links with business. Thus, different starting points in relation to the youth (and NEETs) scale and problems, as well as regional differentiation, can be an obstacle to transferability.

## 5.3 Key obstacles to transferability

Key obstacles to transferability of the Gdańsk municipality approach include:

- Existence of the political will at the local level that allows for taking the initiative in the creation of new approaches within the existing institutional framework,
- Well-established and close cooperation with employers at the local level, both with labour market institutions as well as the educational sector (mainly vocational schools),
- For transfer to other EU countries the unique institutional framework, embedded in national legislation and developed at the local level, with clear division of tasks between stakeholders.

#### 6. The future

#### 6.1 Prospects for youth unemployment

The Pomeranian region and Gdańsk municipality are currently developing in terms of the labour market and employment opportunities. The region attracts new investments due to the location, the high quality of life and relative availability of human capital. However, it is struggling (as is the whole country) with demographic challenges, strengthened by migration (although this has slowed down recently).

Poland is struggling with a low birth rate which is likely to significantly affect the economy in the future. The Pomeranian voivodeship, similarly to other European regions, is faced with the problem of losing the potential of youth. Persons under 30 years old form the largest group of unemployed and are faced with the greatest difficulties in finding employment. Taking the tendency of ageing society into account, the low birth rate and strong migration movements, the problem of the unused potential of youth can have significant consequences for the economy and social situation in the country and region in near future <sup>38</sup>. According to the demographic prognosis, the share of persons aged 15-24 in 2025 will amount to 16.1%, or 1.8 percentage point less than now <sup>39</sup>.

This suggests that easy to use labour resources have already been fully used up, especially in metropolitan areas like Gdańsk. This means that the country and the region will have to strengthen efforts to use any potential on the labour supply still untapped. Policies aimed at the activation of NEETs, getting people back to work (after childbirth, periods of inactivity, prison, etc.) or tackling the groups distant from the labour market (e.g. disabled, with "inherited" inactivity, from distant rural areas) should be prioritised soon.

#### 6.2 Likely policy developments

Regional and local level policies in the labour market in Poland are strongly dependent on general (national) policy. There have been no major changes announced to the institutional framework or financing of labour market institutions at the national level. Furthermore, recent local elections in Gdańsk resulted in the continuation of the previous government. Therefore, it is likely that the current policies will be continued as they are effective in reaching the goals of youth employment.

However, there are some proposed changes to increase the effectiveness of the interventions. In response to the issue of the low vocational activity of young persons, one of the projects<sup>40</sup> (cofinanced by ESF) is aimed at creating partnership and developing a set of recommendations which will improve the support system by increasing the scope and accuracy of the activation offer for young people mostly disadvantaged on the labour market, while realising obligations resulting from the Development Strategy for the Pomeranian Province 2020 and YG initiative.

The recommendations include:

 Recruitment of young people in the most difficult situation on the labour market, including the proposal to use the Pomeranian Profiling Tool (*Pomorskie Narzędzie Profilowania*) to create attractive recruitment advertisements, and to develop individual diagnosis.

 Support of young people by using more complex and individualised forms of support; social activation; use of Pomeranian Model of Vocational Guidance (*Pomorski Model Poradnictwa Zawodowego*); develop further the vocational training; support new ways of getting practical experience.

Therefore, the likely future changes are aimed at the improvement of the current model of youth support.

39 Inactive youth on Pomeranian labour market, *II Pomeranian Labour Market Observatory Forum*, Katarzyna Żmudzińska, WI IP Gdańsk (based on Central Statistical Office local data bank)

(http://www.wup.gdansk.pl/rynek\_pracy/artykuly/pomorskie-rekomendacje-neet.html)

<sup>&</sup>lt;sup>38</sup> Aktywność młodych osób w województwie pomorskim [Activity of youth in Pomeranian province], Pomorskie Obserwatorium Rynku Pracy, Gdańsk 2017.

Katarzyna Zmudzińska, WUP Gdańsk (based on Central Statistical Office local data bank)
<sup>40</sup> Pomeranian recommendations concerning the scope and accuracy of the activation offer for young persons mostly disadvantaged on the labour market

#### References

- 1. *Aktywność młodych osób w województwie pomorskim* [Activity of youth in Pomeranian province], Pomorskie Obserwatorium Rynku Pracy, Gdańsk 2017.
- Basic information about Gdańsk: https://www.gdansk.pl/en/about-gdansk/gdansk-the-sea-of-possibilities,a,3041
- 3. Data collection for monitoring of Youth Guarantee schemes: 2016.
- 4. Skowrońska A., Osoby młode na w trudnej sytuacji na pomorskim rynku pracy potrzeby, możliwości i instytucje wsparcia [Young people in a difficult situation on the Pomeranian labour market needs, possibilities and supporting institutions], CARITAS, Gdańsk.
- 5. Żmudzińska K., *Inactive youth on Pomeranian labour market*, II Pomeranian Labour Market Observatory Forum, WUP Gdańsk.
- 6. Pomeranian recommendations concerning the scope and accuracy of the activation offer for young persons mostly disadvantaged on the labour market (http://www.wup.gdansk.pl/rynek\_pracy/artykuly/pomorskie-rekomendacje-neet.html)
- 7. *Młodzieżowa Kraina Talentów* [Youth Talent Land], Planned activities for schools, Centrum Rozwoju Talentów, www.centrumtalentow.pl
- 8. Informacja miesięczna o rynku pracy województwo pomorskie [Monthly information on the labour market pomeranian voivodeship], Pomorskie Obserwatorium Rynku Pracy, September 2018.
- 9. Regionalny plan działań na rzecz zatrudnienia dla województwa pomorskiego na rok 2018 [Regional action plan for employment in pomeranian voivodeship in 2018], WUP Gdańsk, 2017.

# Annex: Further statistics on youth unemployment

Table 1. Unemployment rate of youth and population in EU and Poland (2008-2017)

Unemployment rate in the age		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
group:											
15-24	European Union	15,7	21,0	21,8	22,3	23,9	24,3	22,9	21,1	19,4	17,4
	Poland	15,2	20,2	22,4	23,6	24,1	25,4	22,7	20,7	17,4	14,6
15-29	European Union	12,0	15,5	16,7	17,0	18,4	18,9	17,7	16,1	14,7	13,2
	Poland	12,0	14,2	16,8	17,5	18,4	18,9	16,5	14,2	11,8	9,4
15-74	European Union	7,0	8,9	9,5	9,6	10,4	10,8	10,2	9,4	8,6	7,6
	Poland	7,1	8,2	9,7	9,7	10,1	10,3	9,0	7,5	6,2	4,9

Source: Eurostat

Table 2. Youth unemployment in Poland and Pomeranian province

	Poland		Pomeranian province	
	2008	2017	2009	2017
	Employment r	 ate		
Men and women aged 15-29	45,0	49,0	44,2	51,3
Women aged 15-29	39,8	42,8	38,1	44,0
Men aged 15-29	50,2	54,9	50,2	57,8
Un	employment rat	e (LFS)		
Men and women under 25 y.o.	22,3	14,7	22,7	13,5
Men and women total	8,5	4,5	7,8	4,0

Source: GUP

## D. Case Study: Hamburg Region (Germany)

#### **Abbreviations**

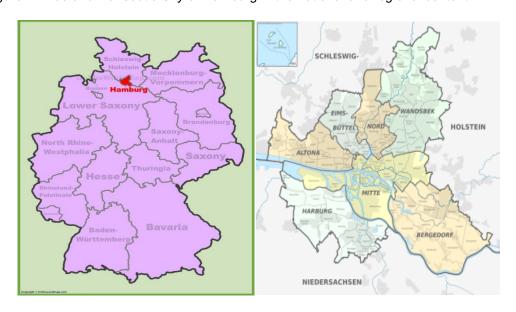
AV Dual	Duale Ausbildungsvorbereitung (Dual vocational training preparation)				
BA	Bundesagentur für Arbeit (Federal Employment Agency)				
DACEL	Hamburger Behörde für Arbeit, Soziales, Familie und Integration				
BASFI	(Hamburg Authority for Labour, Social Affairs, Family and Integration)				
BMAS	Bundesministerium für Arbeit und Soziales (Federal Ministry for Labour				
DIVIAS	and Social Affairs)				
BOSO	Berufs- und Studienorientierung (Job orientation at schools)				
BSB	Behörde für Schule und Berufsbildung (Hamburg Authority for Schools				
ВЗВ	and Vocational Education)				
ESF	European Social Fund				
FHH	Freie und Hansestadt Hamburg (Free and Hanseatic City of Hamburg)				
IAB	Institut für Arbeitsmarkt- und Berufsforschung (Institute for Labour Market				
IAB	Research)				
HIBB	Hamburger Institut für Berufliche Bildung (Hamburg Institute für				
півв	Vocational Education and Training)				
MINT	Mathematics, Information technology, Natural sciences and Technology				
NEET	Not in education, employment or training				
PES	Public Employment Services				
SC	Sozialgesetzbuch SGB (Social Code)				
VET	Vocational education and training				
YEA	Youth Employment Agency				
YEA	Youth Employment Agency				

## 1. Background and context

#### 1.1 The area

This case study focuses on the Free and Hanseatic City of Hamburg (FHH) in Germany (DE) which has successfully tackled youth unemployment and inactivity by focusing on a new approach based on smoothing the transition from school to work. For historical reasons, Hamburg is a federal city-state and has a relatively high level of municipal autonomy compared to the other 15 federal states in Germany (Figure 1). The seven districts in Hamburg have a status similar to local authorities with their own planning capacities (Figure 2). The population is 1.88 million making it the second largest city in Germany, and combines NUTS areas 1, 2 and 3 areas.

Figure 1: Free and Hanseatic City of Hamburg in the national and regional context



The key indicators of the region are shown in Table 1. The employment rate of 61.9 % is lower than the national average (79 %) while the unemployment rate at 6.5 % is slightly higher than the national average (6.3 %). In 2017, youth unemployment (15-24 age group) stands at 5.6 % mirroring continuing relatively low levels since 2007 after a peak of 11.5 % in 2005.

Table 1: Key Indicators – Free and Hanseatic City of Hamburg, 2017

Key Indicator	Data
Resident population	1,880,997
Unemployment rate	6.5 %
Employment rate	61.9 %
Youth unemployment rate age 15-24	5.6 %
NEET age 15-24	8.0 %
NEET age 18-24	10.3 %

Source: www.statistik-nord.de

## 1.2 Development of youth unemployment

The fact that young people are a particularly vulnerable group in the labour market with an unemployment rate typically exceeding that of the adult generation is partly the critical barrier of entering the labour market which all youth face. Although youth unemployment in Hamburg has decreased significantly (Table 2), many school graduates do not enter vocational education and training (VET) directly but participate in publicly-funded programmes or preparation schemes.

Table 2: Youth unemployment in Hamburg, 2000-2017 (Annual average, percentage rate)

Year	Total	15-19 years	20-24 years
2000	9.9	8.0	10.5
2001	8.5	5.8	9.7
2002	9.3	5.3	10.9
2003	9.1	4.0	11.1
2004	8.2	3.6	9,8
2005	11.5	9.6	12.1
2006	10.2	9.0	10.5
2007	7.8	7.1	8.0
2008	6.9	6.3	7.1
2009	8.1	7.0	8.5
2010	7.1	5.9	7.5
2011	5.7	4.7	6.0
2012	5.6	4.6	5.8
2013	5.8	4.6	6.1
2014	6.0	5.0	6.2
2015	5.7	4.8	5.9
2016	5.6	4.9	5.9
2017	5.6	4.6	5.9

Source: Federal Employment Agency

Before 2012, there was no information about the whereabouts of approximately 30 % of the young people after lower secondary education (Gehrke 2015, Pörksen 2013). To improve this, among other reforms a new service for youth with difficulties entering the labour market was set up in Hamburg in 2012. The Youth Employment Agency (YEA) acts as a one-stop-shop of support for youth on their way to school graduation, VET or employment. By approaching students already in school, it aims to smooth the transition from school to work and to reduce the number of NEETs (to 8 % in 2017 see Figure 2)<sup>41</sup>.

Figure 2: NEET in Hamburg

## 1.3 Principal reasons for youth unemployment

Youth employment in Hamburg is strongly shaped by the significance of the German dual VET system and its importance to youth-related labour market policy.<sup>42</sup> Depending on their performance, Hamburg students can choose between:

- Attending upper school;
- Starting a vocational track after the 10th grade.

This results in a large number of young people searching for suitable pathways into training and employment and the transition may not be smooth for different reasons such as:

- · Low academic performance;
- Lack of information;
- · Social problems.

For those youth lacking VET entry maturity or not having found an apprenticeship, it is possible to take a dual vocational training preparation year (AV Dual, *Ausbildungsvorbereitung Dual*), where general education and training is completed in a chosen occupational field on a full-time basis. <sup>43</sup> The core of the programme's success is the close link between classroom instruction and company-based training with its "bonding effect" and direct matching with market needs (placement rate of 48.5 % in 2017). <sup>44</sup> But those young people with social or physical disadvantages tend to be on the margins of mainstream institutions and many NEETs are living in deprived neighbourhoods where conventional information about VET opportunities may not be visible to them.

Policy makers in Hamburg identified not only a lack of orientation towards the wide range of measures as one obstacle to entering VET but stressed that more general problems of youth growing up in disadvantaged areas (i.e. growing disorientation) require more general approaches of social assistance that go beyond job counselling (Bürgerschaft der Freien und Hansestadt Hamburg 2012, Gehrke and Güntner 2017).<sup>45</sup>

<sup>&</sup>lt;sup>41</sup> Cf. Eurostat 2018. For detailed data on the number of NEETs in Hamburg, see annex.

<sup>&</sup>lt;sup>42</sup> After secondary education, most students decide to pursue dual vocational education (usually three years of training on the job accompanied by vocational school, no formal minimum requirement to entry) or study through a tertiary institution (requirement of at least a secondary education certificate) (OECD 2017). <sup>43</sup> In 2012, 49 000 students chose this route towards VET. AV Dual is obligatory for youth under 18 who have not completed lower secondary education and have not found an apprenticeship (OECD 2017).

https://hibb.hamburg.de/2018/10/02/ausbildungsreport-2018-2/, Interview with Oliver Thieß, 19.10.2018.

<sup>&</sup>lt;sup>45</sup> Since 2009, a social monitoring system annually informs on socio-economic developments in all

Above that, while about 220 apprenticeship professions exist in Germany, young people are mostely interested in the "top 10" of those professions. Further obstacles for labour market integration include:

- Uncertainty about the individual's skills;
- Employers' demands often not matching with the applicants' skills;
- increasingly the intention (of students and their parents) to go to school as long as possible in order to achieve a high graduation level (Pörksen 2013).

According to one source, decreasing jobs in the area of unskilled work make it more difficult for youth without job qualifications to enter the labour market. Hence, the number of people with higher education entrance certificates has risen from 34.8 % in 2006 to 52.7 % in 2017<sup>46</sup> and many companies nowadays prefer young people with at least a secondary or grammar certificate to start VET. At the same time, Hamburg has a surplus of vocational training places compared to the number of applicants and some sectors have large recruiting problems (i.e. MINT subjects, crafts industry, long-term care) (HIBB 2017).

At the federal level, one challenge refers to the diversity of responsibilities and involved actors due to the federal system, leading to a situation where decisive steps towards vocational orientation and integration are dependent on organisational and formal questions instead of priorizing quality advice and guidance (Duell and Thurau 2015). In response to this, in recent years in Hamburg, various contracts between the city and different partners were set up to coordinate the support offers for youth on their way to VET and employment, aimed at preventing the expected lack of a skilled labour. In 2009, the Hamburg 'Alliance for Education and Employment' was established with the aim to reform the transition system from school to work (Gehrke 2015). The Alliance prepared the introduction of:

- 2009: job and study orientation teams (BOSO<sup>47</sup>) in grades 8-10, arranging the collaboration between school and employment agency;
- 2009: support programme for education and VET for young migrants, an agreement to foster cooperation between companies and schools and to recruit teachers with a migrant background;
- 2010: school reform merging the lower secondary, secondary and comprehensive schools into the comprehensive schools<sup>48</sup>;
- 2011: reform of the transition management from school to VET;
- 2012: introduction of the YEA.

districts. When detecting unfavourable trends, those areas are brought into an integrated urban development programme pooling different regeneration funds (Güntner et al. 2014).

<sup>&</sup>lt;sup>46</sup> Cf. Freie und Hansestadt Hamburg 2018 (https://www.hamburg.de/contentblob/10428362/23338a6fa1edbfcfbf9e9c298a9aa5a4/data/pdf-gesamtdokument-2017-18.pdf).

<sup>&</sup>lt;sup>47</sup> BOSO refers to the concept of vocational orientation in schools (*Berufs- und Studienorientierung*) with the aim to improve the students' decision-making competence vis-à-vis VET or academic studies.

<sup>48</sup> Comprehensive schools are a special characteristic of the Hamburg school system. Students can gain either a general or intermediate level certificate of secondary education or an advanced level school-leaving certificate. That means there is the opportunity of starting VET after year 9 or 10. Alternatively, students may also enrol at a university after attending school for some more years and achieving the advanced level school-leaving certificate at the end of year 13 (http://english.welcome.hamburg.de/school/4590382/school-structure/).

## 2. Policies in tackling youth unemployment

## 2.1 Key policies

Against the background of an ongoing controversy about improving the transition from school to work and based on the Coalition Agreement (2009), as well as a proposal by the Federal Employment Agency (BA), Hamburg was chosen as a model region to test the YEA as an improved cooperation between stakeholders and jurisdictions of different Social Codes (SC) under one roof. In 2012, a coalition of different public service providers began working hand-in-hand with the task to support youth aged under 25 by providing:

- Guidance concerning VET, study or employment (SC III);
- Entitlement to benefits (SC II);
- Assistance in overcoming social or educational problems (SC VIII) (IAB 2016, OECD 2017).

According to the BA, the "project's aim is to connect the widespread responsibilities and ressources concerning the work with young people and establish corporate contact points in order to bundle the services for them more effectively" (BA 2011). Hamburg has established one YEA branch in each of the seven districts. Various written agreements, systematic rules and the allocation of resources were agreed on between the involved institutions (IAB 2016):

- Hamburg Employment Agency: vocational and academic guidance, support in application procedure and VET placement, outreach services;
- Jobcentre (team U25 for youth under 25): labour market information and counselling, case management, placements and support in receiving unemployment assistance;
- Authority for Schools and Vocational Training (BSB): responsible for either to successfully finish school or to visit a preparation programme to gain VET entry maturity;
- Hamburg Institute for Vocational Education and Training (HIBB): guidance about vocational schools, universities, further education and school-based apprenticeships;
- Hamburg Authority for Labour, Social Affairs, Family and Integration (BASFI);
- Seven district offices and youth social services assist (disadvantaged) youth with special needs, i.e. practical support with financial affairs, family, health or housing issues.

Building on a philosophy of individual responsibility, employees from the involved partners such as career advisors, social workers and school board staff, work together providing fast and handson support and sustainable case management in order to prevent cycles of inactivity.

In line with the agency's motto "each and everyone is needed" and "nobody should be lost" the YEA aims at smoothing the transition from school to work in order to reduce the number of participants in preparation schemes, inactivity or NEET. By providing systematic and obligatory career guidance, including the registration of every student already in school, supervision is guaranteed until successful labour market integration. At each local comprehensive school, regular job orientation by teachers starts in grade 8, including one complimentary appointment with a YEA counsellor. Schools are asked to report relevant information about students who are leaving to the school authority. All youth below 18 without secure transitions are invited to an interview at the YEA or consulted by a team of the school authority until an appropriate measure for their transition is found. Above that, every person below 25 can turn to the YEA if assistance is needed. Every month, 500-2,000 young people seek advice in one of the seven YEAs. They enter the YEA via the Welcome Desk where inquiries are checked and general information about the services from the SC II, III or VIII is provided. Furthermore, their data are collected, and the young clients can opt to have their data shared between the YEA institutions in order to facilitate integrated assistance. Depending on the individual's needs, they will be sent to one of the four different sections:

- Employment agency;
- Jobcentre;

School authority;

• Youth welfare services.

<sup>49</sup> https://www.jba-hamburg.de/English-71

The provider who is most involved in guiding the young client takes the lead in coordinating the other providers. The YEA concludes an integration agreement with the young person, which must be renewed no later than three months after signing. If the young person needs intensive support, case conferences can be held with the providers, the parents and clients. Figure 3 illustrates the YEA's organisational structure.

Organizational structure of a regional YEA-office (district level) Regional Office Youth Employment Agency Hamburg BACK OFFICE/CASE HANDLING **ENTRANCE AREA** Jobcenter Entrance area: Job placement Collection of data, Case management Counselling at home Filling in request forms, Employment agency Making appointments · Job / profession counselling Placement to vocational training Job placement Reception: State Ministry for Education Collection of first data and vocational Training School career Counselling Resolving the requests Counselling on vocational conference General information about training Social Codes Counselling at home Local youth / social Passing on to the responsible services colleagues Counselling and help in difficult situations

Figure 3: Organisational structure of the regional YEA in Hamburg

Source: Pörksen 2013

All YEA staff are public sector employees. A job coach has 70-80 cases and may apply sanctions in case of missed meetings, or a rejected job offer (Gehrke and Güntner 2017). Employees pursue an outreach approach at home or elsewhere if youth under 18 have repeatedly missed school, training or counselling appointments.

<sup>&</sup>lt;sup>50</sup> In 2013 and 2014, 9 221 participants made use of the YEA services: 37.1% had their first degree, while only 4.7% were without any qualifications. With the YEA support, the majority of the supervised participants (4 031) were able to access to VET. Only 162 participants entered tertiary education (FHH et al. 2014, OECD 2017).

#### 2.2 Current structures

What makes the YEA approach special is its cooperation structure in a multilevel system (school level, regional and federal state level) characterized by a systematic integration of the operational and strategic level:

- **School level**: different types of schools cooperate (comprehensive school, regional education and counselling centres, vocational schools) and job orientation teams (BOSO) support the transition management.
- **Regional level**: one YEA in every district in order to provide short distance counselling with staff of the internal partners and based on jurisidictional coordination;
- Federal state level: advisory council, networking department, planning team, board of
  directors and project management are the main bodies that run the YEA; all relevant
  questions on publicly-funded measures are evaluated on their adequate targeting and
  efficiency.
- External partners: external partners are crucial for the functioning of the YEA; it cooperates with the chambers, training companies, internship platforms, NGOs for job orientation, and the "VET network Hamburg" which connects businesses to young people (Gehrke and Güntner 2017).

Youth welfare services are close partners of the YEA through the project "Youth Active Plus" which has been part of Hamburg's policy in tackling youth unemployment since 2011 and has been successfully promoting the social and vocational integration of youth with multiple integration barriers. The project combines the instruments of both the youth welfare system and labour market policy in order to address NEETs by providing support offers targeted at their social stabilization and professional integration. With a funding of EUR 9.5 million (period 2017-2020) the project develops new connections between providers and creates networks on the local and regional levels based on a social environment approach to meet the increased organisational and psychological needs of the target group.

In the period 2014-2020, Hamburg is dedicating EUR 72 million from its budget through the different YEA providers and is receiving another EUR 78 million from the ESF,<sup>51</sup> the latter confirming that the ESF is an important instrument for the local labour market policies as its Operational Programme mentions several measures to accompany the YEA, among them "Youth Active Plus". Hence, the YEA consists not only of one self-contained system with financial plans, but different providers with their own budgets.

#### 2.3 Effectiveness of policies and structures

As regards the YEA effectiveness so far, it has not been fully evaluated but some positive results are visible:

- The share of school graduates who directly started a VET increased from 25.2 % in 2012 to 37.4 % in 2014;
- The share of NEET who entered VET preparation remained at roughly 37 % percent (2011 compared to 2014);
- The number of school graduates/leavers whose whereabouts are unclear dropped significantly from 1,185 (30 %) in 2011 to a total of 11 people in 2014 who were followed by the YEA in an absenteeism procedure.

These results can be interpreted because of the more cohesive cooperation between schools and the YEA. It can be said that the duplication of structures has been eliminated through the fusion of providers.

In 2016, the German Institute for Labour Market Research (IAB) compared the performance of

55

<sup>&</sup>lt;sup>51</sup> YEA funding is distributed as follows: Hamburg Employment Agency: 101 persons and property charge: EU 7,397,000.00 p.a.; Jobcenter: 174 persons and property charge: EUR 12,742,000.00 p.a.; BASFI: 15 persons for counselling and between 300.000-900.000 p.a. for integration programmes in 2012-2016 (Gehrke 2015).

districts with and without YEA by means of several indicators mirroring the YEA aims.<sup>52</sup> The comparison shows a positive correlation between the existence of the YEA and VET placement. This applies predominantly to urban areas and the former Western part of Germany, while for Eastern Germany such a correlation was not verified (IAB 2016). An official external evaluation of the YEA Hamburg by Kienbaum Management Consultants GmbH in cooperation with the INTERVAL GmbH will be published at the end of 2018.

## 3. Divergence from national and regional policy

## 3.1 Key aspects of the approach

The YEA approach is rather unique when compared to national and regional policies where temporary projects are in place instead of the long-term institutionalization of holistic problem solutions found in Hamburg. The most important innovative elements of the YEA diverging from national and regional policy are:

- Objective "nobody should get lost": all young people aged 15 25 are reached and counselled towards education and employment, no matter what educational level or need, and are provided with a suitable offer.
- Early involvement at school level: from grade 8 all schools and their staff are
  actively involved in the systematic job orientation and work hand-in-hand with the
  BOSO teams.
- **Jurisdictional cooperation**: before 2012, there had been low systematic coordination between the jurisdictional areas. With the YEA, all providers cooperate under a cooperation agreement. Whilst each of the participating organisations and their staff still follow their specific mandate, coordination and work flow improved.
- **Outreach approach**: the students' data is collected in school and young people are supervised if required at home.

#### 3.2 Requirements for local policy effectiveness

The YEA can certainly be regarded as a social innovation in Hamburg's strategy in tackling youth unemployment. In line with the Youth Guarantee's (YG) aims, the follow-up of the young people's whereabouts has improved significantly with the YEA. At the same time, the YEA is one example where PES registration is not a precondition for the delivery of the YG. The implementation of the YG has not involved vast systemic reforms and legislative changes. However, numerous parametric reforms have been initiated and the Federal Government's declared objective is to improve the long-term effectiveness of already existing programmes.

Compared to other federal states, the relatively high level of municipal autonomy in the city-state of Hamburg facilitates the establishment of an approach such as the YEA. The seven districts have a status similar to local authorities with their own planning capacities. However, due to the combination of services, the underlying mode of institutional governance is quite complex. The cooperation of the partners displays elements of network governance such as the case conferences. But there is a strong element of classic hierarchic governance, as the YEA and most partners under its umbrella are statutory bodies enforcing local, regional and national regulations and laws.

## 4. Strengths and weaknesses of key policy

#### 4.1 Key strengths

\_

Overall, the YEA approach has received wide regional and international attention and is regarded as a potential model approach to effectively tackling youth unemployment and inactivity. Its success factors can be summarized as follows:

<sup>&</sup>lt;sup>52</sup> The data by the BA covers all youth registered at the BA/jobcenter in order to receive job search support.

- 1. **Mandatory professional guidance** and **early job orientation**, together with close counselling based on case management and individual socio-pedagogical work are crucial success factors of the YEA approach.<sup>53</sup>
- 2. The **pooling of services in a one-stop-shop**. All providers work in one organisational unit which implies short distances and easier case handling. It is easier for young people to access the appropriate support as the counsellors are in direct contact to each other. This leads not only to synergies and reduced waiting times for the individual young person and the involved staff, but also to an improved communication between professionals.
- 3. The **systematic and jurisdictional cooperation** is a key YEA success factor. In this regard, Pörksen (2013) also highlights the aspect of institutional learning. By sharing experiences in direct exchange between advisers, other points of view or alternative strategies are found (which was much more difficult before). Regular meetings of the counsellors lead to a steady exchange of best practices and improve the counselling and integration progress. Cooperation based on reliability and personal contact creates synergies (IAB 2016).
- 4. The YEA approach can **reduce multi-layered and redundant structures** that had grown over time and often led to unsustainable measures like preparation schemes or misleading counselling structures. The effective allocation of resources is a crucial strength in the context of the achieved synergies. Hence, the more efficient use of available financial resources based on coordination of procedures and actions also helps eliminating funding gaps (i.e. lack of support for a target group).
- 5. The **cooperation with schools and social youth services is beneficial** and underlines the role of the YEA coordinator. The holistic approach based on intensive networking and short cuts between education, health or housing, and cooperation with economic and social partners and micro projects with clear district reference meet the young people in their local sphere.

## 4.2 Key weaknesses

The potential shortcomings of the YEA approach can be summarised as follows:

- 1. Working under one roof does not mean that all actors follow the same orientation. In the YEA, four broadly different orientations and priorities (and respective laws and regulations) can be found:
  - Work first (employment agency staff);
  - Adequate financial support (municipal social policy staff);
  - Motivation and activation (outreach workers);
  - Rights of the child (municipal youth department staff).

This is due to the fact that YEA employees remain employed in one institution working under a specific Social Code with individual target indicators. Hence, the **different legal logics can potentially lead to conflicts** between the involved perspectives.<sup>54</sup> As suggested by the HIBB, it may thus be necessary to think about legally embedding the common understanding of jurisdictional cooperation (HIBB 2017).

2. The YEA has a **focus on employability and workfare**. In this logic, only young people who are willing to participate in the measures are regarded as successful. However, a typology of successful or unsuccessful participants is hard to construct if success is merely measured along numbers of VET or job starters but do not say much about the type of person entering a measure nor the reason behind.<sup>55</sup> Further, improved and faster strategies of access to education and the labour market do not necessarily address the **quality of those schemes**. This would require a significant change in policy, as well as time and resources and is contrary to the recent

<sup>&</sup>lt;sup>53</sup> YEA staff members are also regularly visiting youth inmates in prison in order to provide guidance and orientation, a service that has been evaluated very positively (BASFI/Ramboll 2017).

<sup>&</sup>lt;sup>54</sup> As an example, while most YEA teams regard the approach as being based on voluntary participation and thus resign from sanctions, several teams would regard it as a measure whose break-up can be sanctioned (BASEI/Ramboll 2017)

sanctioned (BASFI/Ramboll 2017). <sup>55</sup> Between January and November 2015, 898 people under 25 received at least one sanction on their social benefit (Gehrke and Güntner 2017).

developments in the education system in which a shortcut to high school graduation and the labour market are the first priority.

- 3. Even more important, the practice of the YEA is **not able to influence developments in the labour market**. Companies and businesses must take their share of responsibility and create places for youth, also for those with lower skills and degrees. This is important against the background of demographic changes and the expected lack of skilled labour in the future, but especially for those regions and countries with a generally high level of unemployment.
- 4. A problem of coordination relates to **data systems** and **exchange** between the involved providers that have not standardized their systems (yet). There exists no standardized computer software or core data system. The interviewees underline how the usage of common data systems would significantly facilitate the cooperation.
- 5. According to an evaluation of several Hamburg ESF schemes cooperating with the YEA (BASFI/Ramboll 2017), high **staff turnover** is an issue that may hamper the smooth functioning of YEA services due to the required time for new staff to get familiar with the YEA structures, operations and the different jurisdictional areas involved.

## 5. Transferability

#### 5.1 Key ingredients

The national and international interest in Hamburg's YEA shows that an institutional platform has been created that could serve as an operational model, especially for other metropolitan areas. "Previously young people used to often fall by the wayside as we used to send them from one department to the other", ( Deutsche Welle (2014). Today, the YEA's all-round service from job counselling to finding accommodation and managing finances is already springing up across Germany (by January 2017, 289 YEAs had been established). It might not be limited to countries with very high youth unemployment, since even officials from countries with relatively low unemployment have visitied to observe the work done by the agency. Also the project "Youth Active Plus" is regularly presented both in Hamburg and at EU level to outline its success factors and to disseminate the approach as a potential best practice in the EU. Generally, the following elements of the YEA approach have the best potentialto be transfered to other regions and countries:

- Early intervention and registration: Early intervention already in school together with the registration of students, is an element that can be transferred to other areas or countries in order to guarantee that nobody gets lost after school graduation or drop-out (DV 2016).
- Cooperation partners / counselling networks: The cooperation approach with schools and social youth work institutions, but also with the economy and social partners, is transferable to another policy context as soon as the motivation to deepened cooperation is available.
- The dualisation of classroom instruction and company-based training is a key element of the German and Hamburg system that can potentially be transferred to countries that do not have a dual education system like that in Germany. Iit would be crucial to promote the general acceptance that company-based training is an integral part of any successful approach to facilitate the transition from school to employment.

## 5.2 Contextual prerequisites

The following factors can be regarded as preconditions for successful transfer of the YEA approach:

A good culture of cooperation, a positive approach to deepening cooperation as well as
common guiding principles and trust between the involved institutions. Employees need
to have a solid overview of the available support offers as well as the social area
structures. One view is that services are provided through a one-stop-shop is not a
prerequisite, but more important that someone listens and actually helps young people,
and that the measures offered make sense and lead to quality education and career

opportunities. Hence, factors such as the competence of staff and individual advice, together with attractive opportunities in the labour market are crucial.

- Available funding and enough public resources (including adequate numbers of employees) from various levels of government in coordination with the employment agencies, the regions and economic representatives, including the ESF, are essential preconditions.
- Another prerequisite would be a cooperation agreement regulating the extent and manner of cooperation of the involved institutions on different levels (national, regional, school). This may also include written agreements of objectives on the local level based on jurisdicitional cooperation.

#### 5.3 Key obstacles to transferability

Close spatial cooperation is helpful to reach the YEA's aim of a one-stop-shop and in this respect, the YEA approach is certainly easier to transfer to larger cities than to rural areas. In low populated areas, YEAs may fail in terms of mobility requirements, reducing the number of support offers that can be provided. Hence, the approach of having services under one roof should not be an exclusive approach. As underlined by several authors and interviewees, institutions at different sites can also work closely together based on a cooperation network (e.g. via virtual conferences, counselling in schools, mobile bus coaching and outreach assistance). The YEA structures should remain flexible enough to respond to local conditions.

#### 6. The future

## 6.1 Prospects for youth unemployment

According to local views, a priority will be to ensure that professional matching improves, and VET placement corresponds to labour market needs. In this context, one of the most crucial issues in the future will be the lack of skilled labour. It is thus highly relevant to regularly adjust the administrative and legal instruments to a changing labour market and changing situation of youth. By this means, the arrival of many youth migrants and refugees, as well as the fact that a significant number of young people in Hamburg remain NEET, can be turned from challenges into opportunities.

#### 6.2 Likely policy developments

In the coalition contract of 2018<sup>56</sup>, the Federal Government emphasizes the idea to expand the YEA approach. It is envisaged to establish the YEA approach nationwide by 2022. Significant challenges are forecast to affect the YEA in the future, including providing better educational outcomes for young immigrants, refugees and youth with diabilities, and improving the permeability between vocational and academic education streams. The YEA could intensify partnerships with intermediaries such as youth organisations who may also have specialised local knowledge regarding the needs of disadvantaged young people (i.e. youth migration services, streetworkers, youth court support, and other psychological and social services). Deepening and improving coordination between different layers of governance and different stakeholders, including employers, training providers, employment agencies and the chambers, will remain a challenging feature of the YEA approach. Future challenges also refer to the handling of data systems, digitalisation upgrades, and improved data exchange in order to increase transparency between schools and VET and improve the cooperation between the involved institutions.<sup>57</sup>

Finally, in order to learn more about the effects of the numerous activities and actors involved in the YEA, more in-depth research assessment and consistent evaluation is necessary. This includes the identification of reasons for being NEET and the causes for the increasing need for special support for youth at the start of their working lives to develop promising policies.

<sup>57</sup> http://www.uebergangschuleberuf.de/6636,Jugendberufsagenturen.html

-

<sup>56</sup> www.bundesregierung.de/Content/DE/StatischeSeiten/Breg/koalitionsvertrag-inhaltsverzeichnis. html

#### **Annex A: References**

Arbeitsgemeinschaft für Kinder- und Jugendhilfe (AGJ) (2015), Jugendliche und junge Erwachsene brauchen ganzheitliche Förderung und Unterstützung auf dem Weg in den Beruf-Anforderungen an wirksame und nachhaltige Jugendberufsagenturen, Berlin, 25./26.06.2015, https://www.agj.de/fileadmin/files/positionen/2015/Jugendberufsagenturen.pdf

Behörde für Arbeit, Soziales, Familie und Integration (BASFI) (2017), *Evaluierung des operationellen Programms ESF-Hamburg – Förderperiode 2014-2020, thematische Evaluation: Wirksamkeit und Erfolgsfaktoren individueller Begleitprojekte*, authors: Marcus Neureiter, Nina Jablonski, Karin Kowalczyk, Teresa Moll, http://www.esf-hamburg.de/contentblob/9135204/8fe7916e25461511740c80f4a6661579/data/05-001-thematische-evaluation-individueller-begleitprojekte.pdf

BASFI / Ramboll (2017), Evaluierung des operationallen Programms ESF-Hamburg – Förderperiode 2014-2020, Programmevaluation 2016/2017, http://www.esf-hamburg.de/contentblob/9411178/149498f03853a177186e20d1522c2a52/data/05-001-esf-programmevaluation-2016

2017.pdf;jsessionid=9481FAF793AF8E1D0B59E4EB7E89EAC6.liveWorker2

Behörde für Schule und Berufsbildung (BSB) (2016), *Bericht aus der Arbeit der Jugendberufsagentur im Ausbildungsreport Hamburg 2014*, pp 45-46, https://www.hamburg.de/contentblob/4375930/b6c4b23f5eabd89039994c81a195de1a/data/ausbildungsreport-2014.pdf

BSB (2014), *Die Jugendberufsagentur Hamburg - Ein Modell zum Nachahmen?!*, presentation by Andreas Kahl-Andresen, conference "Chance Beruf", July 2014, https://www.jobstarter.de/media/content/Chance\_Beruf\_Forum\_1\_Kahl-Andresen\_barrierefrei.pdf

BSB (ed.) (2012), Verbesserung der Beratung und Vermittlung (Jugendberufsagentur), Ausbildungsrepot Hamburg 2012, pages 46-48, https://www.hamburg.de/contentblob/3623200/59fc091a0ec641bbedfb34062395a7f9/data/ausbildungsreport-2012.pdf;jsessionid=62D791A096B56BEE508A78C1C84011D3.liveWorker2

BSB (2013), *Jugendberufsagentur – Erste Ergebnisse*, im Ausbildungsreport Hamburg 2013, Hrsg. BSB, Seite 44-47, Drucksache 20/4195, https://www.hamburg.de/contentblob/4110826/4a138a6de0c53a0ae920b5ae8eb83e35/data/au sbildungsreport-2013-dokument.pdf

Beierling, Birgit (2015), *Jugendberufsagenturen - Allheilmittel im Übergang zum Berufsleben?* ARCHIV für Wissenschaft und Praxis der sozialen Arbeit, 3/2015, https://www.jugendsozialarbeit-paritaet.de/fileadmin/user\_upload/Publikationen/Tagungsdokumentationen/doc/jba\_allheilmittel\_im\_bergang\_3\_2015.pdf

Billon, Alena (2016), *Alte Pfade, neue Wege, ein Ziel: Gelingende Übergänge in den Beruf. Die Jugendberufsagentur Hamburg - So funktioniert die rechtskreisübergreifende Zusammenarbeit,* in: dreizehn, Zeitschrift für Jugendsozialarbeit Nr. 16, November 2016, S 43 ff, http://www.jugendsozialarbeit.de/media/raw/KVJS dreizehn Nr16 web.pdf

Bundesagentur für Arbeit (BA) (2011), *Arbeitsmarkt 2011, Arbeitsmarktanalyse für Deutschland, West- und Ostdeutschland* https://statistik.arbeitsagentur.de/Statistikdaten/Detail/201112/ama-heft-arbeitsmarkt/arbeitsmarkt-d-pdf.pdf

BA (2018), Arbeitsmarkt in Zahlen – Förderstatistik: Ausgewählte arbeitsmarktpolitische Instrumente für Personen unter 25 Jahre, Nürnberg, https://statistik.arbeitsagentur.de/Navigation/Statistik/Statistik-nach-Themen/Arbeitsmarktpolitische-Massnahmen/Ueberblick/Ueberblick-Nav.html

BA (2016), *Erfolgsmerkmale guter Jugendberufsagenturen*, Pressemitteilung 22.2.2016, https://www.bmas.de/DE/Presse/Pressemitteilungen/2016/jugendberufsagenturen.html

BA (2014), Chancen ergreifen im Arbeitsbündnis Jugend und Beruf. Sozialleistungsträger kooperieren - Junge Menschen profitieren, https://con.arbeitsagentur.de/prod/apok/ct/dam/download/documents/dok ba013268.pdf

Bundesministerium für Bildung und Forschung (BMBF)/Bundesministerium für Arbeit und Soziales (BMAS)/Agentur für Arbeit Hamburg (AA HH)/BSB/BASFI (2015), Vereinbarung zur Durchführung der Initiative Abschluss und Anschluss – Bildungsketten bis zum Ausbildungsabschluss.

https://www.bildungsketten.de/\_media/Bildungsketten\_Vereinbarung\_Bremen.pdf

Bundesnetzwerk Jobcenter/Bundesarbeitsgemeinschaft der Gemeinsamen Einrichtungen gem. § 44b SGB II und kommunaler Jobcenter (2017), *Erfolgsmerkmale guter Jugendberufsagenturen - Grundlagen für ein Leitbild*, Aachen, 18.09.2017, https://www.deutscherverein.de/de/uploads/hauptnavigation/kinder-jugend/pdf/bundesnetzwerk-kriterienpapier-erfolgsmerkmale-guter-jugendberufsagenturen.pdf

Freien Hamburg (2013). brinaen Bürgerschaft der und Hansestadt Jugendberufsagenturen den Jugendlichen?, Drucksache20/9801, 20. Wahlperiode 08.11.13, Schriftliche Kleine Anfrage und Antwort des Senats an die Bürgerschaft, http://www.buergerschafthh.de/parldok/dokument/42856/ was bringen die jugendberufsagenturen den hamburger jugendlichen.pdf

Bürgerschaft der Freien und Hansestadt Hamburg (2012), *Einrichtung einer Jugendberufsagentur in Hamburg*, Drucksache20/4195, 20.Wahlperiode 15. 05.12, Mitteilung des Senats an die Bürgerschaft

Coalition Agreement between CDU, CSU and SPD (2018) Ein neuer Aufbruch für Europa. Eine neue Dynamik für Deutschland. Ein neuer Zusammenhalt für unser Land, https://www.bundesregierung.de/Content/DE/StatischeSeiten/Breg/koalitionsvertrag-inhaltsverzeichnis.html

Coalition Agreement between CDU, CSU and FDP (2009), *Wachstum, Bildung, Zusammenhalt,* http://www.kas.de/upload/ACDP/CDU/Koalitionsvertraege/Koalitionsvertrag2009.pdf

Der Paritätische Gesamtverband (ed.) (2014), *Alle Jugendlichen erreichen!!! Jugendberufsagenturen: Kooperativ. Rechtskreisübergreifend. Flächendeckend*, conference documentation, 3./4. September 2014, Berlin, http://news.bagkjs.de/media/raw/dokumentation JSAsept2014 web.pdf

Deutsche Welle (2014), New model against youth unemployment, 11.7.2014 https://www.dw.com/en/new-model-against-youth-unemployment/a-17780521

Deutscher Bundestag (2014), *Einrichtung von Jugendberufsagenturen Drucksache 18/913 18.* Wahlperiode 25.03.2014, Antwort der Bundesregierung auf die Kleine Anfrage der Abgeordneten Diana Golze, Dr. Rosemarie Hein, Nicole Gohlke, weiterer Abgeordneter und der Fraktion DIE LINKE, Drucksache 18/736

Deutscher Gewerkschaftsbund (DGB) (2014), *Jugendberufsagenturen – Ziele und Erfolgskriterien aus arbeitsmarktpolitischer Sicht*, arbeitsmarktaktuell DGB. Nr. 06, http://www.dgb.de/themen/++co++c1d93730-52d3-11e4-a5a4-52540023ef1a

Deutscher Verein für öffentliche und private Fürsorge (DV) (2016), *Erfolgsmerkmale guter Jugendberufsagenturen. Grundlagen für ein Leitbild.* Deutscher Verein, Januar 2016 (DV 26/15), https://con.arbeitsagentur.de/prod/apok/ct/dam/download/documents/ dok\_ba014168.pdf

Duell, Nicola, and Lena Thurau (2015) Implementation of the 2013 Recommendation on establishing a Youth Guarantee, EEPO Country Report

Eichhorst, Werner, and Ulf Rinne (2016), *Promoting Youth Employment in Europe: Evidence-based Policy Lessons*, IZA Policy Paper No. 119, http://ftp.iza.org/pp119.pdf

European Court of Auditors (2017), Youth unemployment – have EU policies made a difference? An assessment of the Youth Guarantee and the Youth Employment Initiative (pursuant to Article 287(4), second subparagraph, TFEU), https://www.eca.europa.eu/Lists/ECADocuments/SR17\_5/SR\_YOUTH\_GUARANTEE\_EN.pdf

Freie und Hansestadt Hamburg (FHH), Jobcenter Team.Arbeit.Hamburg, Agentur für Arbeit Hamburg (2014), Zwei Jahre Jugendberufsagentur: Schule – Beruf – Zukunft. Niemand soll verloren gehen, https://www.jba-hamburg.de/media/ public/db/media/ 1/2015/11/21/042\_2jahre\_jba\_broschuere2015.pdf#

FHH (2014a), Senatsdrucksache Drs. 20/12733 Große Anfrage der SPD. Betr. Keiner darf verloren gehen! Bürgerschaft der Freien und Hansestadt Hamburg, 20. Wahlperiode – Jugendberufsagenturen Hamburg. Hamburg 12.09.2014, http://www.buergerschaft-hh.de/parldok/dokument/46041/.pdf

FHH, Jobcenter Team.Arbeit.Hamburg, Agentur für Arbeit Hamburg (2013), *Ein Jahr Jugendberufsagentur: Jede und jeder wird gebraucht*, https://www.jba-hamburg.de/media/public/db/media/1/2015/11/21/041\_1jahr\_jbabroschuere20132011.pdf

FHH (2012), Senatsdrucksache Drs. 10/4195, Bürgerschaft der Freien und Hansestadt Hamburg, 20. Wahlperiode – Mitteilung des Senats an die Bürgerschaft: *Einrichtung einer Jugendberufsagentur in Hamburg*, https://hibb.hamburg.de/wp-content/uploads/sites/33/2015/12/Drucksache-20\_4195.pdf

Gehrke, Anne-Marie (2015), *Youth Employment Agency YEA "Nobody should be lost"*, WP7 Case Study Jugendberufsgantur JBA, Citispyce Project WP7, HAW Hamburg, http://www.citispyce.eu/sites/default/files/10%20Hamburg\_YEA\_Nobody%20should%20be%20lost.pdf

Gehrke, Anne-Marie, and Simon Güntner (2017), *The Youth Employment Agency in Hamburg. A need-oriented service innovation?*, in: Sirovátka, Tomáš, and Henk Spies (2017). *Effective Interventions for Unempoymed Young People in Europe. Social Innovation or Paradigm Shift?*, Routledge Academic, London

Güntner, Simon/Seukwa, Louis Henri/Gehrke, Anne Marie, and Jill Robinson (eds.) (2018), Local Matters: How neighbourhoods and services affect the social inclusion and exclusion of young people in European cities, Peter Lang Verlag, Bern

Güntner, Simon/Gehrke, Anne-Marie, and Louis Henri Seukwa (ed.) (2014), *Policy frameworks to tackle social inequalities experienced by young people in 10 cities across Europe*, Citispyce Work Package 3, HAW Hamburg, February 2014, http://www.citispyce.eu/sites/default/files/WP3\_policy\_map\_final\_without%20coversheet.pdf

Güntner, Simon, and Thomas Mirbach (ed.) (2013), Local Strategies for the Active Inclusion of Young People facing multiple disadvantages – findings of a transnational experiment, Lawaetz Stiftung http://www.lawaetz-service.de/fileadmin/lawaetz-service/redakteure/Download/COM.IN\_final\_report\_web.pdf

Hamburger Institut für Berufliche Bildung (HIBB)/Netzwerkstalle der Jugendberufsagentur Hamburg (ed.) (2018), *Anschlüsse ermöglichen – Perspektiven eröffnen. Geförderte Ausbildung und Berufsvorbereitung in Hamburg 2018*, https://hibb.hamburg.de/wp-content/uploads/sites/33/2015/09/Anschlüsse-2018-online2.pdf

HIBB (ed.) (2017), *Ausbildungsreport Hamburg* 2017, https://hibb.hamburg.de/wp-content/uploads/sites/33/2017/11/Ausbildungsreport-2017-Internet.pdf

Hoffmann, Elisabeth (2016), *Jugendberufsagenturen. Gemeinsam mehr erreichen*. Policy Paper II, Konrad-Adenauer-Stiftung (ed.), http://www.kas.de/wf/doc/kas\_45230-544-1-30.pdf?160519095744

Institut für Arbeitsmarkt- und Berufsforschung (IAB) (2016), *Jugendberufsagenturen und die Vermittlung von jungen Erwachsenen in Ausbildung und Arbeit*, IAB Aktueller Bericht 15/2016. http://doku.iab.de/aktuell/2016/aktueller\_bericht\_1615.pdf

Kazatsay, Zoltán (2017) Speech on the conference "Social and Labour Market Inclusion of NEETs – Hamburg" 14.09.2017, Deputy Director-General for Employment, Social Affairs and Inclusion, European Commission, http://www.jugendaktivplushamburg.de/tl\_files/JugendAktiv/redaktion/aktuelles/20151007\_Veranstaltung/Fachveranstaltung%202017/Speech\_DDG\_Kazatsay\_Conference%20Hamburg\_DE\_final.pdf

Landesarbeitsgemeinschaft der Jugendsozialarbeit in Niedersachsen (LAG JAW) (2015), Jugendberufsagenturen\_ Wer, wie, was? Referat Pro Aktiv Centren und Jugendwerkstätten, http://nord.jugendsozialarbeit.de/ uploads/media/Themenheft\_2\_2015\_Jugendberufsagentur.pdf

Organisation for Economic Cooperation and Development (OECD)/International Labor Organization (ILO) (2017), *Engaging Employers in Apprenticeship Opportunities*, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264266681-en

Pörksen, Jan (State Secretary Ministry for Labour, Social and Family Affairs and Integration, Free and Hanseatic City of Hamburg) (2013), *Policy solutions for youth experiencing disadvantage*, presentation at the 3rd Annual Convention of the European Platform, Brussels

#### **Websites**

www.jba-hamburg.de www.planet-beruf.de/schuelerinnen/.de www.esf-hamburg.de http://www.youthpolicy.org/nationalyouthpolicies/ http://www.uebergangschuleberuf.de/8399,Jugendberufsagentur+Hamburg.html

# Annex B: Further statistics on youth unemployment

age 15-19
- - - age 20-24

**-** total

Figure B1: Youth unemployment in Hamburg

Source: Federal Employment Agency (2018)

Table B1: NEETs in Hamburg

	1		1			
	total	total	males	males	females	females
year	15-24	18-24	15-24	18-24	15-24	18-24
	years	years	years	years	years	years
2000	9.8	13.9	6.1	9.4	13.5	17.6
2001	11	14.8	10.6	14.5	11.4	15.1
2002	10.1	13.4	9.7	12.9	10.6	13.7
2003	13.8	17.5	13.5	17	14.1	18
2004	13.6	18.7	12.4	17.4	14.6	19.8
2005	12.9	17.3	12.2	17.3	13.6	17.4
2006	11	14.8	11.5	15.9	10.5	13.7
2007	10.4	14.3	8.4	11.8	12.6	16.8
2008	10	13.3	10	13.7	10	13
2009	9.2	12.1	9.2	12.3	9.3	11.9
2010	9.9	12.8	8.4	11.2	11.3	14.2
2011	8.0	10.4	7.7	10.2	8.4	10.6
2012	8.3	10.7	7.0	9.2	9.6	12.1
2013	8.2	10.5	8.1	10.9	8.2	10.1
2014	8.4	11.4	8.6	11.6	8.3	11.3
2015	7.7	10.5	8.3	11.3	7.0	9.7
2016	9.4	12	7.4	9.6	11.5	14.3
2017	8.0	10.3	8.0	10.2	7.9	10.4

Source: Eurostat

# E. Case Study: Leeds City Region (United Kingdom)

#### **Abbreviations**

ATA	Apprentice Training Agency				
DWP	Department for Work & Pensions				
DYC	Devolved Youth Contract				
EU	European Union				
GB	Great Britain				
IAG	Information, Advice and Guidance				
JCP	Jobcentre Plus				
JSA	Jobseeker's Allowance				
LCR	Leeds City Region				
LEP	Local Enterprise Partnership				
NEET	Not in Employment, Education or Training				
SME	Small and Medium-sized Enterprise				
WYCA	West Yorkshire Combined Authority				
YC	Youth Contract				

## 1. Background and context

#### 1.1 The area

This case study focuses on Leeds City Region (LCR) in the United Kingdom (UK) because of its noted success in tackling youth unemployment and inactivity since the Great Recession. LCR is in Yorkshire in northern England (Figure 1) and is an amalgam of different NUTS areas, for example combining all West Yorkshire (NUTS 2) and parts of North Yorkshire and South Yorkshire (both NUTS 2), which encompass nine NUTS 3 areas (i.e. Bradford, Craven, Calderdale, Harrogate, Kirklees, Leeds, Selby, Wakefield and York)<sup>58</sup>. Of these, Bradford and Leeds are major cities, with Leeds the de facto capital of the Yorkshire region. There is diversity across these NUTS 3 areas in terms of economic, social and labour market characteristics, though they also share many and are to some extent interdependent. Importantly they also share two agencies that have been instrumental in the success in tackling youth unemployment and inactivity, the West Yorkshire Combined Authority (WYCA) and the Leeds City Region Learning and Enterprise Partnership (LEP).

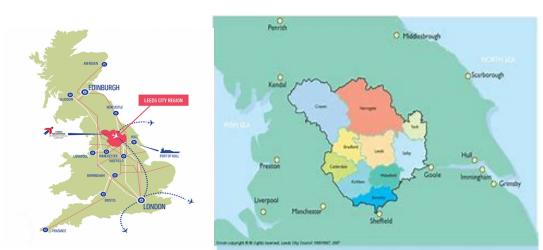


Figure 1: Leeds City Region in the national and regional context

<sup>&</sup>lt;sup>58</sup> To complicate matters further, there are ten local authority areas covered by the WYCA, namely: Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York.

The key indicators of the region are shown in Table 1. The LCR has a population in excess of 3 million making it the largest city region outside London, with main population centres in the cities of Leeds (around 0.75 million) and Bradford (around 0.5 million). The employment rate at 73.7 % is slightly less than the national (GB) average (75 %) and the unemployment rate at 4.3 % is slightly more than the national average (4.2 %). Unemployment peaked in 2011 at over 9 % gradually falling back to below 5 % in 2016. However, across the ten local authority areas there are large variations in employment and unemployment with the more deprived areas registering much more than the LCR average. Youth unemployment (16-24 age group) stands at 9 % which represents a significant improvement on the figure of over 23 % in 2012.

Table 1: Key Indicators - Leeds City Region

Key Indicator	Data
Resident population (2017)	3,063,100
In employment (Jul 2017-Jun 2018)	1,460,600
Unemployed (Jul 2017-Jun 2018)	66,200
Employment rate 16-64 (Jul 2017-Jun 2018)	73.7 %
Unemployment rate 16-64(Jul 2017-Jun 2018)	4.3 %
Youth unemployment rate 16-24	9.0 %
Claimants to benefit 18-24 (Sep 2018)	3.3 %

Source: NOMIS database

## 1.2 Development of youth unemployment

Over the period 2004-2017<sup>59</sup> youth unemployment (age group 16-24) in LCR increased to a peak of 23.5 per cent in 2012 as the effects of the Great Recession continued (Table 2). Through a combination of special measures to tackle youth unemployment and economic recovery, the youth unemployment rate gradually fell back to 11.6 per cent in 2017 which broadly mirrors the overall rate of unemployment (16-64). Table 1 clearly shows that the unemployment experience for 16-19-year olds was particularly severe with a peak of 42.9 per cent in 2012 before falling back to 16.7 per cent in 2017, whereas the rate for the 20-24 cohort peaked at less than half the rate for the younger age group at 18.5 per cent.

Table 2: Youth Unemployment Trend 2004-2017 – Leeds City Region (Annual average, percentage rate)

Year	16-19	20-24	16-24	16-64
2004	13.6	8.7	11.4	4.2
2005	20.4	9.2	12.9	4.8
2006	16.4	9.0	12.6	5.0
2007	27.1	10.5	14.3	5.3
2008	24.2	10.2	14.9	6.1
2009	27.1	14.6	17.4	8.1
2010	28.9	14.6	20.2	8.9
2011	34.4	18.0	23.2	9.4
2012	42.9	18.5	23.5	8.7
2013	30.8	17.4	22.5	8.6
2014	31.4	13.6	17.7	7.2
2015	19.6	10.8	14.6	6.0
2016	16.7	9.8	12.5	4.9
2017	16.7	7.9	11.6	4.7

Source: NOMIS (Annual Population Survey)

<sup>&</sup>lt;sup>59</sup> The start date of the series (2004) is dictated by the start of the current series of survey-based data which is not strictly comparable to earlier years.

Data on youth unemployment at local authority (i.e. NUTS 3 level) is compromised by problems of sample size since the series is based on the Annual Population/Labour Force Survey. Only for the areas with the largest populations are reasonably reliable figures available and a selection are in Annex B. These show some variation, for example the peak unemployment rate (20-24) in 2012 was 17.1 per cent in the city of Leeds but 22.3 per cent in neighbouring city of Bradford. However, for 16-19s the peak unemployment rate in Leeds was 42.9 per cent in 2012 but Bradford had an earlier peak of 46.6 per cent in 2010.

The main NEET problem is perceived to be among the 16-17-year-old cohort and figures are collected by local authorities on a regular basis through survey but are not considered to be very reliable. In the wider region of Yorkshire and The Humber there were 5.8 % of 16-17-year olds classed at NEET with local variations in the LCR from a high of 7.5 % in Wakefield to a low of 3.7 % in York.

## 1.3 Principal reasons for youth unemployment

The growth in unemployment in general and especially youth unemployment since the crisis has been due to several factors combining to exacerbate an already inherent problem with the local economy - insufficient economic activity. This was a feature of the Great Recession across the UK but with very different results in different areas and for different labour market sub-groups. In the LCR the principal exacerbating factors affecting the severity of the downturn for young people were:

- Low educational attainment.
- · Lack of skills.
- Employer reluctance to take on young people.

The area has a vibrant student population with a range of higher and further education institutions within its borders, but the problem with low educational attainment starts in schools.

The lack of skills among young jobseekers is, in part, carried through from the low educational attainment at school, but is also affected by the inadequate training opportunities available. Despite many efforts over the years to reinvent the apprenticeship system across the UK<sup>60</sup>, it is still characterised as a relatively low-level programme with too much emphasis on training at intermediate level (equivalent to Level 2) when employers generally need skills at a higher level<sup>61</sup>.

## 2. Policies and structures in tackling youth unemployment

## 2.1 Key policies

The key to how the

The key to how the LCR effectively tackled high levels of youth unemployment lie in initiatives that allowed areas to free themselves (to some extent) from the constraints of national policy. Furthermore, while the relaxation of central government control was embedded in a series of national initiatives, it was the way in which the LCR embraced the opportunities that made them an effective policy choice.

There were three key national policy initiatives that provided the foundation for a more local approach to economic development (and the integral labour market issues) as follows:

 Local Enterprise Partnership (LEP) – the LEPs were a product of the UK Coalition Government which, in 2010, started to establish a network of 38 LEPs across England with a devolved remit for economic development<sup>62</sup>. The LEP for the LCR was one of the

<sup>&</sup>lt;sup>60</sup> Education and training are devolved matters in the UK and so each of the home countries (i.e. England, Scotland, Wales and Northern Ireland) have responsibility for apprenticeships, though in practice the differences in their range, implementation and attainment levels are small.

<sup>&</sup>lt;sup>61</sup> Apprenticeships are at three levels: Intermediate (equivalent to Level 2 qualifications); Advanced – Level 3; and Higher – Level 4) and the majority are at intermediate level.

For more information on the structure and activities of the current LEP network see: ttps://www.lepnetwork.net/

first to be established, signalling the strong foundations already existing in the area for collaboration among the key players spread across ten local authorities.

- City Deals this initiative followed on from the establishment of the LEPs in 2012 and provided agreements on devolved powers (and funding) for the eight core city regions, including that centred on Leeds. More local control extended to skills provision and tackling worklessness, which is why this development was so crucial to tackling youth unemployment<sup>63</sup>.
- Growth Deals these were the next stage in devolved powers and funding to the city regions in 2014 which were more generous but stricter in that the LEPs were required to have their strategic plans approved by central government (partly because what the areas proposed had to be consistent with any national priorities).

These three policy developments were all interrelated with the City and Growth Deals allowing the newly-formed LEPs to develop their own initiatives with the security of knowing that funding was available.

However, these were broadly-based initiatives and the focus on tackling youth unemployment and inactivity that could (in part) be facilitated by the new initiatives that came from the rationale set out in 2013 as follows<sup>64</sup>:

- Information and awareness gaps among employers;
- Barriers to employer recruitment of young people;
- Insufficient jobs in the economy;
- High risk of dropouts among young people.

These points were based on an analysis of the underlying problems in the LCR and the emphasis on examining the evidence base for policy development has been a constant throughout the subsequent years of implementation and further policy initiative development.

Another crucial element in the backdrop to tackling youth unemployment was the development of a Skills Strategy<sup>65</sup>. Based on a thorough review of employer needs in the LCR. This set the tone for the development of policy for all groups including young people, in the latter case focusing on transitions to work and covering such priorities as improving work readiness, apprenticeship takeup, more employment opportunities and stronger careers guidance. The strategy was developed in consultation with the key players in the delivery of education and training (at all levels) in the LCR.

The key approach in tackling all the main causes of youth unemployment and inactivity was the involvement of employers and this has been a feature of UK skills policy for some time (for example in the development of Sector Skills Councils<sup>66</sup>). Employers (both public and private) are central to any improvement in youth (and other) unemployment and while this may appear to be a statement of the obvious (i.e. employers create the job opportunities), having employers closely involved in policy development and implementation for those currently without work is perhaps more innovative.

From the outset, attempts to engage employers were central to the work of the LEP and this took place at two key levels:

• Employer representation on the key policy forums.

https://democracy.leeds.gov.uk/documents/s108786/BACKGROUND%20DOCUMENT%2018-24%20Young%20Talent%20Report%20040214.pdf

For more information on the current Sector Skills Councils see: https://fisss.org/

68

<sup>&</sup>lt;sup>63</sup> Leeds City Region (2012) Unlocking our Economic Potential: A Leeds City Region Deal http://www.the-lep.com/LEP/media/LCR-Corporate/Research%20and%20publications/LCR-Cities-Deal-2012.pdf?ext=.pdf
<sup>64</sup> Leeds City Region (2013) Tackling Youth Unemployment in Leeds City Region – Young Talent: Head Start (Leeds City Region)

<sup>&</sup>lt;sup>65</sup> Leeds City Region(2012) LEP Skills Plan 2013-2016 http://www.the-lep.com/LEP/media/LCR-Corporate/Content/A.pdf?ext=.pdf

• Publicity to bring employers into the mindset of helping tackle youth unemployment and inactivity.

This LEP is overseen by a Board comprising senior representatives from business and the local councils in scope<sup>67</sup>. An Enterprise and Skills Panel comprising representatives from private sector employers, local authorities and other bodies ensures that employment needs and skills supply are joined up in policy development.

The LEP decided that publicity was crucial to fully engage employers with its efforts to tackle youth unemployment and so the slogan 'Developing a NEET-Free Region' was used in the early material. This was a bold statement of intent and with it went a normative target of reducing the number of NEETs rather than eliminating them entirely, which would have been unrealistic (as proved to be the case). However, behind the slogan was a clear intent to improve the prospects of young people, principally by making them more employable and making employers more disposed to employing them.

In this process, an action plan called '5-3-1' was devised to engage with employers and especially those who had not recruited young people in the past (such as many small and medium-sized (SME) enterprises (see Figure 1) and to win them over to seeing the benefits of engagement. The idea was that by changing attitudes rather than just achieving involvement by individual initiatives, employers might change their long-term approach to employing young people.

There are **5** things employers can do:

1. Invest in skills.
2. Mentor a budding entrepreneur.
3. Build links with education providers.
4. Offer work placements to unemployed young people.
5. Provide apprenticeships.

There are **3** reasons to do this:
1. Help someone reach their potential.
2. Their business will benefit.
The local economy will grow.

There will be **1** positive outcome:
1. The local economy will grow.

<sup>67</sup> The collaboration between local authorities led to the formation of a Combined Authority for West Yorkshire to allow access to resources, pool development ideas and lobby central government with a bigger voice.

Source: Leeds City Region LEP

However, it was realised that changing attitudes alone would not be enough to help bring down youth unemployment quickly and so a raft of related initiatives were introduced, focused on four key instruments of policy as follows:

- Devolved Youth Contract.
- Talent Match.
- Headstart.
- Apprenticeship Hub.

All four initiatives were underpinned by good information, shared between the key players working in the transparent and collaborative framework created. Each of these initiatives is described briefly below.

#### **Devolved Youth Contract**

The 'Youth Contract' (YC) became the main vehicle for tackling youth unemployment and was introduced by the Coalition Government in 2011, sharing much of the emphasis in the Youth Guarantee introduced by the EC a year later<sup>68</sup> with an offer of a job, training or work experience for unemployed youth. However, whereas the YC focused on 18-24 year olds, the devolved YC targeted 16-17 year olds and in particular NEETs who were not captured by mainstream policy. The principal value in devolving funds to the LCR was it allowed innovative solutions appropriate to local circumstances to be tried. In this case, the funding was focused on allowing (very) local voluntary and community agencies to work in their communities to identify and engage with NEETs to try and bring them into more mainstream support measures.

#### Talent Match

This is a national programme (funded by the national lottery) delivered locally and aimed at young people who have been unemployed for more than 12 months and face a range of barriers to joining the labour market. Support is customised to the needs of the individual and delivered by specialist support from agencies in the voluntary and community sectors. Importantly, young people are involved in the design of support measures which not only helps them to be more relevant, but also more acceptable to the target group.

#### Headstart

The Headstart programme was an initiative from the Cabinet Office (therefore national) but focused on funding local agencies such as the LCR to support young people aged 18-24 who have been unemployed for six months or more and claiming Jobseeker's Allowance (JSA) to gain employment. This offered an intensive support package both to the young jobseeker and employer, including in-work training and mentoring, wage subsidy and a guaranteed interview at the end of the period. Employers are involved with the design of the training element and mentors to the young jobseekers and employer are the key to reassuring both sides. The programme has also generated broader-based benefits through youth ambassadors and social media getting the message across to employers of the benefits of employing young people. In Leeds the Headstart programme ran from 2014 to 2016 and assisted around 1,600 young people.

#### Apprenticeship Hub

The apprenticeship route for young people was recognised as important and with considerable potential to increase places, though the emphasis would need to be on convincing SME's to raise their incidence of involvement. The Apprenticeship Hub is designed to focus resources on a single point of contact making the pathway easier for employers to access suitable young trainees and associated funding. However, recognising that some SMEs would not feel quite ready to take on the commitment, a pre-stage Apprentice Training Agency (ATA) was set up whereby young people could follow appropriate training (outside an employer) with the expectation that SMEs could then be persuaded to take on the trainee at some point in the training cycle. Through both the Apprenticeship Hub and the ATA it was planned to double the number of apprenticeships starts by increasing the number of employers involved from 12 per cent to 20 per cent.

<sup>&</sup>lt;sup>68</sup> The UK did not participate in the Youth Guarantee on the basis that it already had in place a similar programme in the Youth Contract. However, funding from the ESF and later the YEI was drawn down by the UK government and used on the Youth Contract.

While the four key initiatives are to some extent standalone, they were always envisaged as a package of measures that would be coordinated with, for example, some young people benefiting from more than one programme. However, while the overall youth activity was overseen by the LEP (reporting to the Head of Enterprise, Jobs and Skills) each programme had a dedicated officer responsible for administering, implementing and monitoring activity.

#### 2.2 Current structures

Currently the pressure on unemployment and YU is less as the economy has grown and jobs have been created. This to some extent has taken the pressure off the need for specific measures beyond mainstream provision, though there remains a cohort of young people (NEETs and those known to be unemployed) who are at some distance from the labour market and so still need support to bring them nearer to employability status.

Two of the programmes that were used to good effect during the post crisis period, DYC and Headstart, have ended. DYC was part of the national Youth Contract programme and this was discontinued in 2017, while Headstart ended in 2016 as planned. However, two programmes are continuing, the Apprenticeship Hub and Talent Match and the former has been expanded, though issues of skills mismatch and apprenticeships failing to deliver high enough quality training, as well as employers not willing to take part, remain.

#### 2.3 Effectiveness of policies and structures

The approach was successful in bringing down youth unemployment to some extent and for the initial years (i.e. 2012-2015) the targeted policies helped fill the gap left by a slow-growing local economy. However, greater economic growth from 2016 meant that the need for some of these interventions was less as demand for labour increased. But the point about the targeted programmes was that they were aimed primarily at those young people with the most need for an improvement in their employability and this will always be needed, albeit to a lesser extent in times of strong job growth.

Because of the various conditions that influence the efficacy of such policies, it is difficult to attribute how much of the fall in youth unemployment was due to the measures themselves and how much to the upturn in the economy, though since they were focused on making young people more employable, then they must have enabled then to benefit from the job growth.

A key feature of the LCR LEP is the attention paid to monitoring and evaluation of the various programmes, not only seen as an essential administrative tool but also as a way of determining future policy. For example, the final evaluation of the apprenticeship programme under the City Deal<sup>69</sup> emerged with several conclusions and implications for future provision, including:

- The importance of promoting apprenticeships to young people and those who influence them (especially schools and parents).
- There should be more focus on the outcomes and quality of apprenticeships with more advanced, higher and degree level starts.
- The reach of apprenticeships needs to be wider to include under-represented groups including the less-qualified and disadvantaged.
- Greater consistency in local provision should come through the hub approach but focused on local areas and with enough resources.
- It is important to build, extend and maintain good relationships with providers which may lead to a smaller number of the best providers being used.
- Marketing is important to raise awareness and build positive perceptions among employers, young people and parents.
- Apprenticeship support should connect to wider business support and skills and employment provision.

<sup>69</sup> Leeds City Region Enterprise Partnership (2016) Final evaluation of the City Deal Apprenticeship Programme http://www.the-lep.com/LEP/media/New/Research%20and%20publications/App-Hub-Eval-report-FINAL.pdf

The evaluation also contained estimates of the additionality generated by the programme, suggesting that this was around 22 times the cost of the programme, though this should be treated with caution given the difficulties of such calculations. More interesting was the relatively low levels of deadweight effects suggesting that most of the participants would not have become apprentices without the help of the programme.

The Headstart programme was subject to a final evaluation at the end of its operational period in 2016. A key feature in the delivery of this programme was that each local authority within the LCR took responsibility for its delivery, which meant some variation in approach. It estimated net additionality at around 79 per cent of those aged 18-24 taking part in the programme which suggested that the programme contributed to around 20 per cent of the overall fall in youth claimants to benefit over the two years 2014-2016. This is a significant contribution, particularly given the cohort's attachment to the labour market in the first place. The lessons learned from the programme included:

- The key aspects of the programme of work support, mentoring and matching of young people to the jobs available were crucial in achieving the good results.
- Working with employers before and during the work period was an important aspect, particularly for those employers new to recruiting from the cohort.
- The flexibility in the programme to adapt and adjust to local circumstances facilitated local support staff to tailor needs to the young person and employer.
- Partnership between local stakeholders was an important factor in success, including
  ensuing that provisions within the programme were complementary to those available in
  mainstream provision, particularly through JCP.

Importantly, the evaluation concluded that the programme had shown what can work in helping certain young people into employment and that this learning was likely to be evident in future support outside a specific programme such as Headstart.

## 3. Divergence from national and regional policy

#### 3.1 Key aspects of the approach

In the LCR the coincidence of policy developments provided the platform for the localised approach that proved successful in tackling youth unemployment. The establishment of the LEP and subsequently the West Yorkshire Combined Authority, provided the catalyst for local authorities to collaborate on finding solutions and the strength of this partnership and the resources it could command meant that it was well-placed to provide a strategy for tackling the economic and labour market issues facing the region.

It was also fortuitous that some aspects of national policy were being devolved to the newly-formed City Regions and LEPs such as the Youth Contract and Headstart. Around this time, local authorities were also given responsibility for young people aged 16-17 (with the DWP through JCP retaining responsibility for the 18-24-year olds) so this also focused their attention on tackling NEETs.

#### 3.2 Requirements for local policy effectiveness

Based on the example of LCR, the basic requirements for local policy effectiveness to tackle youth unemployment and inactivity can be summarised as follows:

- An effective, trusted and inclusive structure to oversee activities this was (and is) fulfilled by the LEP which embraced the opportunity given by government to establish an effective forum for economic development.
- Employer commitment the UK has a long track-record of employer (of all types, public
  and private) involvement in the determination of employment and skills policy at a national
  level such as those focused on sectors and on local areas. Employers provide the jobs
  and skills and they are central to youth employment prospects.

- Existing infrastructures should be complementary to any local initiatives this applies to national agencies such as JCP which has a raft of measures in place to help 18-24-year olds, and to the existing services found in the local authorities such as:
  - · Business engagement teams.
  - Apprenticeship hubs.
  - Employment and Skills officers.
  - Community outreach facilities (including job shops in deprived areas).
  - Social and children's' services including information, advice and guidance.
- Raising awareness among all stakeholders to bring about sustainable change, the
  attitudes of stakeholders needs to be conducive to young jobseekers. This especially
  applies to employers and in the LCR this was a strong feature of its activities, typified, for
  example, by using young ambassadors from among the target cohort to sell the potential
  of young people to employers. But it also applies to education and training providers who
  may not fully understand the labour market factors that affect their ability to increase the
  employability of young people.

In reaching the goal of greater local policy effectiveness, time-bound initiatives (such as the DYC and Headstart in the LCR) can be effective in bringing about short-term gains but also can be used for introducing long-term changes in attitudes and approaches.

## 4. Strengths and weaknesses of key policy

## 4.1 Key strengths

The key strengths of the LCR approach in tackling youth unemployment and inactivity can be summarised as follows:

- Focusing on the LEP and creating a vision for the future through various formats such as
  the skills strategy, has ensured that the development of support for young people will
  endure beyond the time-bound initiatives and their targeted funding.
- Through publicity and mentoring, employers have been engaged in tackling youth unemployment with an emphasis on SMEs who can be reluctant to commit to recruiting young people, even though the apprenticeship route.
- The effective use of labour market information and analysis coupled with regular monitoring and evaluation of initiatives has helped ensure a continuous cycle of information that feeds into improvements in policy and practice.

## 4.2 Key weaknesses

The key weaknesses of the LCR approach towards tackling youth unemployment and inactivity can be summarised as follows:

- The two key development initiatives of City Deal and Growth Deal covered more than
  just youth unemployment which meant that targets were more diffuse and so getting
  young people into work became a subsidiary target.
- Much of the activity to help young people was based on skills acquisition since this is
  where the much of the funding is focused. However, many of those young people
  distant from the labour market need more basic support to get into employment such as
  work experience and work trials.
- The LCR had (and continues to have) some difficulty in fully engaging the education sector helping young people transition to the labour market. This can to some extent be due to a lack of adequate funding for example for careers IAG, but it is also symptomatic of the education system in the UK which lacks an effective vocational stream.
- Local authorities have responsibility for 16-17-year-old NEETs but the 18-24s are not served well by current structures. Furthermore, information on NEETs is not as good as is needed to provide an effective support mechanism.

 Targeted youth unemployment measures can help create more employable young people, but it may not necessarily lead to sustainable employment outcomes without adequate labour demand from economic growth.

#### 4.3 Overview

The policy approach in the LCR has achieved a good balance in what is possible to help young people through a structural approach, with collaborative bodies and shared responsibilities, using targeted policies to help young people at various degrees of remoteness from the labour market. But there will always be an element of conflict between the objectives of individual agencies (often dictated by funding constraints) and the wider goals of the LCR and the LEP but the objective is to find the common ground.

## 5. Transferability

## 5.1 Key ingredients

The principal ingredients of the approach in the LCR provide the essential basis for transferability to other regions in Europe. It is unlikely that other areas outside the UK will mirror the situation in the LCR but there may be some common underlying factors that can be used to build on and these include:

- City (region) -wide body coordinating activities, inclusive and with the confidence of the members, but the body must have enough influence to bring about change and so highlevel membership and inclusivity is needed.
- Some funding needs to be available to be used at a local level with enough flexibility to target local issues. This could mean marshalling funds from different sources, but any funding is best pooled if possible, to give more flexibility.
- There needs to be a culture of employer involvement (but not necessarily full social partner involvement) to enable the sorts of structures that have been effective in the LCR (such as the LEP) flourish.

#### 5.2 Contextual prerequisites

Any consideration of using the example from the LCR may require the following prerequisites:

- A compliant government that allows a level of decentralisation in policy making with associated funding.
- A region comprising local areas with similar outlooks and some elements of a shared economic situation (e.g. travel-to-work or travel-to-study areas).
- Strong education and training provision that supports the development of young people at all levels, including in-work training.
- An established and effective public employment service (or equivalent) to support any local initiatives with national ones.

#### 5.3 Key obstacles to transferability

There are some potential key obstacles to transferability that could reduce the effectiveness of the approach:

- Any vested interests of potential partners that cannot be overcome or where areas of different size and resources might exercise their preferences over others.
- A lack of funding to initiate activities such as setting up an inclusive forum or having targeted programmes.
- Problems in making projects work across the different areas with different scales of the problems.

#### 6. The future

## 6.1 Prospects for youth unemployment

Rates of youth unemployment and inactivity have fallen to below pre-crisis levels through a combination of economic growth and targeted measures (the success of which has been helped of late by this recovery). However, forecast for future growth have been downgraded due to the uncertainties from the UK's withdrawal from the EU (i.e. Brexit) and a general slowing down in global growth. This has implications for each region and in the case of LCR, with its high dependency on industry and jobs in the services such as finance, a poor outcome from the Brexit process could be damaging to the local economy.

While youth unemployment has fallen significantly, at 11.6 per cent in the LCR it is still almost three times the average for the 16-64 cohort and there are pockets of even higher youth unemployment in some of the local authority areas. The number of NEETs also remains uncomfortably high, though represents a greater challenge for policymakers. So the need for targeted attention to young people remains high.

To counter this somewhat uncertain future to some extent, the region has established a strong infrastructure that continues to work towards improving the employability of young people and the receptiveness of employers to providing job opportunities for them.

## 6.2 Likely policy developments

The LCR continues to develop apprenticeships as a strong career choice for young people and a way of meeting the skills needs of employers and this builds on the initial work during the past few years with the Apprenticeship Hubs. The LCR has recently submitted a bid for EU funding to develop the local apprenticeship brokerage service and a central coordination function to address the skills gaps that currently exist. The activity will have the following local priorities:

- Participants aged 15-24 who are NEET or at risk of NEET.
- Unemployed participants aged 16-24.
- Inactive participants aged 16-24 working closely with district level NEET providers to avoid duplication.

More than this, the LCR aims to promote an enterprise culture, especially among young people extending to more (and better) engagement with schools. The funding is clearly a continuation of the work of the LEP to bring together employers and disadvantaged young people and includes the establishment of measures to involve schools and their staff in the process.

Alongside this there is a recognised need for better careers IAG for young people and improved labour market information to show where education and learning choices should be focused and developments in this field are likely to be progressed.

\_

<sup>&</sup>lt;sup>70</sup> Under the 2014-2020 ESIF Growth Programme, Priority Axis 1: Inclusive labour markets.

#### **Annex A: References**

Leeds City Region Enterprise Partnership (2017) Leeds City Region Labour Market Information 2017/18 http://www.the-lep.com/LEP/media/New/Leeds-City-Region-Labour-Market-Report-2017-2018.pdf

Leeds City Region Enterprise Partnership (2016) *Employment and Skills Plan: Skilled people, better jobs 2016-2020* http://www.the-lep.com/LEP/media/New/Leeds-City-Region-Employment-and-Skills-Plan-2016-2020-FINAL 1.pdf

Leeds City Region Enterprise Partnership (2016) *Labour Market Analysis 2016/2017* http://www.the-lep.com/LEP/media/New/Research%20and%20publications/Leeds-City-Region-Labour-Market-Analysis-FULL-REPORT-2016-2017.pdf

Leeds City Region Enterprise Partnership (2016) *Final evaluation of the City Deal Apprenticeship Programme* http://www.the-lep.com/LEP/media/New/Research%20and%20publications/App-Hub-Eval-report-FINAL.pdf

Leeds City Region Enterprise Partnership (2015) *Labour Market Analysis 2015/2016* http://www.the-lep.com/LEP/media/New/Research%20and%20publications/151119-LEP-Labour-Market-Analysis-2015-2016-(Final-WEB).pdf

Leeds City Region Enterprise Partnership (2015) Research and reporting on the City Deal Apprenticeship Programme http://www.the-lep.com/LEP/media/New/Research%20and%20publications/LEP-City-Deal-Apprenticeship-Programme.pdf

Leeds City Region(2014) *LEP Skills Plan 2013-2016* http://www.the-lep.com/LEP/media/LCR-Corporate/Content/A.pdf?ext=.pdf

Leeds City Region (2012) *Unlocking our Economic Potential: A Leeds City Region Deal* http://www.the-lep.com/LEP/media/LCR-Corporate/Research%20and%20publications/LCR-Cities-Deal-2012.pdf?ext=.pdf

Leeds City Region (2013) Tackling Youth Unemployment in Leeds City Region – Young Talent:

Head

Start

https://democracy.leeds.gov.uk/documents/s108786/BACKGROUND%20DOCUMENT%201824%20Young%20Talent%20Report%20040214.pdf

Office for National Statistics (2018) Young people not in employment, education of training (NEET)

Statistical

Bulletin

(August)

https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/
youngpeoplenotineducationemploymentortrainingneet/august2018

URBACT II (2015) Case Study - Leeds City Region: Towards a NEET-free City http://urbact.eu/sites/default/files/cs-02a jg-leeds-f4.pdf

#### **Websites**

Leeds City Region Local Enterprise Partnership: http://www.the-lep.com/
West Yorkshire Combined Authority: https://www.westyorks-ca.gov.uk/
Headstart Programme: https://www.biglotteryfund.org.uk/funding/strategic-investments/headstart
Talent Match Programme: https://www.biglotteryfund.org.uk/funding/strategic-investments/talentmatch
Apprenticeship Hub: https://www.leeds.gov.uk/residents/learning-and-jobopportunities/becoming-an-apprentice

#### Annex B: Further statistics on youth unemployment

Table B.1: Youth unemployment 16-19 selected districts (Annual averages, percentage rate)

Year	LCR	Leeds Bradford		Wakefield
2004	15.5	13.6	19.4	19.0
2005	19.5	20.4	28.2	17.5
2006	19.3	16.4	20.3	24.5
2007	22.0	27.1	23.7	18.8
2008	24.5	24.2	32.8	28.1
2009	23.0	27.1	N/A	26.4
2010	31.8	38.9	46.6	36.0
2011	34.3	34.4	28.0	49.9
2012	35.2	42.9	38.9	40.9
2013	34.0	30.8	38.9	42.9
2014	28.3	31.4	44.7	28.8
2015	23.4	23.4 19.6		24.1
2016	18.4	16.7	22.2	23.2
2017	22.1	16.7	36.8	25.2

Source: NOMIS (Annual Population Survey)

Table B.1: Youth unemployment 20-24 selected districts

(Annual averages, percentage rate)

Year	LCR	Leeds Bradford		Wakefield
2004	8.7	7.9	6.5	8.3
2005	9.2	11.6	7.9	10.3
2006	9.0	5.8	10.0	8.2
2007	10.5	9.0	13.6	12.2
2008	10.2	12.6	4.1	5.8
2009	14.6	10.3	15.8	14.1
2010	14.6	11.9	17.3	17.2
2011	18.0	18.0	20.5	15.0
2012	18.5	17.1	22.3	21.3
2013	17.4	21.3	19.8	21.4
2014	13.6	15.5	17.7	14.0
2015	10.8	11.3	20.0	12.5
2016	9.8	7.9	16.4	6.6
2017	7.9	7.0	5.8	12.3

Source: NOMIS (Annual Population Survey)

# F. Case Study: Navarre Region (Spain)

#### **Abbreviations**

AC	Autonomous Community
ESL	Early School Leaving
GDP	Gross Domestic Product
NEET	Not in Employment, Education or Training
YG	Youth Guarantee

## 1. Background and context

This case study analyses the main features of youth unemployment and the measures implemented to fight against it in the Autonomous Community (AC) of Navarre (Spain). Section 2 describes the background and context of youth unemployment and inactivity in Navarre; section 3 describes the policies and structures in tackling youth unemployment and inactivity in the region; section 4 highlights the divergences from national and regional policy; section 5 remarks on the main strengths and weaknesses of key policies; section 6 describes the capacity for the transferability of the local experience; and section 7 sets out the future for youth unemployment and related policies in the region.

#### 1.1 The area

Navarre is one of the smallest ACs of Spain (both NUTS 2 and NUTS 3) in terms of geographical extent (the region occupies the 11<sup>th</sup> position with 10,391 km² from a total of 505,370 km² for the country), and in terms of population (it occupies the 15<sup>th</sup> place, with 647.219 inhabitants from a total population of 46.8 million in Spain<sup>71</sup>). It has devolved competencies in the areas of employment, education and youth. Its small size and this capacity in terms of policies makes it ideal for the intervention and the application and study of policies and projects in the mentioned areas.



Figure 1: Navarre in the national and regional context

<sup>&</sup>lt;sup>71</sup> National Statistics Institute. Municipal Register of Inhabitants at 1<sup>st</sup> January 2018.

Over the last decade, the Navarre unemployment rate has always been between 31% and 41% below the national rate. Welfare levels in the region are also above the national average and Navarre has historically maintained a poverty risk rate much lower than the Spanish rate (8.3% vs 21.6% for the Spanish average in 2017)<sup>72</sup>. The GDP per capita has also been, traditionally, considerably higher in Navarre, around 24% above the national average (EUR 30,914 vs EUR 24,999 in 2017)<sup>73</sup>. This better position has also translated into a good relative situation in youth employment, unemployment, NEETs rate or early school leaving (ESL) indicators.

Part of this advantageous position comes from the traditional high importance given in Navarre to employment and education policies, which is reflected in the good coordination and cooperation between the two policy areas as well as in very professionalised employment services. Similarly, strong social cohesion policies in Navarre with, for example, a minimum income scheme ranking second in terms of minimum amount per holder/per month (EUR 600 vs EUR 439.27 for the national average) and the first in terms of the maximum amount per family unit (EUR 1,200 euros compared to EUR 712 for the Spanish average<sup>74</sup>), explain this favourable position. In addition, the productive specialisation of the region, with 28% of its GDP coming from the industrial sector, as well as the high level of education, has protected Navarre from crises better than other regions.

Table 1: Key Indicators - Navarre

Key Indicator	Navarre	Spain
Resident population (2018)	647,219	46,8
Youth unemployment rate 16-24	31.5%	38.7%
GDP per capita (2017)	EUR 30,914	EUR 24,999
At-risk-of-poverty rate (2017)	8.3 %	21.6%
Minimum income scheme	EUR 1,200	EUR 712

Source: National Statistics Institute

Within this context, Navarre has developed a series of strategies, plans and measures, to tackle the increase in unemployment experienced during the recent economic crisis. All of them have had two main features:

- They are the result of a diagnosis of the situation combined with a participatory process involving all key agents in the field of youth in the region, with a focus on promoting the autonomy of young people.
- The attention to the needs of the young population in Navarre is characterised by the confluence and close coordination of three systems: the employment system, the educational system and the youth services system.

## 1.2 Development of youth unemployment

According to national data<sup>75</sup>, the **youth unemployment rate** in Navarre (16-24 years old) experienced a sharp increase during the recent economic crisis, multiplying by more than three between 2007 (11.6%) and 2013 (48.1%). From 2014, the rate began to decrease steadily though it is still well above the rate at the beginning of the crisis, with figures still slightly higher to those of 2009 (31.5% in 2017).

As seen in Figure 2, the indicator has followed a similar trend as the Spanish youth unemployment rate in the same period. However, one of the key features of the youth unemployment in Navarre has been its historical better situation compared with the Spanish national average. Therefore, at

<sup>75</sup> National Statistics Institute, Labour Force Survey.

80

<sup>&</sup>lt;sup>72</sup> National Statistics Institute. Living Conditions Survey.

<sup>&</sup>lt;sup>73</sup> National Statistics Institute, Spanish Regional Accounts.

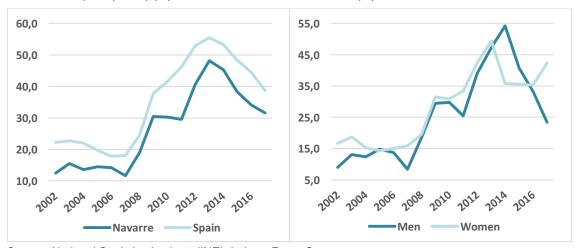
Spanish Ministry of Health, Consumption and Social Welfare (2017). 2016 Minimum Income Report.

the beginning of the period analysed (2002), the rate for Navarre (12.4%) was almost half the rate of Spain (22.2%). The Navarrese youth unemployment rate has remained below the Spanish rate throughout the period and was 18.4% lower than the national average in 2017 (31.5% vs 38.7%).

The crisis particularly affected young men (Figure 3), their rate of unemployment multiplying by 6.5 between 2007 and 2014, while the rate for women multiplied by only 2.3 over the same period. At the same time, the unemployment rate for young women had started to recover in 2014, while the rate for men began to decrease only from 2015. However, a deterioration in the women's rate is observed in 2017, while the rate of men has continued decreasing.

Fig. 2. Youth unemployment rate in Navarre and Spain (16-24) (%).

Fig. 3. Youth Unemployment rate in Navarre by sex (%).



Source: National Statistics Institute (INE). Labour Force Survey.

Regarding age, the 16-19 group has been particularly affected by the crisis, with an increase in the unemployment rate of 59.4 pp between 2006 (15.8%) and 2014 (75.2%), although it sharply decreased by 30 pp between 2014 and 2016, with a recent 5.6 pp increase in 2017.

On the other hand, the **activity rate** for young people fell sharply from 2006 (50.8%) to 2015 (30.9%), when it started to grow again (37.6% in 2017). It has also been traditionally lower than in Spain overall, mainly due to the higher proportion of young people studying in Navarre, as it can be concluded according to data on NEETs, ESL and level of education of young people in the region.

Indeed, the Navarrese **NEETs rate** has also been notably affected by the economic crisis, more than duplicating between 2007 and 2013, and beginning to decrease only from 2014. However, after two years decline, an upward trend began in 2016 which continued in 2017. Similar to the unemployment rate, the Navarrese NEETs rate<sup>76</sup> has been historically far below the national average.

Regarding **ESL**<sup>77</sup>, the Navarrese indicator experienced an important increase in 2007 and 2008, and later a rebound in 2012 and 2016. Again, the rate for Navarre has been historically far below the indicator for the average Spain.

Finally, the analysis of the **level of education** of people between 25- and 34-years old shows that in Navarre 50.3% have reached an education level higher than the secondary education (ISCED 4 to 9), 10.1 pp above the Spanish average. In contrast, for education levels lower than ISCED 4, the share in Navarra is below the average in the country, and the lower the level, the higher the difference with the average<sup>78</sup>

<sup>&</sup>lt;sup>76</sup> Regional rates for Spain include all young people aged 16 to 30, as the YG System in Spain is targeted to NEETs belonging to that age group. No disaggregation by age group within 16-30 is readily available.

Definition of early school leaving according to the Ministry of Education, Culture and Sports: Percentage of the population aged 18 to 24 years that has not completed the level of Secondary School.

<sup>&</sup>lt;sup>78</sup> Ministry of Education, Culture and Sports. Analysis of Labour Force Survey Results. Average levels of education for the period 2002-2017 (25-34 years old).

## 2. Policies and structures in tackling the youth unemployment

Navarre has devolved competencies in the main areas analysed in this report, including active labour market policies (ALMP), being responsible for their management and development in its territory. Also, it implements the state Employment Law in the region and designs and implements its own regional law. Similarly, it has devolved competencies in the area of education, being responsible of complementing the legal framework and contents designed at the national level, with specific features implemented by its regional education law.

## 2.1 Key Policies

Besides the adaptation of the activities within the **YG System** (centrally implemented in Spain, with the participation of the Public Employment Services of the ACs), Navarre has developed its own policies to tackle youth unemployment. They have traditionally been characterised by participatory processes involving all relevant regional agents in the field of youth, including social partners; as well as by the close coordination of the employment, the educational and the youth services systems.

Since 2015 the region has been governed by a coalition of nationalist and left-wing parties, which have been responsible for the implementation of the YG system as well as for the design and implementation of new policies for tackling youth unemployment with a new approach based on four axes: information, training, orientation and labour market insertion.

Thus, Navarre approved in March 2011 the **Regional Law 11/2011 of Youth** (*Ley de Juventud*)<sup>79</sup>, aimed to promote the autonomy of young people and to strengthen the collaboration between youth policies and education, employment, social inclusion and health policies. The Law focused on the creation and preservation of youth employment, the promotion of an effective training system, and the improvement in the transition from education to employment, or from unemployment or inactivity to employment.

Following this Law, in 2017 the new Government approved the following initiatives, taking as a basis the initial diagnosis made in 2015 on the situation of youth:

- The 'Navarra Younger' Strategy 2016-2020, which sets the lines for public policies in the field of youth, for both the Government of Navarre and the local entities. It is focused on four guiding principles: a) full youth participation in society; b) autonomy of young people; c) cooperation between the agents involved; and d) inclusion of youth in the socioeconomic development of Navarre.
- The II Foral Plan for Youth 2017-2020 (II Plan Foral de Juventud de Navarra) implements the above-mentioned Strategy and includes the activities that the different ministries and departments of the Government of Navarre plan to carry out in a coordinated way from 2017 to 2020, specifically aimed at citizens between the ages of 14 and 30, equivalent to 17.3% of the total regional population (110,976 young people). It is composed of four axes, the first of which is called 'emancipation' and includes an employment section with measures aimed to promote the access of young people to the labour market, encourage young entrepreneurship, promote employment, reduce precariousness, support employment and promotion of equal opportunities, with a total budget of EUR 9.9 million. It includes also YG activities.
- In September 2017, the **Agreement on Active Employment Policies in Navarre 2017-2020** (Acuerdo sobre las Políticas Activas de Empleo en Navarra) was signed. It was designed by the Government of Navarre together with the Economic and Social Agents and contemplates a series of measures with a total budget of EUR 188.1 million, including actions specifically aimed at fighting against youth unemployment and promoting youth employment. Among them, the Agreement foresees to develop an exhaustive and qualitative analysis of the employment situation of young people, based on which a new Action Plan will be established, in addition to other Government plans such as the Youth Plan, the Strategic Vocational Training Plan, etc., in order to reduce youth unemployment.

<sup>&</sup>lt;sup>79</sup> Regional Law 11/2011, of 1st April, of Youth. http://www.lexnavarra.navarra.es/detalle.asp?r=12358

Specific measures included in the Agreement aimed at boosting youth employment are, among others: a) definition within the active employment policies and the service portfolio of the regional PES of specific actions for young people; b) YG Programme and social economy programme for youth employment; c) promotion of young entrepreneurship; d) measures to promote the hiring of young people; e) improvement of professional qualification of young people in unemployment or precarious employment; f) promotion of traineeships linked to certification in companies in EU countries; g) actions for companies to demonstrate good practices in non-labour traineeships; and h) improvement of employment promotion programs for young people under 30 years of age with Local Entities.

Trade Unions have not totally backed the Agreement and as a result of the national Law 35/2015, limits their role as vocational training providers.

• Finally, the Strategic Plan for Vocational Training of Navarre 2017-2020 (Plan Estragético de Formación Profesional de Navarra) has been approved by the regional Government in August 2018, after a design coordinated by the Regional Ministry for Education in collaboration with other regional ministries. It is the guiding frame for the actions to be developed in the field of Vocational Training during 2017-2020 and is structured in three areas: a) support from Vocational Training to the Intelligent Specialization Strategy in Navarre; b) contribution to the cohesion and sustainability of the society; and c) strengthening and permanent updating of Vocational Training. It is coordinated by the Regional Ministry for Education.

On the other hand, after two years of work and debate, **the Navarre Employment Plan 2017-2020** (*Plan de Empleo de Navarra*) has not yet been approved due to the lack of agreement between the coalition government and the social partners. Considering that the legislative term will finish next Mary 2019, the plan is not expected to be approved in the short term.

#### 2.2 Current structures

The main structures involved in tackling youth unemployment in Navarre are:

• The **Navarrese Employment Service** (*Servicio Navarro de Empleo – Nafar Lansare*, SNE-NL), an autonomous body of the Regional Government created in 1998<sup>80</sup>, is responsible for the development of programmes that favour employment; the programming and management of training for employment in order to improve the professional qualification of workers; the accreditation of competences acquired through experience and non-formal training; the management of active employment policies; the promotion of professional guidance services and the active participation in the intermediation of supply and demand in the labour market<sup>81</sup>. Since 2015<sup>82</sup>, it has been under the dependence of the Regional Ministry for Social Rights instead of the regional Ministry for Economic Development, as it used to be. The new management model implies the provision of all employment services integrally in a single location, including both economic protection and activation policies. Also, the new model, which is currently under implementation, foresees the expansion of the services provided and a more efficient and effective management of employment activation in order to advance the most individualized service possible.

The SNE-NL is also the organisation responsible for providing people enrolled in the YG System with individual and personalised attention, adjusted to his/her labour insertion needs. It is also one of the organisations which provides assistance for face-to-face registration with the system (together with the Navarrese Institute of Sports and Youth and the youth information centres -centres from different organisations such as Municipalities, Associations, etc. conforming a network-) and is in charge of launching

Regional Decree 263/2015, of December 2<sup>nd</sup>, which approves the Statutes of the Navarrese Employment Service-Nafar Lansare. http://www.lexnavarra.navarra.es/detalle.asp?r=36872

<sup>&</sup>lt;sup>80</sup> Regional Decree 148/1998, of April 29<sup>th</sup>, by which the Autonomous Body of the Navarrese Employment Service is created, and its statutes are approved. http://www.lexnavarra.navarra.es/detalle.asp?r=10622

Regional Decree 263/2015, of December 2<sup>nd</sup>, which approves the Statutes of the Navarrese Employment Service-Nafar Lansare. http://www.lexnavarra.navarra.es/detalle.asp?r=36872

calls for subsidies to selected entities that develop actions within the framework of the YG System.

The Navarrese Institute of Sports and Youth (Instituto Navarro de Deporte y Juventud), created in 2015 within the regional Ministry for Culture, Sport and Youth<sup>83</sup>, is an autonomous body whose powers include those of planning, promotion and evaluation of youth public policies and the coordination of those matters that, affecting the young population of Navarre, are the responsibility of the regional Government. Specifically, the Sub-Directorate for Youth is responsible, among others, for proposing the regulation of professional profiles of young people according to professional qualifications. Also, it oversees managing the Navarrese Youth Information Network and/or other information and participation programmes, the Navarre School of Activities with Youth (ENAJ, responsible for promoting non-formal education among young people) as well as the Observatory of Youth. The Youth Information Network is composed by 32 youth points (youth houses, in local spaces) and each point contains a Youth expert. They organise activities related to leisure, but also guide young people to the employment offices, developing an important activity in explaining how these offices can provide them with support.

The Navarrese Observatory of Youth (Observatorio Joven), framed within the Navarrese Institute of Sports and Youth, is the unit responsible for reporting, surveys, studies and indicators regarding youth in the region, which serve to plan the youth policies of the Government and of the Municipalities. It is also responsible for the preparation, monitoring and evaluation of the regional strategy and youth plans.

The Council of Youth of Navarre, created in 1986, is the body representing the youth people of Navarre through the Youth Associations, which are connected within the Council with the Government or the Public Administration. It makes contributions to different areas, including employment or education and training.

The Navarrese Council for Vocational Training (Consejo Navarro de la Formación Profesional), created in 200084, is a collegiate body of a consultative nature and of institutional and social participation. It has recently increased the number of its members in order to achieve a major involvement of the nationalist trade unions, social economy employers and municipalities (April 2017). It is currently composed of 25 members and includes representatives of the regional government, business organisations, trade unions, municipalities and public and private vocational centres. It participates in the preparation of proposals regarding plans and instruments for the development of vocational training in Navarre and it monitors the plans implemented. It also provides advice to the Government of Navarre on matters regarding professional training and the development of the National System of Qualifications in Navarre. Finally, it also promotes the coordination between the public and private bodies involved in professional training and encourages the participation of companies in the development of professional training.

Finally, the Interdepartmental Commission for Youth of the Administration of the AC of Navarre (Comisión Interdepartamental de Juventud de la Administración de la Comunidad Foral de Navarra), is the instrument framed within the regional Ministry for Culture, Sports and Youth for coordinating and promoting transversal policies aimed at the young population. It is composed of members of the different regional ministries, departments and public bodies.

## 2.3 Effectiveness of policies and structures

After the sharp increase in youth unemployment experienced from 2007 onwards, the data reflects (despite seasonal fluctuations) a downward trend in unemployment among people under

<sup>&</sup>lt;sup>83</sup> Regional Decree 133/2015, of august 28, which approves the Statutes of the Navarrese Institute of Sports and Youth. http://www.lexauvarra.navarra.es/detalle.asp?r=36426

Regional Decree 247/2000, of July 3<sup>rd</sup>, by which the Navarrese Council of Vocational Training is created. http://www.lexnavarra.navarra.es/detalle.asp?r=28168 Modified by the Regional Decree 23/2017, of 12<sup>nd</sup> April. https://gobiernoabierto.navarra.es/sites/default/files/decreto foral 23.pdf

30 years old since 2014, which represents those included in the YG in Spain<sup>85</sup>. On the other hand, unemployment is still higher for young people than in the total population though the difference between the unemployment rates of both groups has been significantly reduced, from 20.1 pp in 2013 to 11.2 pp at the end of 2016, due to the decrease in both unemployment rates, which is being sharper for young people than for the total population (from 36.5% to 21.2% vs the reduction from 17.2% to 10.0%). Regarding NEETs, Navarre has the third lowest NEET rate in Spain in 2018, with 12.2%, well below the 16.7% of the national average<sup>86</sup> (considering those from 16 to 29, as included in the Spanish YG system). However, despite the reduction during 2014 and 2015 (from 17.7% in 2013 to 12.3% in 2015), the rate increased in 2016 and 2017 (up to 14.3%), contrary to what happened in Spain these last two years. The number of NEETs has increased in Navarre between 2015 and 2017 in 16.6%, although the rate is still 2.4 p.p. below the national average.

Regarding the YG, according to most recent data (August 2018), 14,447 young people (between 16 and 30 years old) are registered within the system in Navarre, which implies an increase of 20.0% on the situation 8 months earlier (12,055 in December 2017) and almost triple those registered in December 2016 (5,393). At that date, 98.5% of the requests had been resolved, while this ratio for the whole country was slightly higher at 98.8%. According to the regional government<sup>87</sup>, in September 2018, 6.700 (46.4%) of those registered in the YG had already taken part in the activities of the system. In this sense, Navarre has introduced new experiences in specific locations (e.g. Iturrondo), by complementing courses for young people enrolled in YG, with training, capacity building and reinforcement of personal and professional skills. Likewise, collaboration has been developed with Municipalities in the same direction.

## 3. Divergence from national policy (especially YG and YEI)

As explained above, the responsibility for managing ALMPs is a devolved competence to the Spanish ACs. Thus, within a common national framework provided by the Strategy for Employment Activation and the annual Plans for Employment Policy (PAPEs), Navarre has a very high degree of freedom to design, implement and evaluate ALMP and to collaborate with external actors, including Social Partners and NGOs.

#### 3.1 Key aspects of the approach

• The youth employment policy emphasises strong coordination between the regional employment and education systems (which is not the case at national level<sup>88</sup>). The regional Sports and Youth Institute also plays an important role and coordination with the regional Department for Social Inclusion has been reinforced for those unemployed in vulnerable situations.

- The important role played by the education system, which has defined and developed
  a quality training model as a strategic objective of regional competitiveness, based on
  continuous analysis of vocational training for employment needs; adaptation of training
  to workers and local labour market needs; and training linked to emerging activities and
  ICT (Martínez Valverde, 2014). This model prevents young people from dropping out too
  soon from the education system.
- Strong focus on excellence and high-quality guidance as the first service to be
  performed after the reception of young persons in the employment offices. A new single
  guidance model is being gradually implemented in which the employment consultant is
  the reference point for the person (young and adults) throughout the whole process.

<sup>&</sup>lt;sup>85</sup> Initially, the YG in Spain was open to all individuals aged between 16 and 25, and to persons under 30 with more than 33% of disability. In July 2015, the age limit was changed to under 30 for all participants. <sup>86</sup> Ministry of Labour, Migration and Social Security (2018). Report on Youth and Labour Market – June 2018. http://www.mitramiss.gob.es/es/sec\_trabajo/analisis-mercado-trabajo/jovenes/numeros/index.htm <sup>87</sup> Intervention of the Vice President of Social Rights of the Government of Navarra in the Parliament of Navarra, on September 13rd, 2018.

<sup>&</sup>lt;sup>88</sup> The State Ministry of Education entered the National Partnership for the YG two years after the launch of the YG and plays a marginal role.

Moreover, it is intended that guidance activities will be integrated according to a compulsory diagnosis carried out with the rest of ALM services.

- This focus on high-quality guidance is reflected in a new public procurement procedure which involves a new relationship model of the regional PES with private not-for-profit entities, employment agencies and other companies. In this model, the regional PES refers jobseekers (young and older) to the most suitable entity, according to the specialisation and availability of places in the entities.
- The **high level of resources** planned in terms of human resources, with 200-250 unemployed per labour consultant, well above the national average (600-700).
- The segmentation of young people to refer them to the most appropriate institution and service, considering age group, education attainment and previous labour experience. A statistical tool is being developed to quasi-automatically decide which combination of measures is most appropriate to the needs of different profiles of young people.

# 4. Strengths and weaknesses of key policy – what works well and what works less well (and why)

## 4.1 Key strengths

In Navarre region, the strong points of youth employment policy are:

- The individualised guidance system which relies on a strong level of coordination and in the work of the youth experts, who work transversally and have deep knowledge of the different services and policies regarding youth in the departments of the regional government and the situation and need of young people.
- The II Foral Plan for Youth is a key strong point due to its methodology which implies
  working transversally among the different departments and involves 11 thematic technical
  groups which meet twice a year. Also, because it foresees an evaluation leading to having
  complete descriptions of the situation of youth in Navarre. Within this context, the active
  participation of young people in the Plan is an asset.
- Traditional high importance given to employment and education policies reflected in good coordination and cooperation between the two policy areas; it is also reflected in a very professionalised employment services and in more availability of economic and personal resources devoted to these two policies compared to other Spanish regions. The Agreement for Active Labour Market Policies 2017-2020 reinforces the budgetary allocation per unemployed by 88.3%<sup>89</sup>. This results in high coverage of employment and education policies and in more effective policies (the youth unemployment rate is the lowest in Spain). The involvement of the youth experts is also key for effectiveness of the coordination.
- In addition to formal education, non-formal education with NGOs is a strong point in the Navarrese youth employment policy. It includes non-formal training courses carried out by neighbourhood facilitators and which accompany people and encourages them to improve. As a pilot, an initiative has been launched to recognise the competencies of volunteering episodes promoted among young people.
- As advanced above, well designed segmentation methodology and processes, coupled
  with a wide network of collaborators with different specialisations allows for improved
  diagnosis (specialised NGOs on, e.g. young persons with disabilities, make better
  diagnosis than a generalist NGO) and for improved allocation of specific resources when
  needed. The idea, which is being gradually implemented, is that the young person is
  accompanied throughout the whole process by the same person.

<sup>&</sup>lt;sup>89</sup> Data provided by the Navarrese Observatory on the Social Reality (*Observatorio Navarro de la Realidad Social*) based on approved budget and estimations on unemployment evolution in 2017-2020.

• Leadership of the public sector as regards employment policy, along with a clear strategic orientation towards quality ALMP<sup>90</sup>. This strategy has involved the development of common intervention methodologies for the actors involved and the implementation of processes. This allows for standardisation of measures and processes, for improved coordination and for comparison and mutual learning. Moreover, the information produced throughout the process, including the one produced by external collaborators (NGO, private employment agencies) is gathered in a single informatics application, so that planning, management, monitoring and evaluation have improved significantly.

## 4.2 Key weaknesses

- There is still room for more and better collaboration between youth and employment services with companies to be able to closely adapt to their needs. Also, more on-demand training, tailored to the needs of companies, would be desirable according to some of the interviewees.
- Employment policies are not able to counteract the global trend of increasing precarious employment, as reflected in the data and report of the Navarre Employment Observatory and CCOO Trade Union (2016) "The employment changes in Navarra". Additional measures should be implemented in order to tackle this phenomenon more effectively.
- Regarding training, improving training courses and activities for young people related to soft skills would be of major interest, as these skills are frequently required by companies and many young people in Navarre lack them (especially the NEETs).
- According to the trade unions interviewed, social dialogue has not been fluid and constructive since 2015 and social partners play at present a limited role in the elaboration of strategies and plans, as well as from the committees related to employment, including youth.
- Navarre is the only region in Spain which has not approved an employment plan, which
  is an essential instrument in order to effectively tackle employment problems, including
  young unemployment. However, as described above, an Agreement on Active
  Employment Policies in Navarre 2017-2020 has been reached with social partners.
- The low demographic density in the north of Navarre constitutes one of the main difficulties in terms of youth employment in the region: young people tend to emigrate from this area (to Pamplona or to Europe, where they get higher salaries) which implies an enormous challenge for rural development. With this regard, programmes aiming at facilitating their return and quality employment for these young people would be required.
- On the other hand, the high prices of housing pose a challenge for the autonomy of young people, aggravated by the high levels of precarious employment, as emphasised by the trade unions interviewed. With this regard, the Navarrese Institute of Sports and Youth has recently published a guide on housing and youth emancipation 'Your place or mine?'.

#### 4.3 Main challenges

\_

Regarding the main challenges for the future, the promotion of participation (bottom-up approach), the further improvement of the coordination and an increase in public budgets to recover the pre-crisis allocations for young policies (reduced by 85% in 2012) would be key.

<sup>&</sup>lt;sup>90</sup> In 2015, after regional elections, the new government changed the governance system of the regional PES. Up to then, the governing body of the PES was composed of social partners and the government, and government used to have the power to speak but shall not vote. In this system, SSPP would have yearly nominative grants to provide guidance and vocational services to unemployed, with limited connection with other stakeholders and ALMP. The national Law 30/2015, modifying the vocational training for employment system, excluded social partners from the provision of vocational training, which allowed the Navarre government to undertake such a reform of the PES and the strategic orientation towards quality ALMP.

## 5. Transferability of local experience

## 5.1 Key ingredients

Two main elements of the (youth) employment policy can be considered for transference to other Spanish regions and to other territories.

- a. Multiannual framework agreement with local/regional not-for-profit organisations to carry out guidance activities with youth (and adult) unemployed. This is an innovative public procurement procedure which requires:
  - that a complete methodological and implementation design of guidance activities within the context of all ALMP is carried out to ensure that the different stakeholders provide similar services:
  - that a significant number of such organisations exists in the territory able to provide specialised support to groups of young (and adult) persons with different needs;
  - the existence or design of an information system common to all stakeholders and all stakeholders need to provide the information required. This information system enables the PES to plan, manage, monitor and evaluate the policy;
  - political willingness to undertake a significant change in guidance activities, that are now understood as the entry point of young (and adult) persons to the rest of ALMPs.
- b. Segmentation of unemployed (adult and young) so as to refer them to the most appropriate institution and service and to provide them the most suitable combination of ALMP. Although not yet fully implemented, this practice, rigorously designed and implemented (the Navarra Public University is involved in the design) shall support employment counsellors, increase effectiveness and efficiency of the services provided, homogenise the provision and ease monitoring and evaluation of the results.

## 5.2 Key obstacles to transferability

The above-mentioned implementation of a multiannual framework agreement with local/regional not-for-profit organisations to carry out guidance activities with the unemployed can encounter resistance by stakeholders who may prefer the former system, by which they are granted funding annually, but are not subject to sound monitoring of the results and do not need to provide so much information.

This could apply in other regions in Spain, which often work on an individual basis with private stakeholders, including the social partners. Similar resistance also be could be encountered in other EU countries.

## The future for youth unemployment and related policy

The current policy approach is likely to continue in the future<sup>91</sup>, affecting both youth and adult employment policy. The existing models in Nordic EU countries in which high quality guidance services are closely linked to the subsequent provision of other ALMP services, are inspiring the Navarre strategy. Thus, the future looks like a high-quality individualised guidance system with enough resources, where:

- Young persons will always arrive on ALMP programmes and services through guidance
  activities, ensuring that a diagnostic about their employability will be carried out before
  offering the person the most appropriate set of services. Young (and adult) unemployed
  will be segmented using statistical methods and the combination of the best appropriate
  ALM services will be designed and provided. ALM policies will be more effective, efficient
  and homogenous among labour counsellors.
- Every young (and adult) person will have access to a real integrated pathway of services, with one reference person (a tutor) responsible throughout the pathway; ALMPs are not

<sup>&</sup>lt;sup>91</sup> Subject though to the results of regional elections in 2019.

silos in which some actors provide training, guidance or placement activities with little or no contact with employment consultants or with other ALMPs and so the reference person ensures that all services are provided in the timeframe and sequence initially designed, following the employability diagnosis of the person.

- Employment consultants will know, and have access to, the information regarding all ALMPs available, designed and implemented by all relevant actors in the region. This will allow them to provide the set of services most appropriate to the person and not just the set of services the consultants have knowledge of;
- There is a new format for employment offices with a customer-friendly appearance and highly qualified staff able to accompany the unemployed young (and adult) throughout his/her journey back to employment. The first of these new offices was scheduled to be inaugurated in November 2018.

#### B. List of references

Martínez Valverde (2014). 'El desarrollo autonómico y eficacia de las Políticas Activas de Empleo. Estudios de Progreso. Fundación Alternativas, 83/2014.

Ministry for Employment and Social Security (2014). ESF Operational Programme for Employment, Training and Education 2014-2020 (*Programa Operativo de Empleo, Formación y Educación 2014-2020*).

Ministry for Employment and Social Security (2014). ESF/YEI Operational Programme Youth Employment 2014-2020 (*Programa Operativo Empleo Juvenil 2014-2020*).

Ministry for Employment and Social Security and Regional Government of Navarra (2014). Navarra ESF Operational Programme 2014-2020 (*Programa Operativo FSE de Navarra 2014-2020*).

Ministry of Labour, Migration and Social Security (2018). Report on Youth and Labour Market – June 2018 (*Informe Jóvenes y Mercado de Trabajo – Junio 2018*).

Navarre Employment Observatory and CCOO Trade Union (2016). 'Las transformaciones del Empleo en Navarra'.

Official Journal of the Parliament of Navarre / No. 118 Session no. 115 / September 13, 2018. Intervention of the Vice President of Social Rights of the Government of Navarra on September 13<sup>rd</sup>, 2018.

Regional Government of Navarre (1998). Regional Decree 148/1998, of April 29<sup>th</sup>, by which the Autonomous Body of the Navarrese Employment Service is created, and its statutes are approved.

Regional Government of Navarre (2000). Regional Decree 247/2000, of July 3<sup>rd</sup>, by which the Navarrese Council of Vocational Training is created. Modified by the Regional Decree 23/2017, of 12<sup>nd</sup> April.

Regional Government of Navarre (2011). Regional Law 11/2011, of 1<sup>st</sup> April, of Youth (Ley de Juventud).

Regional Government of Navarre (2015) Regional Decree 133/2015, of August 28<sup>th</sup>, which approves the Statutes of the Navarrese Institute of Sports and Youth.

Regional Government of Navarre (2015). Regional Decree 263/2015, of December 2<sup>nd</sup>, which approves the Statutes of the Navarrese Employment Service-Nafar Lansare.

Regional Government of Navarre (2017). 'Navarra Younger' Strategy 2016-2020 (*Estrategia Navarra+Joven 2016-2020*).

Regional Government of Navarre (2017). Agreement on Active Employment Policies in Navarre 2017-2020 (Acuerdo sobre las Políticas Activas de Empleo en Navarra).

Regional Government of Navarre (2017). Il Foral Plan for Youth 2017-2020 (*Il Plan Foral de Juventud de Navarra 2017-2020*).

Regional Government of Navarre (2018). Strategic Plan for Vocational Training of Navarre 2017-2020 (*Plan Estragético de Formación Profesional de Navarra 2017-2020*).

Regional Ministry for Social Rights (2017). Press release on the 7<sup>th</sup> December 2017.

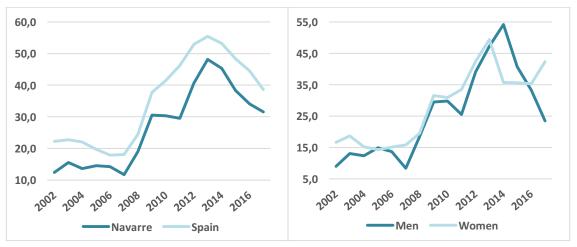
## C. Annex: Further statistics on youth unemployment

According to national data<sup>92</sup>, the **youth unemployment rate** in Navarre (for those aged 16 to 24 years) experienced a sharp increase during the recent economic crisis, multiplying by more than three between 2007 (11.6%) and 2013 (48.1%). As of 2014, the rate began to decrease steadily until today. However, it is still well above the rate at the beginning of the crisis, with figures still slightly higher to those of 2009 (31.5% in 2017).

As seen in Figure 1, the indicator has followed a similar trend as the Spanish youth unemployment rate in the same period. However, one of the key features of youth unemployment in Navarre has been its historically better situation than the Spanish national average. Therefore, at the beginning of the period analysed (2002), the rate for Navarre (12.4%) was almost half the rate for Spain (22.2%). The Navarrese youth unemployment rate has remained below the Spanish rate throughout the period and was 18.4% lower than the national average in 2017 (31.5% vs 38.7%).

Fig. 1. Youth unemployment rate in Fig. 2. You Navarre and Spain (16-24) (%).

Fig. 2. Youth Unemployment rate in Navarre by sex (%).



Source: National Statistics Institute (INE). Labour Force Survey.

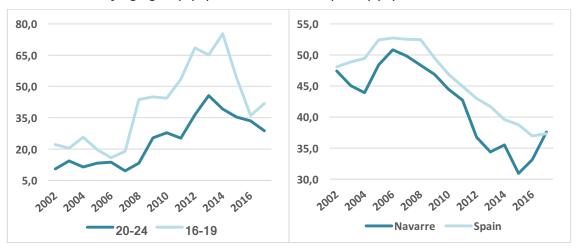
When disaggregating by gender, Figure 2 shows that the traditionally worse position of young women (the young female unemployment rate was 7.4 pp higher than that of men in 2007) was reduced during the crisis due to the higher deterioration of the men's situation. Therefore, the crisis particularly affected young men, multiplying by 6.5 their rate of unemployment between 2007 and 2014, while the rate for women was multiplied by 2.3 in the same period. At the same time, the unemployment rate for young women started to recover in 2014, while the rate for men began to decrease only from 2015. In contrast, a deterioration in the women's rate is observed in 2017, while the rate of men has continued decreasing.

Analysing by age groups, a similar behaviour between the overall youth unemployment rate in Navarre and the rate for those aged between 20 and 24 is observed as seen in Figure 3. However, the age group 16-19 has been particularly affected by the crisis, with an increase in the unemployment rate of 59.4 pp between 2006 (15.8%) and 2014 (75.2%), although it sharply decreased by 30 pp between 2014 and 2016, with a recent 5.6 pp increase in 2017.

<sup>&</sup>lt;sup>92</sup> National Statistics Institute, Labour Force Survey.

Fig. 3. Youth Unemployment rate in Navarre by age group (%).

Fig. 4. Activity rates in Navarre and Spain (16-24) (%).

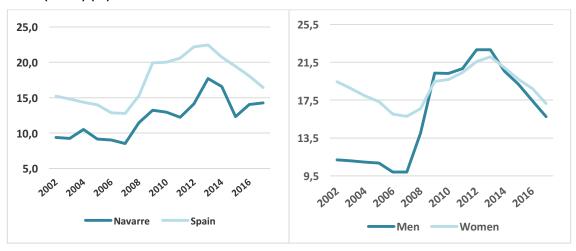


Source: National Statistics Institute (INE). Labour Force Survey.

Regarding the **activity rate** for young people, it fell sharply from 2006 (50.8%) to 2015 (30.9%), when it started to grow again (37.6% in 2017). As seen in Figure 4, it has also been traditionally lower than in Spain, mainly due to the higher proportion of young people studying in Navarre, as can be concluded according to data on NEETs, ESL and level of education of young people in the region.

The Navarrese **NEETs rate** has also been notably affected by the economic crisis, more than doubling between 2007 and 2013, and beginning to decrease only from 2014. However, after two years of decline, an upward trend began in 2016 which continued in 2017. As observed in Figure 5, similar to the unemployment rate, the Navarrese NEETs rate<sup>93</sup> has been historically far below the national average: it was 4.2 pp lower at the beginning of the crisis in 2007. However, the Spanish rate has continuously decreased from 2014, while, as described, the rate in Navarre started to grow again in 2016, which has narrowed the difference to 2.1 pp in 2017.

Fig 5. NEETs rates in Navarre and Spain Fig 6. NEETs rate in Navarre by sex (%). (15-29) (%).



Source: Ministry of Education, Culture and Sports. Analysis of Labour Force Survey Results.

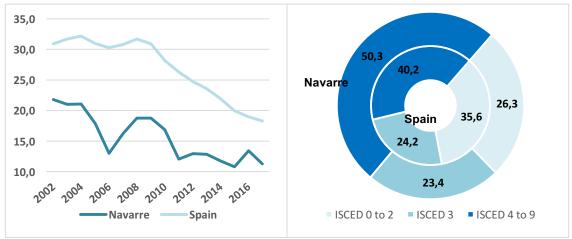
<sup>&</sup>lt;sup>93</sup> Regional rates for Spain include all young people aged 16 to 30, as the YG System in Spain is targeted to NEETs belonging to that age group. No disaggregation by age group within 16-30 is readily available.

When disaggregating by gender the relative worse position of young women (the female NEETs rate was 5.9 pp higher than that of male's in 2007) has been reduced during the crisis and turned into a slightly better position because of the higher relative increase in the men's NEETs rate (12.9 pp increase between 2007 and 2013 vs 6.3 pp increase for women in the same period). From 2014 on, the rate has been reducing for both men and women, although more intensively for men as seen in Figure 6.

Regarding **ESL**<sup>94</sup>, again the rate for Navarre has been historically far below the indicator for the average of Spain, as observed in Figure 7. Therefore, the difference was 9.1 pp in 2002, increasing to 14.5 pp at the beginning of the crisis in 2007. The Navarrese indicator experienced an important increase in 2007 and 2008, and later a rebound in 2012 and 2016. The continuous decrease in the rate for Spain from 2009 has narrowed the difference between both up to 7.0 pp in 2017.

Fig 7. Early school leaving rates in Navarre and Spain (%).

Fig 8. Level of education in Navarre and Spain (25-34) (%).



Source: Ministry of Education, Culture and Sports. Analysis of Labour Force Survey Results.

Figure 8 shows the difference between the **level of education** of young people in Navarre and in Spain. Data for people aged between 25 and 34 years in Navarre show that 50.3% have reached an education level higher than secondary education (ISCED 4 to 9), 10.1 pp above the Spanish average. In contrast, for education levels lower than ISCED 4, the share in Navarre is below the average in the country and the lower the level, the higher the difference with the average <sup>95</sup>.

Regarding the **wages** of young people, they have followed a downward path during the crisis, although with increases in 2011 and 2014. As observed in Figure 9, the level of young people's wages in Navarre is considerably above the national average<sup>96</sup>. This is probably related to the **economic and employment structure** of Navarre, with a bigger industrial sector which has been less affected by the crisis, and the lower participation of the construction sector, which was hit hardest by the recession in Spain. As observed in Figure 10, the weight of youth employment in the industry sector is almost twice the weight for the same sector in Spain (22.7% in Navarre vs 11.4%). In contrast, the importance of the construction sector in youth employment is 23.8% lower in Navarra than the average for the country (4.8% vs 6.3%)<sup>97</sup>.

<sup>&</sup>lt;sup>94</sup> Definition of early school leaving according to the Ministry of Education, Culture and Sports: Percentage of the population aged 18 to 24 years that has not completed the level of Secondary School.

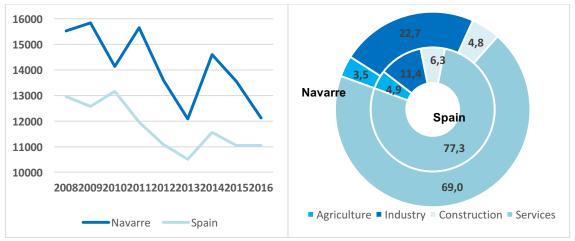
<sup>&</sup>lt;sup>95</sup> Ministry of Education, Culture and Sports. Analysis of Labour Force Survey Results. Average levels of education for the period 2002-2017 (25-34 years old).

<sup>&</sup>lt;sup>96</sup> National Statistics Institute. 2016 Wage Structure Survey (16-24 years old).

<sup>&</sup>lt;sup>97</sup> National Statistics Institute. Labour Force Survey. Average levels of employment per sector for the period 2008-2017 (16-24 years old).

Fig 9. Average annual earning per worker in Navarre and Spain (16-24).

Fig 10. Employment by sectors in Navarre and Spain (16-24) (%).



Source: National Statistics Institute. Wage Structure Survey.

Source: National Statistics Institute. Labour Force Survey.

# G.Case Study: Riga (Latvia)

#### **Abbreviations**

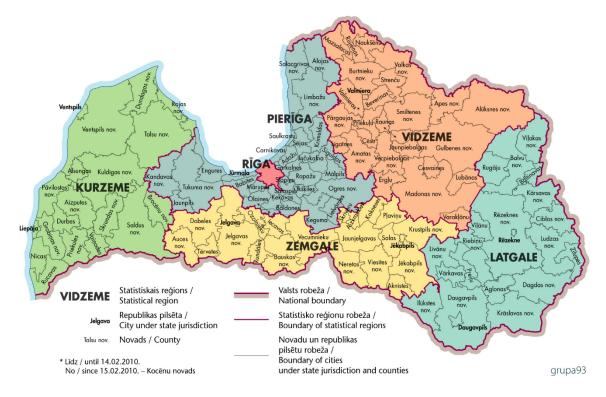
AIPY	Agency for International Programs for Youth
ESF	European Social Fund
EU	European Union
NGO	Non-governmental organization
NEET	Youth not in Education, Employment, or Training
SEA	State Employment Agency
SEDA	The State Education Development Agency
SEC	Sectoral Expert Councils
YEI	Youth Employment Initiative
YG	Youth Guarantee
VET	Vocational education and training

## **Background and context**

## 1.1 The area

Riga is the capital of Latvia and the largest city in the country, with a central location. At the beginning of 2018, the resident population of Riga was 637,971, accounting for around 33 % of the total population of Latvia. The number and share of young people in the age group 15-24 in Riga is decreasing and in 2018 it was 52,112 or 8 % of all residents of the city.

Figure 1. Map of Latvia: statistical regions (NUTS 3), cities and counties (LAU 2)



National economic activity is concentrated in Riga with 55 % of all the country's workplaces located there. Employment opportunities have served to concentrate population in Riga and

region around the city, now accounting for about half of the total population of the country. Large numbers of the inhabitants of surrounding areas also work in Riga.

Table 1: Key Indicators - Riga City Region

Key Indicator	Data
Resident population (01.01.2018)	637,971
Resident population 15-24 (01.01.2018)	52,112
In employment 15-74 (2017)	310.8
Unemployed 15-74 (2017)	26.1
Employment rate 15-74 (2017)	66.4 %
Unemployment rate 15-74(2017)	7.8 %
Youth unemployment rate 15-24 (2017)	16.9 %

Source: CSB database

## 1.2 Youth in unemployment in Latvia and Riga

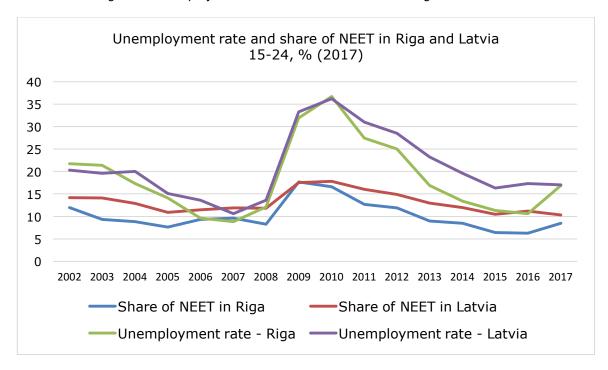
In 2017, 39.7 % of all young people aged 15-24 in Latvia were active (i.e. employed or actively seeking a job (unemployed), while 60.3 % of young people were inactive (mainly studying and not seeking a job).

Youth (aged 15-24) unemployment is a problem not only in Latvia, but also in other EU countries. Generally, youth unemployment rates are higher or even twice or more than in all age groups.

During the economic crisis, the youth unemployment rate in Latvia was over 30 %, but since 2011 this rate has gradually decreased. Due to greater possibilities to find employment in Riga, the unemployment rate in the capital has always been lower than in the rest of the country.

In Latvia in 2017 the youth unemployment rate was 17.0 % or 12,100 persons. Out of the total number of unemployed persons, 14.2 % were young people aged 15–24. In Riga the youth unemployment rate was 16.9 % or 3,900 persons (14.9 % of total number of unemployed persons in Riga).

Figure 2. Unemployment rate and share of NEETs in Riga and Latvia



Since 2013, the youth unemployment rate in Latvia has been lower than the EU average, but in 2017 it reached 17.0 % or 0.2 percentage points higher than the EU average (16.8 %). In 2017, Latvia still had the highest youth unemployment rate in the Baltic states (12.1 % in Estonia and 13.3 % in Lithuania).

In 2017 in Riga 8.5~% of all young people were categorised as NEETs (neither in employment, education or training) but in Latvia as a whole this number was higher at 10.3~% or 18,400 persons.

## 1.3 Reasons for youth unemployment

The integration of young people in labour market is influenced by several factors:

- low educational attainment,
- lack of work experience demanded by employers,
- lack of skills.

One of the core reasons for young people having difficulties to become a part of workforce is the **low educational attainment**, with almost 9 % in Riga having incomplete basic or secondary education. A large number of young people choose to start their independent life looking for low-skilled, low payed jobs and so education is not such a priority anymore (62.7 % of all people in Latvia who have basic education or lower, work in elementary occupations or as service and sales workers).

The Situation of young people in the labour market is influenced by a **lack of work experience** of the type demanded by employers.

Meanwhile young people have high expectations<sup>98</sup> about the required salary, content of job and job environment – starting the job they discover that usual eight hour working day (sometimes even more for elementary occupations) is a difficult challenge. Many young people have a lack of soft skills such as communication with clients, which has not been taught in schools. Besides that, lifelong learning is not a common practice among people with low education attainment (only 3.2 % of people in age group 25-64 with basic education or lower participate in lifelong learning in Latvia) therefore they do not have an opportunity to gain skills for a new job.

According to the results of an employer's survey, the core competences required from employees are flexibility and skills not only specific for occupation, but most of the job vacancies require future employees to also have communication skills and knowledge of foreign languages (including the Russian language)<sup>99</sup>.

## 2. Policies and structures in tackling youth unemployment

#### 2.1 Key institutions

The key institutions in Latvia involved in the integration of youth into the labour market and educational system are:

- The **Ministry of Welfare** (MoW) the lead institution for active labour market policy with the **Ministry of Education and Science** (MoE) responsible for education and youth policy in Latvia. Both ministries have been responsible for implementation of the Youth Guarantee (YG)<sup>100</sup> Implementation Plan.
- Educational institutions, different experts including in municipalities (youth coordinators, social services and other), and non-governmental organizations are the key partners who work with young people in municipalities and resolve their barriers towards the labour market or education.
- The State Employment Agency (SEA) and its 28 affiliates are responsible for providing support to young unemployed and for implementing ALMP measures. The SEA provides training and employment measures, job-search assistance, career guidance and other support. The SEA cooperates with employers, educational and training, sectoral expert

<sup>&</sup>lt;sup>98</sup> https://www2.deloitte.com/content/dam/Deloitte/ce/Documents/about-deloitte/ce-first-steps-into- the-labour-market-2018.pdf

<sup>2</sup> http://www.nva.gov.lv/docs/31\_5acf4e20c29b45.02339517.pdf

<sup>3</sup> http://www.lm.gov.lv/upload/jauniesiem/ygip\_latvia\_20122013.pdf

- councils and other labour market actors to create a comprehensive system on the integration of young people into the labour market.
- The **119 municipalities** (9 cities and 110 counties) work with youth is provided through 97 youth centres and 108 youth workers. Youth centres provide different out-of-school activities to young people, implement informal education activities, EU co-funded projects and programmes, inform about different state programmes aimed at improvement of social situation of young people in Latvia. 21 Youth organizations, in cooperation with other NGOs, provide targeted support to young people, based on their needs and social situation. Youth organizations provide non-formal learning activities, including youth volunteer work, organize different events and activities to encourage youth participation, develop and provide targeted approaches to tackle problems of disadvantaged youth.
- Municipal social services (in 119 municipalities) and social work specialists are responsible for identifying young people at risk of social exclusion (not attending schools or poor academic performance, offenders, young people with substance abuse problems, underage parents, young people from low-income families, young people with behavioural problems, etc.). Social workers play a significant role in returning young people into education and the labour market. They inform young people about educational possibilities, training and employment opportunities. Information provided by the social services showed that a lack of school attendance is one of the major reasons why young people are facing social problems. The Riga City Council Welfare Department coordinates young people's employment issues in the municipality.
- Educational institutions (775 general schools, 46 vocational schools, 54 higher education schools and colleges in 2017) help young people to choose their future career paths. The concept of careers education is included in general and vocational education programmes.
- Social partners the Free Trade Union Confederation of Latvia (LBAS) and the Latvian Employers' Confederation (LDDK)) and 12 sectoral expert councils (SEC) for all major economic sectors, including employers, representatives from the ministries. LBAS and LDDK take part in policy planning regarding young people, development of vocational education and training, and employment. The SECs were established in 2011 and deal with the most important questions regarding the quality of VET in Latvia the content of initial vocational education, enrolment of students in VET programmes, demand for different professions and qualifications, VET examination requirements, etc. industry-connected education issues. The SEC formulates the position of three sides workers, employers and government.
- The **State Education Development Agency** (SEDA) ensures comprehensive information concerning education opportunities in Latvia, it offers individual online consultations. SEDA is also developing and maintaining a national database of educational opportunities NIID.LV. Thus, ensuring an exchange of information in international networks (EC portal PLOTEUS section about educational opportunities in Latvia).
- The Agency for International Programmes for Youth (Latvian JSPA) is responsible
  for the management of support of different financial instruments in the youth sector,
  conducts projects on the development of work with youth, organizes activities on nonformal training, and provides information to young people and youth organizations on
  different activities. It Coordinates Eurodesk and manages the European Youth Portal in
  Latvia along with other information dissemination channels.

## 2.2 National projects

National project data also shows that on average 50 % of all young participants enter an employment relationship within six months of finishing training programmes (deeper analysis on the quality of employment and on the rest of young people will be carried in YG study in early 2019). It should be noted that the six-month employment rate is much higher for young people compared to the other groups of unemployed people. Some of those young people who failed to find employment within six months are continuing their participation in other YG measures.

Latvia is also implementing other ESF co-funded projects that will help to reduce unemployment among young people, as follows:

Title	Short description
Reduction of Early School Leaving through Preventive and Interventive Measures	A diverse support for reducing early school leaving
Improve access to career support for students in general and vocational education institutions	A comprehensive vocational guidance model in schools, to ease the transition between educational sector and labour market
Increase support to general education institutions for the development of individual competences of learners	Ensure diversity of education services (improvement of the competences and learning achievements of learners, promotion of an individual approach to the pupils' education process, promotion of involvement of young people in vocational and higher education)
Increase the number of qualified vocational education institutions by their participation in work-based learning or traineeships	Increase in the number of vocational education institutions who provide to their students workbased learning or traineeships opportunities, to enhance partnerships with employers
Support for working with children with interpersonal problems and behavioural disorders and domestic violence (to social services)	Developed support programmes for 1,000 children with communication difficulties and behavioural disorders, as well as 2,250 legal representatives or carers provided with recommendations for correction of children's behaviour
Development of professional social work in local governments	Increase in the efficiency of work of local governments' social services, development of methodologies for social workers
Promotion and Establishment of SMEs	Micro crediting and loans opportunity for young people who want to start their own business

#### 2.3 Divergence from national and regional policy

Latvia is a small country in EU terms and programmes aimed at young NEETs are implemented centrally, in all regions and municipalities of the country.

Riga municipality does not have a specific policy towards youth unemployment. As the total registered unemployment rate in Riga city is below 4 %, the municipality has changed its approach of work with unemployed by putting more emphasis on solving social problems (housing, social skills, addictions, health, etc.) that create distance to the labour market. Such an approach allows the municipality to create and provide social services for different target groups, including youth which aim at recovering their employability and so leaving ALMP measures to the SEA. All municipal social services are funded or co-funded by the Riga City council.

The municipality is authorized to create and provide all necessary social services within the national law. Normally social services would be created based on needs assessment and in collaboration with NGOs and other service providers, sometimes involving individuals from the target group.

Local policy should have a significant degree of autonomy, so the policy measures would correspond to the local needs. Implementing bodies at the municipal level (departments, agencies) should have clear and effective channels of communication with the national policymakers to be able to introduce necessary policy changes and amendments.

#### 2.4 Youth Guarantee

To tackle youth unemployment, the Government of Latvia has implemented the Youth Guarantee (YG) programme<sup>101</sup>. It is implemented centrally, and support measures are available to young people in every region, with no differentiation rules regarding territory.

The aim of the YG is to establish a long-term and comprehensive approach on the timely activation of young people, by providing job search support, employment and training measures, or returning to education. The YG programme in Latvia has been operating since January 2014 and will continue until 2020. The update of the programme will take place in 2019, as the current two national projects will be finalized and evaluated (see below – SEA and SEDA project) and support to young people will be provided in other projects (training and subsidized employment measures for unemployed people).

The target group of the YG programme in Latvia is young people aged 15-29 years (both registered unemployed people) and NEETs and specific criteria are set for measures: subsidized employment measures are available for long-term unemployed, persons with a disability, persons with family caring responsibilities, and refugees; vocational training measures are for the low-skilled; first work experience measures are for persons with little or no work experience who, after their registration at the SEA or gaining the status of YG client (see below – when entering SEDA and AIPY project) receive a quality offer of training, employment, continued education, job-search assistance or career guidance.

Youth aged 25-29 years also face barriers on the labour market (as SEA statistics shows, and this age group is the same size or even slightly larger compared to 15-24 years. Therefore, Latvia used the opportunity to extend the age limit to 29 years.

The YG programme in Latvia is co-financed by the EU Youth Employment Initiative (YEI) and is being implemented within the Operational Programme "Human Resources and Employment" specific objective No 7.2.1. "To increase employment of young people not in employment, education or training and to facilitate their participation in education within the framework of the YG" and No 8.3.3. "To develop skills of young NEETs, not registered in the SEA"

Within the YG three national projects are being implemented since the beginning of 2014:

- The SEA project "Active labour market policy measures for unemployed young people.
- The SEDA project "Implementation of vocational education programs for young people not in employment and training".
- The Agency's for International Programmes for Youth (AIPY) project "Know and Do!".

Funding of EUR 77 million is foreseen for the three stages of the YG over the period from 2014 to 2020 (all three projects are co-financed by the state budget, the ESF and the YEI).

In 2014-2017 there were 135,080 clients in SEA, 8,515 in SEDA and 873 in the AIPY project. Out of them, 116,036 young people received job search assistance and information about available jobs, 38,499 participated in measures raising basic competences (seminars and courses), 148,562 career consultations were provided to young people. In long-term training measures, 20,438 young people participated in work experience, subsidized employment measures was provided to 5,934 young people, 2,154 participated in the measure "Youth workshops" and 290 received assistance in business start-up. General information about these measures can be found in the national Youth Guarantee Implementation Plan (see References).

The YG measure is the main initiative to tackle the youth unemployment and inactivity problem. Each year the Ministry of Welfare prepares the report on YG implementation progress. This report assesses the current situation of young people on the labour market and indicates all obstacles in the implementation of three projects. It is then submitted for discussion in the YG Advisory Board and opinion of different partners is included into the report, and any amendments (if needed) are made in the national regulative acts on implementation of the YG.

<sup>&</sup>lt;sup>101</sup> SEA project – EUR 33 977 163 (ESF – 15 692 361, YEI- 15 515 561, state budget – 1 275 667, private funding – 1 493 574); SEDA project – EUR 36 184 219 (ESF – 19 285 769, YEI – 13 495 078, state budget – 3 403 372); AIPY project – EUR 6 802 502 (ESF – 5 782 127, state budget – 1 020 375)

In 2014-2017, according to data on the projects data, on average 81,500 young people or 60 % of all participants returned to the labour market after participation in the YG measures. Statistics provided by the YG projects shows that on average 50 % of all young people received an offer of employment or education or entered employment within the first four months after entering the YG. On average 30 % of young people stay on the YG longer than four months and particular worries account for another 20 % of all young people, who interrupt participation in the YG before receiving an offer. The broader information and statistics can be found in yearly reports prepared by the European Commission (see References).

The evaluation of YG training programmes was carried out in 2017 by the European Commission's Joint Research Centre in collaboration with the Ministry of Finance and the Ministry of Welfare. The study found positive, although not statistically significant evidence that participating in the training course increased the employment and monthly income of participants (comparing to the target group). Experts also found a strong positive effect of the priority rule on participation in the programme and positive and statistically significant results by specific subgroups of participants after the end of the course, suggesting the presence of heterogeneous effects. Young males with more than secondary education and youth resident in the capital city of Riga or other cities (not rural areas) have a higher probability of finding a job in the post-treatment period. Overall, these findings are in line with those from the literature on the evaluation of ALMPs targeting youth. At this stage, the cooperation mechanism between the Ministry of Welfare, the Ministry of Education and Science, PES, SEDA, AIPY, schools, municipalities, social services and NGOs was not evaluated.

In-depth assessment of the YG offers is planned in 2018 (results will be available in 2019).

## 2.4.1 Youth Guarantee in Riga

The aim of the project "Know and Do!" in Riga is to develop the skills and motivation of the target group of this project, young people aged 15-29, but not NEET and not registered at SEA.

The project "Know and Do!" provides opportunities to participate in diverse trainings including:

- Career counselling (service provider Pertipo);
- Integration into the modern labour market (service provider Moresales Latvia);
- Personal development courses (service provider Hi potential / Dubulttreniņš);
- Improvement of beauty care skills (manicure, visage, style, etc.) (service provider Training Centre Elisanda);
- Camp assistant courses (Outdoor Life Training Centre Pelēkais vilks);
- Volunteering (TARBAS);
- Language (Russian, Latvian, Italian, English) training (service provider Pygmalion);

In addition, several young people participated in Erasmus+ projects and mostly short-term volunteering projects.

In Riga in 2017-2018, 252 young people aged 15-29 were involved in the project "Know and Do!". Most were females (54 %) and aged 19-24 (45 %) and 25-29 years old (43 %). Some 39 % of all those young people involved had Group I-III of disability (to most of them their assistants were family members) and 20 % were addicted to drugs or alcohol.

Around 52 % of all young people had basic education or less than basic education, 11 % of all participants had higher education, and 50 % of young people already had work experience. Some 32 persons were living in social institutions. Most of the participants (189 in total) were living with their parents or grandparents, but this group had very low basic life skills.

## 2.5 Transferability of local experience

Sometimes regular vocational qualification pathways are too demanding and preparatory measures need to be taken first that can effectively support young people facing multiple disadvantages to find their way and re-accustom themselves gradually to a learning and working environment. This approach, depending on situation and possibilities, can be used by other countries (cities, regions) as good practice.

Successful programmes aimed at young unemployed and NEETs implemented in Riga and in all regions, cities and municipalities of the country include:

#### **Career consultation**

SEA offers free career consultations and assistance related to professional suitability and reskilling for unemployed. The project started in September 2007, but from 2011 one of priority groups has been young people (15-24 years old). The career consultation service has an administrative centre in the SEA office in Riga, but consultations and services are available at all 27 SEA regional offices in Latvia. The project is funded by State budget and more than 140,000 consultations were provided over the period 2014-2017.

#### Youth workshops

The aim of project is to help young NEETs with an insufficient level of education or without work experience, to make an informed decision about their future education and employment choices and to develop their skills, including literacy and numeracy skills. The project is implemented by SEA, and vocational education and training institutions are involved. The project started in January 2014 and the target group is young people aged 15-24, who are registered as unemployed and are:

- Without vocational training or
- Without work experience or
- With work experience in low-skilled jobs.

At least 60% of the vocational programme is composed of practical classes and 40 % of theoretical classes. The project is jointly funded by ESF, YEI and the State budget and since 2014 more than 2,000 young unemployed took part in this measure.

## 3. Strengths and weaknesses of key policy

#### 3.1 Key strengths

## Cooperation

- Involvement of a wide variety of partners in all stages of the YG (planning, implementation and evaluation faze), including youth organisations and NGOs;
- Specific tasks and implementation of specific measures is delegated to the partners (such as mentoring support, informal training activities, and partly also measures for gaining a first working experience);
- Special employees in SEA are assigned to work and establish good cooperation with employees;
- Exchange of information takes place between the projects and auditors to ensure effective monitoring of YG implementation (IT databases, written agreements on cooperation, data banks).

## **Policy**

- National regulation laying down the main provision of the YG programme was elaborated in 2013-2014;
- Quality offer criteria are set in the national regulation;
- Young people are provided with a wide range of support measures, based on their needs (profiling takes place);
- Young people may stay in the system until employment is found (continuous participation in a variety of measures).

A key strength of the Riga municipal policy is its flexibility and ability to focus not just on the unemployment, but to combine the efforts of different departments and hence have a more holistic approach, including education, training, sports, culture, social services, health care, etc.

#### 3.2 Key weaknesses

#### Cooperation

- There is a need to expand outreach activities, for example by creating mobile brigades who search for young inactive people;
- Cooperation with employers to attract more employers who can provide work practice to young people and establish new workplaces for them.

#### **Policy**

Provision of targeted services for young people with health problems and disability could be improved (close cooperation with health sector is still needed).

Conclusions on the effectiveness of the approach will be possible after evaluation of the YG. However, for better assessment of the quality of the employment of young people, a tracking system of students would be very useful (currently the Ministry of Education is working on it).

A key weakness of the policy in Riga city is the lack of available resources, both financial and human. Sometimes financial problems can be resolved, but there is a lack of trained professionals which could conduct work with the target groups (e.g. NEET youth). Therefore, the municipality has started to develop a model of mobile youth work including training of the necessary professionals.

The municipality conducts regular monitoring of the unemployment situation, social services and the dynamics of the target groups with regular evaluations and amendments of the measures if necessary.

## 4. The Future

It is planned to carry out an in-depth assessment of the YG offers in Latvia in 2018, with the results of this study used to improve the offer of qualitative measures to young NEETs.

The employment situation of young people in Latvia is gradually improving. It is planned to continue to support young people in their transition from education to labour market by strengthening preventive measures available in educational institutions, by providing vocational guidance support to all young people (in school, PES, through other NGOs services, for example, portals https://www.prakse.lv/ and http://www.profesijupasaule.lv/par-profesiju-pasauli), and by supporting NEETs and especially young unemployed registered at PES.

Two planned developments should be noted in Riga. Firstly, the development and provision of the mobile youth work which will include youth workers and social workers. At the end of 2018 working group was created by Riga City Council with the aim to develop a model of mobile brigades. Secondly, an expansion of the social entrepreneurship grant programme is planned, aimed at the support of work integration enterprises employing individuals from groups at risk of social exclusion, with the focus on youth aged 18–25.

It is likely that the current approach will continue in the short-term, but any significant changes in the labour market will trigger policy changes. It is very likely that in the near future, the municipality will develop and implement the model of skills matching since already there are more jobs available than the number of unemployed in Riga municipality.

## **Annex: References**

Central Statistical Bureau of Latvia (2018) CSB Database https://www.csb.gov.lv/en/statistika/db

Ministry of Welfare (2013) The national Youth Guarantee Implementation Plan 2014-2018 (YGIP) http://www.lm.gov.lv/upload/jauniesiem/ygip\_latvia\_20122013.pdf

European Commission (2018) Youth Guarantee country by country http://ec.europa.eu/social/BlobServlet?docId=13644&langId=en

European Commission (2018) Vocational training and labour market outcomes: Evidence from Youth Guarantee in Latvia https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/vocational-training-and-labour-market-outcomes-evidence-youth-guarantee-latvia

European Commission (2018) Youth Guarantee – promising practices http://ec.europa.eu/social/main.jsp?catId=1327&langId=en

Projects of Riga City Council Welfare department (in Latvian) http://www.ld.riga.lv/lv/Nacionala/limena/projekti/2018/gada.html

Report on short-term labour market forecasts for 2018 (in Latvian) http://www.nva.gov.lv/docs/31\_5acf4e20c29b45.02339517.pdf

# H. Case Study: Tampere (Finland)

## Background and context

#### 1.1 The area

Pirkanmaa region is located in Southern Finland with Tampere its main city (population 230,000) (Figure 1). The population of the region totals about 500,000, which is some 10 % of the total population of Finland. The municipalities in the area have implemented different kinds of mergers and joint services in social and health care services during the 2000s, and the municipalities are loosely coordinated together despite their roles as autonomous governing bodies. The population of the region is growing at the second fastest rate after the capital region, but since the global financial crisis there has been a steep decline in terms of GDP compared to many other regions. The strong economic structure is based on technology, forest and chemical industries and related exports, trade and service sector.

Figure 1. Pirkanmaa region on the map, and the scope of the Tampere regional employment experiment 2017-2018.

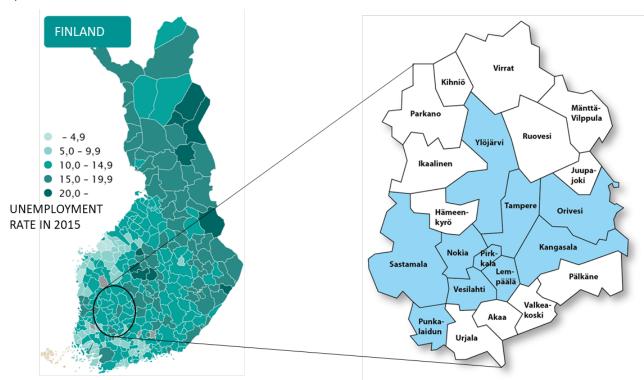


Table 1: Key Indicators – Pirkanmaa region

Key Indicator	Pirkanmaa region	Finland
Resident population (2017)	512,000	5,500,000
In employment (2017)	225,000	2,473,000
Unemployed (2017)	26,000	234,000
Employment rate 15-64 (2017)	68.2 %	69.6 %
Unemployment rate (2017)	10.5 %	8.6 %
Youth unemployment rate 16-24 (2018)*	18.0 %	20.1 %

Source: Statistics Finland: Municipality key indicators. Ministry of Employment and Economy: Employment service statistics.

<sup>\*</sup> Own calculations.

## 1.2 Development of youth unemployment and NEETs

Youth unemployment in Finland exceeded the EU average (9.2%) in 2015 for the first time in 14 years and while unemployment has fallen since, the gap is still some 0.8 percentage point. This may be surprising considering the high level of education among Finns. However, the Finnish economy is very export reliant and making it vulnerable to cyclical unemployment. In addition, there is a significant permanent level of structural unemployment, which is also specifically seen in Tampere.

As a large growing city, Tampere's statistics are not very accurate or illustrative as the changes are cyclical and therefore tend to reflect the overall economic situation. For example, higher education students (who account for a significant number of customers of the employment services) are categorized in the PES monitoring system as qualified with an upper secondary qualification. The unemployment rate for the age group under 25s was 16.8% in August 2017 and 12.2% one year later in 2018. However, the core of the good practice relates to the way that the unemployed have been activated within a new regional framework. In comparison, the national unemployment rate of young people was 14.2% in September 2018. It is reasonable to deduce from this that Tampere has made efforts to stand out among the cities in terms of activation policies and putting additional resources into managing unemployment overall.

Table 2. Pirkanmaa region and total youth unemployed. Percentages based on own calculations. 103

	15-19	20-24	15-24	15-19	20-24	15-24	15-24 yrs
	yrs	yrs	yrs	yrs	yrs	yrs	
	Pirkanmaa number of		Pirkanmaa unemployment		Total country unempl.		
	ι	unemploye	d	rate			rate
2006	2 552	7 473	10 025	9 %	23 %	17 %	19 %
2007	2 470	6 622	9 092	9 %	21 %	15 %	17 %
2008	2 645	6 677	9 322	9 %	21 %	15 %	17 %
2009	3 455	8 733	12 188	12 %	27 %	20 %	22 %
2010	3 471	9 245	12 716	12 %	29 %	21 %	21 %
2011	3 074	8 570	11 644	11 %	26 %	19 %	20 %
2012	2 999	8 598	11 597	11 %	26 %	19 %	19 %
2013	3 193	9 544	12 737	12 %	29 %	21 %	20 %
2014	3 207	10 023	13 230	12 %	30 %	22 %	21 %
2015	3 356	10 612	13 668	13 %	32 %	23 %	22 %
2016	3 164	10 074	13 238	12 %	30 %	22 %	20 %
2017	2 928	9 301	12 229	11 %	28 %	20 %	20 %
I-VIII/ 2018	1 663	6 443	8 106	8 %*	26 %*	18 %*	19 %

\* Percentage based on approximation.

Source: Own calculations

<sup>&</sup>lt;sup>102</sup> Eurostat.

<sup>103</sup> Statistics Finland (2018).

https://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\_vrm\_vaerak/statfin\_vaerak\_pxt\_018.px/table/table ViewLayout2/?rxid=e5506e21-5953-4922-98bf-6fadb000fa05 (Accessed 17.1.2019).

Toimiala Online Labour market statistics (2018) Table 1315. https://tem-

tilastopalvelu.stat.fi/PXWeb/pxweb/fi/TEM\_Toimiala\_Online\_Veloitukseton/TEM\_Toimiala\_Online\_Veloitukseton/TEM\_Toimiala\_Online\_Veloitukseton/TEM%20tyovnvalitys\_\_Kuukausi/to\_1315ue.px/?rxid=14343b87-9d89-429d-b35b-7c5e6dcfc698. (Accessed 17.1.2019)

Toimiala Online Labour market Statistics (2018). Table 001.

http://pxnet2.stat.fi/PXWeb/pxweb/fi/StatFin/StatFin\_tym\_\_tyti/statfin\_tyti\_pxt\_001.px/table/tableViewLayout2/?rxid=5a8cf65f-4b57-43df-8760-c128af6e6afd. (Accessed 17.1.2019).

35% 30% 25% 20% 15% 10% 5% 0% 2010 2009 2012 2013 2011 2015 -15-24 yrs -15-24 yrs country≥ -15-19 yrs -20-24 yrs Source: Own calculations

Figure 2. Pirkanmaa region youth unemployment trends 2006-2018.

In the Pirkanmaa region, since the financial crisis the growth of unemployment continued to cause concern until 2017. For example, by the end of 2013 the unemployment rate was 14.9% while the average for the nation was 12.9% and the situation for young people was one of the worst in Finland, with long-term unemployment also rising rapidly. Around one quarter of the young unemployed men were without a vocational qualification.

The structural situation of the Tampere region proved challenging due to the unfavorable demographic development. Since the recession of the 1990s, the population of Tampere grew three times faster than the overall Finnish population. However, at the same time, the population of working age declined. Therefore, the main reason for the weak development of employment was structural. Overall, Tampere suffers from being very attractive for migration from other parts of the country for relatively labour-intensive work and attendance at the large higher education provision.

Despite this, as seen in figure 3, the share of the unemployed 15-24 year olds seems to have decreased more than the country average since 2016.

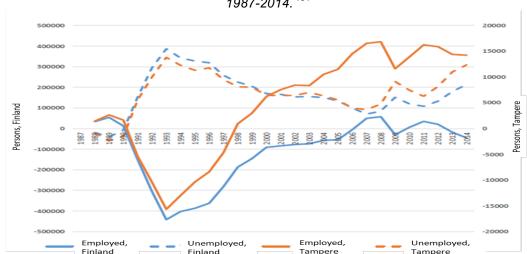


Figure 3. The development of employment and unemployment in Finland and in Tampere, 1987-2014.

Source: Labour Force Survey data

Pyykkönen, J. & Pyykkönen, T. (2016). Analysis of the structural unemployment in Tampere. [Rakenteellinen työttömyys Tampereella.] They were using Labour force survey statistics.

25,00%

20,00%

15,00%

10,00%

5,00%

Unemployment rate, Finland rate, Tampere

Figure 4. The unemployment rate in Finland and in Tampere 1987-2014. 105

Source: Labour Force Survey data

As shown in figures 5-7, the share of NEETs has grown rapidly since the financial crisis in 2008 both in EU and in Finland. While the proportion of NEETs has displayed a steady downward trend in EU by 2012, the double-dip recession of the economy in Finland affected comparisons with the average in 2015. This development followed the same pattern as the overall increase in unemployment posing an additional risk for recovery in terms of the early exclusion of many young people.

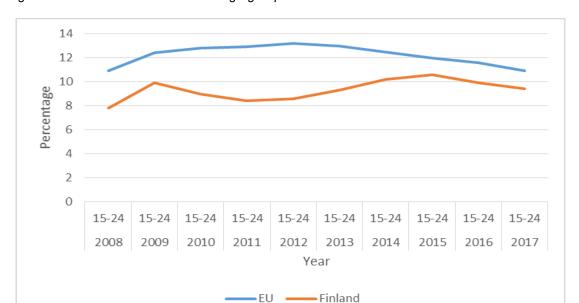


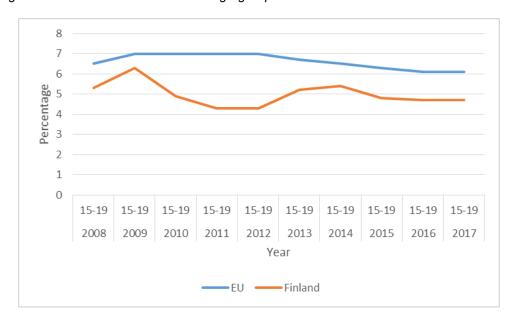
Figure 5. Share of the NEETs in the age group 15-24 in EU and in Finland 2008-2017. 106

Source: Labour Force Survey data

lbid. 9

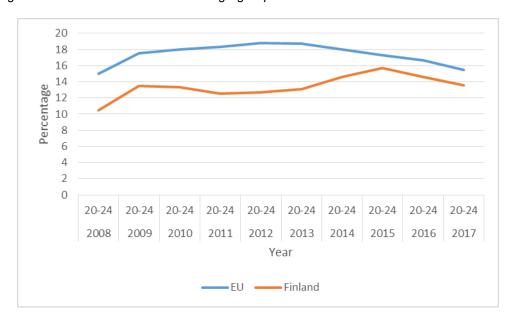
Eurostat. Young people neither in employment nor in education and training by sex, age and labour status (NEET rates). Accessed 10.11.2018. The OECD Education at Glance 2018 results are somewhat worse for Finland.

Figure 6. Share of the NEETs in the age group 15-19 in EU and in Finland 2008-2017. 107



Source: Labour Force Survey data

Figure 7. Share of the NEETs in the age group 20-24 in EU and in Finland 2008-2017. 108

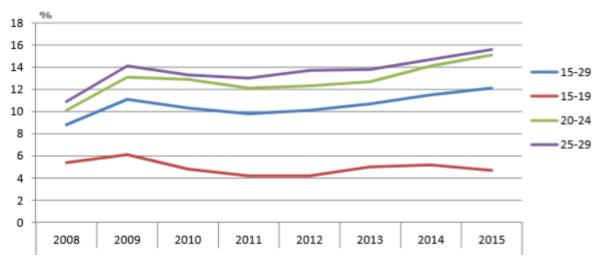


Source: Labour Force Survey data

As also seen in figure 8, the share of NEETs is very low in the youngest age group (15-19) even in the economic downturn. The youth participation problem is more visible in the age group 20-24 in which the NEET rate increased by 5 percentage points (to 15%) between 2008-2015.

<sup>&</sup>lt;sup>107</sup> Ibid. 12. <sup>108</sup> Ibid. 12.

Figure 8. NEET share of each age group in 2008-2015 in Finland. 109

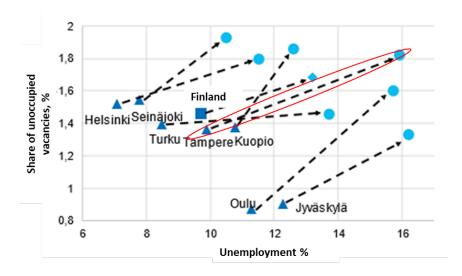


Labour Force Survey data

There is no municipality level data on NEET's available. Many related indicators are being followed in relation to the implementation of the youth guarantee, education, receipt of social benefits, etc. However, they are not very useful in this analysis since they cannot be reproduced with sufficient frequency. The issue of monitoring data is dealt later in the context of the regional employment experiment.

High unemployment exists at the same time as increasing demand for labour and this is typical of the situation in the largest regional centres. Between 2006 and 2016 the labour mismatch problem worsened in several large regions. However, the surrounding region also fills vacancies, and this can lead to the oversupply of labour in Tampere itself. (Figure 9.)

Figure 9: The mismatch problem development in 2006-2016 in large regions.



Labour Force Survey data

<sup>&</sup>lt;sup>109</sup> The NEET definition of the Labour Force Survey differs from that used by Eurostat. The main difference is that in the LFS also those in military or civil service are included to NEETs.

A significant structural risk factor in the Tampere area is based on the share of "more challenging" unemployed in the wider region but the risk has increased significantly since 2007 in the whole country. This has also meant that many of those at risk of long-term unemployment have moved to early retirement.

As seen in figure 10, employment surged in the mid-1990s and reached the peak of previous levels only in the early 2000s. However, it is important to note that unemployment reached almost the same levels in 2015 as the highest peak during 1990s recession, and only in 2016 did it start to show signs of decreasing. The turning point was 2008 and the start of the financial crisis from which recovery has been slow. The share of students has steadily grown since the education orientation of the population was enhanced due to economic situation of Finland in the 1990s, and the education system has gone through several reforms. Another factors has been the acceleration of the aging society which has seen an increase in the share of the pensioners in Tampere.

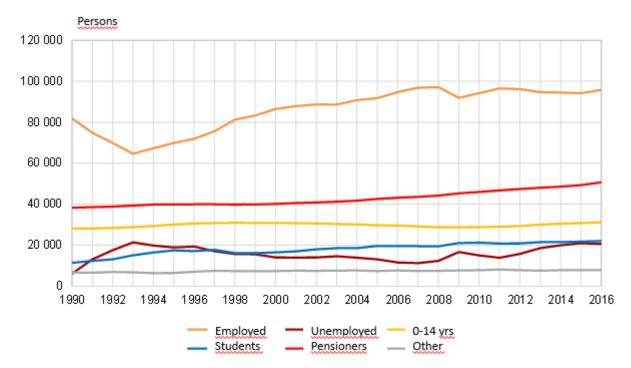


Figure 10. Activity of Tampere population, 1990-2016

Source: Tampere City statistics, Statistics Finland

The restructuring of the economy was visible during the last decade in the employment statistics of Tampere. The share of traditional sectors such as agriculture and transportation were continuously downsizing, whereas the share of services and social and health activities have increased (figure 11).

2016 2015 2014 2013 2012 2011 2010 2009 2008 2007 0 % 10 % 20 % 30 % 40 % 50 % 60 % 70 % 80 % 90 % 100 % A Agriculture, forestry, fishing B-E Mining, Manufacturing, Energy, Water, Waste F Construction G, I Trade, Accommodation, food service activities H Transportation, storage J, M, N Information, Professional, Scientific, Administrative K Financial and insurance activities P, O Education, Public administration Q Human Health and social work activities R-U Other services X Industry unknown

Figure 11. Employment in different sectors in Tampere, 2007-2016

Source: Tampere City statistics, Statistics Finland

Overall, the unemployed are better educated in Tampere than the average in Finland. The average age of the unemployed is lower in Tampere but there are more long-term unemployed and there is less work experience among the unemployed than the Finnish average. In terms of general economic growth, Tampere has the potential to succeed in reducing unemployment, especially among young people. However, the situation is more complicated than in many other regions because it suffers from both cyclical and structural unemployment.

The education opportunities are comparatively good in the Tampere region, with the three largest higher education institutes merging in 2019 to create an institution for over 30,000 students. In addition, there are several providers of vocational education and training, as well as adult training providers.

# 2. Policies and structures in tackling youth unemployment

## 2.2 Unemployment system

The employment services for young people in Finland are governed by the same legislation <sup>110</sup> as of all the others. However, since 2012 the right of a young person under 25 years of age to receive unemployment allowance is restricted to the cases where he/she has completed qualification or applied to at least two vocational study places previous year. According to a recent study, the share of receivers of the last resort basic income support was about 18 % of those aged 18–24 compared to 7 % in total population in 2017. The main reasons for the large share were uncertainty in the labour market, restricted conditions for the unemployment allowance, the lack of savings, possible foreign background, and health issues. About half of the young receive basic income support temporarily for up to four months. <sup>111</sup>

Until 2014, the municipalities and the national social insurance institution (KELA) paid half of the lowest unemployment-based allowance ("labour market support") for those who have been unemployed over 500 days. The municipalities share was EUR 215 million in 2013. Since 2015,

<sup>&</sup>lt;sup>110</sup> Act 916/2012 on public employment and business service. Act 1290/2002 on unemployment security.

Raittila, S. et al. (2017) Basic income and youth. Register study. [Nuorten toimeentulotuen saanti. Rekisteriselvitys.] Finnish institute of social security (FISS) Working papers 138. Internet: http://urn.fi/URN:NBN:fi-fe2018061225711

the share of the municipalities has risen to about 60 per cent. Different kinds of local and regional initiatives have been introduced and experimented with in order have this considerable additional expense decreased.

The governance of employment services and related measures and resources have been mainly the responsibility of national PES and the change of governing model has not been straightforward. In the employment experiment involving 61 municipalities (2012-2015) new modes of dealing for the long-term unemployed were tested. With great variation, employment goals had been taken into the municipality strategies and closer interaction had been created between PES, municipalities, the National Insurance Institution and service providers. The experiments were funded by an additional EUR 65 million during their span. At the same time the largest cities especially were preparing their own action plans in anticipation of the planned reform of regional government, which would exclude the municipalities from their organizing role.

During the period 2017-2018 there have been regional employment and entrepreneurship service experiments in eight municipalities or regions, one of which is Pirkanmaa region surrounding the city of Tampere. The experiments aim to achieve 10 per cent savings in the expenditures caused by unemployment. However, unlike the previous experiment, the municipalities now have the right to organize the services of the unemployed and implement measures accordingly based on temporary legislation <sup>113</sup>.

It is important to note that the overall recovery of Finland from the financial crisis was much slower than in most EU countries due to the country's export dependency, the decrease in exports to Russia and ongoing structural adaptation to the global market environment. This has been manifested in labour relations and confrontations, especially during the tiem of the current government to boost competitiveness by delaying wage raises, cutting social benefits, etc. and freezing tripartite negotiation processes. During the 2000's, several structural reforms have been introduced while labour market activation policies have been run down. 114

## 2.2 Vocational Education and Training reform

The 2018 Vocational Education and Training (VET) reforms in Finland integrated the youth and adult VET into one and included the aim for those learners whose skills were acquired in nonformal and informal settings, to be recognized and validated as efficiently as possible as for learners studying qualifications. This is part of a wider national priority to strengthen the use of the competence-based approach across all forms of vocational education.

The new personalization model for learning requires prior learning to be recognized to develop a personal plan of measures to achieve individual goals (PCDP). Moreover, the application procedure must now be continuous, which increases the individual flexibility of admission to education leading to planning of competence acquisition and demonstration, preferably in real working situations. The education providers are expected to operate like a network and develop agreements on training organized at the workplace.

The validation of non-formal and informal learning is included in the Vocational Qualifications Act. Students in upper secondary vocational education and training are required to have completed the basic education syllabus or equivalent. However, student admission is allowed with some

\_

<sup>&</sup>lt;sup>112</sup> FISS (2014). Kuntien työmarkkinatukivastuu laajenee. [The municipalities' responsibility for the lowest unemployment based allowance widens.] Internet: https://www.kela.fi/-/kuntien-tyomarkkinatukivastuu-laajenee.

<sup>113</sup> Apt (505/2017) on the correspondent of the manifest of the

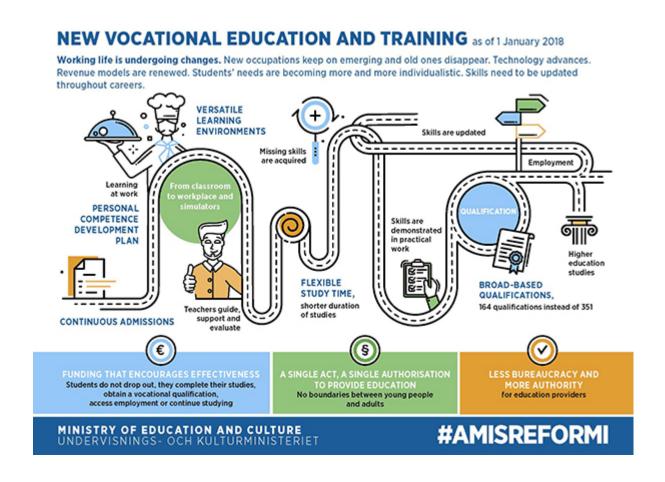
Act (505/2017) on the experiment of the regional provision of public employment and business services and work experiment. [Laki julkisten työvoima- ja yrityspalveluiden alueellista tarjoamista ja työelämäkokeilua koskevasta kokeilusta.]

<sup>&</sup>lt;sup>114</sup> Jokinen, E. (2017) Coping with the crisis in Finland: Challenge for social dialogue. In I. Guardiancich & O. Molina (eds.) Talking through the crisis: Social dialogue and industrial relations trends in selected EU countries

<sup>83-105.</sup> Internet: http://urn.fi/URN:NBN:fi:uta-201708142265

flexibility to recognize their prior educational and working backgrounds. In principal, all formal qualifications can be acquired through validation 115

Figure 10. The new VET system. 116



## Divergence from national and regional policy

#### 3.1 Origin and organization of services

Youth unemployment is not governed by any specialized agency or ministry in Finland and a centralized youth policy is lacking, or at least its implementation is fragmented. This has led to many coordinated development programmes and projects. The main specific policy initiative has been the Youth Guarantee (YG) (since 2013) based on wide political support and a comprehensive, multi-sectoral approach. It has brought the different measures together and produced relatively good results, for example through subsidized employment (Sanssi voucher). At the same time, it was concluded in the cross-sectional decision-making process, leading to the one-stop guidance centres (Ohjaamos) becoming the focal point of later measures. 117

<sup>&</sup>lt;sup>115</sup> Karttunen, A. (2016). Country report: Finland. 2016 update to the European inventory on validation of non-formal and informal learning. Cedefop. Internet:

https://cumulus.cedefop.europa.eu/files/vetelib/2016/2016\_validate\_FI.pdf MEC (2018). Reform of vocational upper secondary education and training. Ministry of Education and Culture. Internet: https://minedu.fi/en/reform-of-vocational-upper-secondary-education. Accessed

<sup>1.11.2018

1.17</sup> SAO (2016). Inspection report 8/2014. Tackling youth unemployment. Follow-up report. The State Audit Office. 9.12.2016.

Included in the YG are other programmes such as the NAO <sup>118</sup> to increase the number of study places and support young people until they are aged 30. At the same time the system was "patched" by recruiting 60 more career counsellors (equivalent to 60 person-years more in terms of resources) nationally. For those who are not yet ready for education or employment, there is provision for work trials, work coaching and vocational and social rehabilitation. At the same time, the Social Welfare Act was renewed and regional coordination was strengthened on implementing youth policies and enhancing authority cooperation.

To be clear on this, the main organizations involved in tackling youth unemployment are principally the same in the programmes as they are in the mainstream services. Overall, special attention is being given to the continuing of studies after basic education (age 15-16), and the guidance counsellors have a responsibility to guarantee that each student has applied to several secondary education institutes, which is also required by the unemployment benefits legislation. An additional year in the basic school system has been available traditionally for those who need to lift their grades before entering secondary education. Other pathways nowadays include VALMA (preparatory training for vocational education), and TELMA (for people with disabilities) provided by the vocational education institutes. Parts of these one-year trainings are recognized as part of the vocational qualifications.

While there are very few long or short-term jobs available for young people without qualifications, secondary education takes care of most of this cohort each year. This is also likely to be one reason for the common view that youth unemployment does not necessarily need any specific attention than the adult population. The youth unemployment policies identify primarily those 5,000 young people who do not continue directly to a secondary degree annually, which is about 10 % of the cohort.

There are several actors and different paths through which young people and NEETs come in contact with additional counselling services, activation or upskilling measures organized by public authorities. Those young people furthest from the education and employment systems are those with difficulties in coping and having social or health issues (e.g. addiction problems). The outreach youth work (targeting those aged under 30 years) in the municipalities are governed by the Ministry of Education and Economy and they are based on cooperation with different authorities such as the police, social work and the army. The funding is coordinated by the Regional State Administrative Agencies and mostly channeled to the maintenance of youth workshops. These are one of the main services for those not able to reach education or employment and other authorities often send their young clients to them. Use of the service is voluntary for the young people. Social workers for outreach youth work are operating in almost all municipalities.

#### 3.2 One-stop guidance center in Tampere

As a result of a long development under the YG and studies on the youth needs, the one-stop guidance centre (Ohjaamos<sup>119</sup>) network has already spread to over 50 municipalities. They started as a pilot project but have mainstreamed since 2018 with the combined resources of the Government (EUR 5 million additional funding) allocated by the Ministry of Employment and distributed to municipalities in varying proportions.

The future may seem remote to many young but the dynamic new one-stop-guidance centres help young people to get a few steps ahead on their way to the labour market. For most, the results of the centres clarifies their future options through cooperation between authorities, private and third sector service providers.

The image of the Ohjaamos is critically different from other authorities. They should be easily approachable and provide non-formal and confidential consultation and, in the longer term, reliable and committed partnership on their everyday undertaking. The multi-professional services are organized so that the client should be able to raise any question relating to their everyday wellbeing, or the paths towards education or employment. The idea is to be a space for joint efforts to understand young people's needs and guarantee their opportunities in relation to

119 http://ohjaamot.fi/etusivu

<sup>&</sup>lt;sup>118</sup> NAO, Young Adults' Skill Programme, providing 4,000 additional student places annually since 2015.

education and employment, and to provide services of all relevant authorities without considerable delay, under the same roof or via digital tools.

The activity of Ohjaamo Tampere started as pilot project and was rolled out at the beginning of 2018 with resources from both the Ministry of Employment and Economy and the city. There was a strategical will to implement youth measures to decrease the costs due to long-term unemployment expressed in the City Mayor's Programme 120, but it was the decision of the Ministry to strengthen their orientation to youth services at the national level that made it possible. This included recruiting the core team of experienced PES experts to get the concept going.

While there are some common rules and guidelines concerning all Ohjaamos (such as a common brand and some minimum service provision) the Tampere Ohjaamo has decided to tackle all young people independent what their cause is. They have 28 partners with whom they collaborate, share the duty of opening hours, arrange events, organize group visits and individual coaching and guides to different services. Some workers take care of the drop-outs in the education system so that time is not lost in searching for new solutions for them. The idea is that of case management on a voluntary basis, which requires much from the management of the Ohjaamo as well as from the employees.

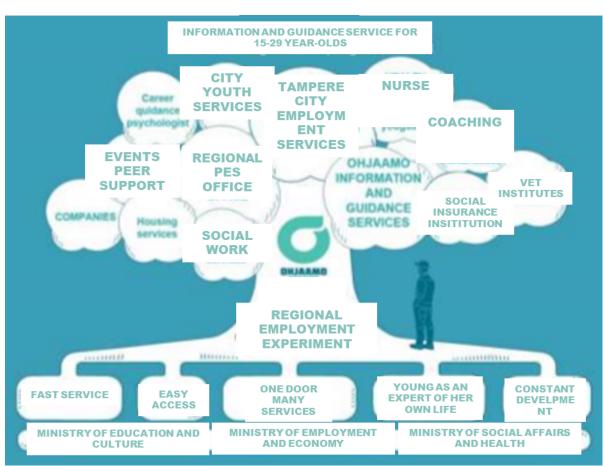


Figure 12. Protypical Ohjaamo – One-stop guidance centre 121.

<sup>&</sup>lt;sup>120</sup> City of Tampere (2017). Humane and attractive Tampere 2017-2020. Lauri Lyly's Mayor's Programme. Internet: https://www.tampere.fi/tiedostot/l/2ootxGR6J/lauri lylyn pormestariohjelma.pdf. Accessed 5.11.2018.

121 Modified on the basis of the figure on Kohtaamo project pages.

#### 3.3 Regional employment experiment

It was stated in the Tampere Mayor's Programme that decreasing unemployment by 1,000 persons would provide an increase in income of EUR 3-5 million. It also stated that Tampere wants to be the frontrunner in implementing the lessons learned in the previous (2013-2015) municipality experiment for employment services. The city aimed to create a new platform for the employment services based on partnership between private, public and third sector organizations, with enhanced services for the long-term unemployed and the new regional employment experiment aimed at more efficient responding to the increasing need of labour. Since then the restructuring has accelerated. <sup>122</sup>

When the continuation of the employment experiment (2013-2015) became possible on the basis of the legislation 123, Tampere formed a regional cooperation platform with ten smaller municipalities and organized the biggest experiment in terms of client number (22,000 or 60% of all jobseekers) who were transferred from the PES to the total responsibility of the municipality. Some 300 employees were recruited for this aim, although most had previous expereince either in the service of the PES or of the municipality employment services. The regional employment experiment (REE) operated for one year from autumn 2017 until autumn 2018, after it was cancelled on the command of the Ministry of Employment and Economy. 124

The key player of the REE was the city's employment services, which gained EUR 20 million of additional resources to deal with the 20,000 challenging clients. These were, by the definition, mostly those who were receiving the basic unemployment support and often in the need of additional services. The 300 employees made it possible to have a caseload of under 150 clients per employee. There are several problems relating to the monitoring of certain groups in the PES client data systems and especially of those who are not in the labour market (i.e. not signed up in public services or regularly visiting the offices). The related problems are constantly faced by the client workers and so the experiment was supported through coordination of regional authorities and service producers, and by the ad hoc "statistics hub".

The temporary legislation provided REE enough local autonomy to steer the resources based on knowledge of the local labour market, education possibilities, which wer very important for the rehabilitative work activities. In addition, the cooperation with the work ability assessment in health care was increased with positive experiences.

#### 4. Assessment

On the basis of the ongoing evaluation of the REE<sup>125</sup>, the results appear rather good in all relevant dimensions including "difference making" on the level of individual clients and their transitions, the new coaching model, renewed partnership and management. The core of the "good practice" is the right to make decisions concerning the client even when they can affect their right to unemployment benefits, previously the PES was traditionally the sole deciding authority. This right is combined with the wider range of services from social and rehabilitative working experiments, to tailored VET courses.

The results on behalf of young people have been visible (figure 13.) There were about 3,000 clients under the age of 25 in the REE when it started in 2017. One year later there were some 2,600 left. Of these about 200 went into employment per month, and this rate was almost the same during the REE compared to the monthly numbers of the PES with its much easier client profile. Unemployment has decreased sharply since the start of the regional experiment and

<sup>122</sup> Mayor's Programme, Ibid.

Act (505/2017) on the experiment of the regional provision of public employment and business services and work experiment. Ibid.

and work experiment. Ibid.

124 The details behind the decision were widely criticized in media and public debate. This, however reflects the dynamic administrative and political environment, which creates lot of pressure to the local authorities and narrows the autonomy.

Arnkil, R. & Spangar, T. & Jokinen, E. (forthcoming). Evaluation of the Pirkanmaa regional employment experiment. City of Tampere.

launching of the one-stop guidance centre. The activation rate of those under 25 was 23 in the first seven months of 2017 and 27 in the same period in 2018. 126

The more important results were achieved by organizing the youth team providing tailored education groups and pushing education providers to organize non-stop types of education, which had not previously possible.

26,0 25,0 24,0 23 23, 23,0 22,0 20.9 21,0 20,0 19,0 18,0 Keskiarvo tammi-heinäkuu ,0 15.<del>1</del>5,8 ka 1-7/2013 16,7 15,0 ka 1-7/2014 17,8 14,0 2014 18,1 ka 1-7/2015 20.1 13,0 2015 19.9 ka 1-7/2016 21,4 12,0 ka 1-7/2017 17,4 11.0 2017 ka 1-7/2018 17,1 14,4 11/13 24/13 24/13 24/13 24/14 24

Figure 13. The monthly share of unemployed of all under 25 year-olds in Pirkanmaa region in 2013-VII/2018. Annual averages in the boxes.

Source: . Source: Tampere City statistics, Statistics Finland

However, the regional experiment suffered from a lack of Government support and the future plans for liberalizing the employment services leaving municipalities (and PES) with a limited role. The ideas of the REE showed that the so-called Danish model might be a good option for Finland, but the political will is in the opposite direction at the moment.

However, the experiment has made an impression and poses an alternative route if the Government's other plans fail in the future. Foremost is the local network of authorities and service providers who have gained valuable knowledge of the development of the policy environment and the needs of the clients. This was emphasized during the evaluation interviews with most of the stakeholders and this knowledge is valuable in any forthcoming structures.

## 5. Transferability of local experience

- There is little that can be transferred to other contexts in terms of concrete methods or ways of organizing things.
- There are several simultaneous developments in the society which have accumulated to produce the one-stop guidance centre national network and series of regional employment experiments with a heightened responsibility for municipalities.
- Local and regional autonomy is possible to achieve, but only with strict time and resource frames.
- Importance of the sustainable thinking in terms of network management, local knowledge of the labour market, personnel decisions and training, information exchange systems.
- Overall the national new model needs the contributions of the local and regional unemployment experiments properly documented and evaluated if the national policy development is to develop.

<sup>126</sup> REE statistics for interior use.

Government proposal 35/2018 for a new legislation on regional development and growth services. Internet: https://www.finlex.fi/fi/esitykset/he/2018/20180035.pdf. Accessed 17.11.2018.

#### 6. The future

The REE is currently closing which creates a new space for a new start. Already the stakeholders involved have plans to continue the gained solution-oriented approach and dialogue with each other and the clients. Some elements will continue in more mainstreamed forms such as the middle-manager and the individual coaching model, but resources will decrease significantly. The forthcoming restructuring of the local and regional government is anticipated with a renewed interest among the employment authorities, and the worst concerns over future scenarios concerning the PES / municipalities joint activities have been allayed for the stakeholders in the experiment.

## I. Case Study: Turin City Region (Italy)

## 1. Background and context of youth unemployment and inactivity

#### 1.1 The area

This case study focuses on the Turin Metropolitan Area in Italy. The area was chosen for its success in tackling youth unemployment and inactivity since the Great Recession. Turin is in the Piemonte Region in northern Italy (Figure 1). The other provinces of the region are Alessandria, Asti, Biella, Cuneo, Novara, Verbano-Cusio-Ossola and Vercelli.

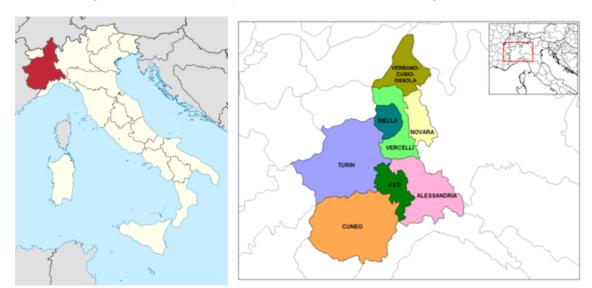


Figure 1: The Turin Metropolitan Area in the national and regional context

The area currently has around 1.3 million people (in the so-called "Big Turin", composed of the city and 14 adjacent municipalities) though population has fallen in the city itself over the last 40 years (1.16 million people in 1971 and 883,000 today). It is an aging city, with the main source of younger population represented by migrant families. The size of households is shrinking with single person households increasing over the past 30 years from around 30% to currently around 45%. At the same time, Turin is experiencing an increase in the share of the population holding a university degree, with the Polytechnic University experiencing sharp growth, and the same trend has been recorded in the number of young people enrolled in high schools. Paradoxically, as one of the cities with fewer young people, it also has one of the highest youth unemployment rates among the large Italian cities.

Even though the Piemonte Region is characterized by several factors favouring economic development and employment, the negative growth gap with respect to both the rest of the North and the Italian average (which appeared before the economic crisis and widened after 2008) persists. Between 2007 and 2013, the regional value added (expressed in real terms) fell by almost 12 percentage points, as compared to 6.4% for the North as a whole, with 60% of this reduction explained by the service sector (25% in the North), especially in the health sector, where the contraction was equal to a fall of 16% compared to +0.4 in the North (IRES, 2018). In spite of the following slow recovery, a poor comparative performance has also been recorded in the last few years, <sup>128</sup> again mainly due to the service activities where productivity growth is sluggish, the quality of human capital is lower and firms are more fragile (Banca d'Italia, 2018).

The relevance of Turin, the regional capital, for the economy of Piemonte is much higher than in several other Italian regions, as it generates more than 50% of the regional value added. The industrial crisis which started in the area well before the economic crisis, negatively affected the

\_

<sup>128</sup> See the ISTAT official data available at: http://dati.istat.it.

regional economic dynamics, but in the period 2008-2015 the pace of economic activity adjusted to those of the other regions. The decline and the subsequent crisis of both the automotive corporation FIAT and of the satellite activities – which represented the (direct and indirect) main source of employment in the metropolitan area – favoured the growth of different economic activities, especially those linked to art and culture (now around 10-12% of value added) and to innovation such as aerospace. However, the disappearance of some of the principal local banks (Cassa di Risparmio di Torino and San Paolo di Torino) tightened the supply of credit to local firms, contributing to the slow pace of the recovery.

Even though the 2006 Winter Olympic Games supported economic activity and contributed to improve the city's infrastructures, immigration from the south of Italy progressively decreased and sharp differences across suburbs were evident, with population decline and deindustrialisation leading to the abandonment and degradation of urban spaces in some areas of the city. For all these reasons, the recent economic crisis had a relatively lower impact on Turin, as compared to other parts of Italy not previously hit by shocks of comparable magnitude. This relative improvement notwithstanding, as far as the labour market is concerned, the city continues to remain the "South of the North", as unemployment rates are comparable to those of the big cities of the South. 129

#### 1.2 Labour market trends in the Piemonte region and in the City of Turin

Italy was one of the European countries more seriously hit by the Great Recession. This had a critical impact on unemployment and especially on youth unemployment. In the 2008-2013 period the increase in the under 25 unemployment rates in the EU28 was equal to 8 percentage points, but Italy experienced a much sharper increase: from 21.2% to 40%. However, after the 2014 peak at 42.7%, the ratio between the number of young people unemployed and the active population decreased to 37.8% in 2016. Qualitatively similar trajectories were experienced by the Piemonte region and the city of Turin.

The improvement in labour market participation and employment in Piemonte, which started in 2014, is continuing and the number of people looking for a job is falling, together with the unemployment rate, including the youth rate. Yet, whereas dependent employment, especially of the fixed-term type, is increasing, independent employment is shrinking.

This trend is confirmed by the most recent data provided by the National Institute of Statistics (ISTAT). In 2017:

- Employment increased in the region by 8,000 individuals, even though fixed-term labour contracts increased at a higher rate (+19.5%) than open-ended ones (+0.7%). Unemployment fell by 4,000 (-2.3%) and the unemployment rate decreased from 9.3% to 9.1%;
- The increase in employment mostly affects jobs held by males (+37,000 units, whereas independent work decreases by 29,000 units) and workers holding a university degree (+7.1%);
- In the age bracket 15-24, employment increased by 6,000, corresponding to +9.1%, and unemployment fell by 2,000 (-4.6%), with the unemployment rate falling from 36% to 33% and the employment rate raising from 18% to 19.5%.

The expansionary dynamics of employment in Piemonte consolidated in the first quarter of 2018, overtaking the average of the Northern regions where employment is decreasing in Trentino, Veneto and Liguria. Even though the fall in unemployment is the sharpest among these same regions, the unemployment rate (8.4%) remains above the average (7%) in comparison to a national average of 11.6%.

The Metropolitan City of Turin recorded the best performance with employment increasing from 928,000 individuals in 2016 to 938,000 in 2017 and with unemployment falling from 108,000 to 97,000 (-10%). In 2016-17, the hiring of young people almost doubled over the previous two

-

<sup>&</sup>lt;sup>129</sup> See the statistical annex B.

<sup>&</sup>lt;sup>130</sup> In the provinces of Alessandria and Novara the unemployment rate is equal to 11.6% and 11.2%, respectively. Whereas employment remained stable in Asti (90,000 units) and Cuneo confirmed the good state of the labour market (employment rate at 73.9% and unemployment rate at 6.1%), the situation deteriorated in the other provinces.

years, but it was concentrated on the very short-term jobs and was fostered by hiring subsidies (employment bonus).

In 2017:

- the unemployment rate in the age bracket 15-24 was much lower than in 2013 (for males, 31.0% against 46.6%; for females, 42.3% against 46.7%; on the overall, 35.9% against 46.7%):
- the number of NEETs (in thousands) also fell (for males, 17 against 23; for females, 18 against 19; on the overall, 35 against 42). 131

These figures should be compared with a national trend recording a NEET population (15-29) constantly increasing from 2008 to 2013, when more than 2.3 million young people were not in education, employment and training. The 2014-2016 period witnessed an 8.5% decrease in the number of NEETs, but which was not enough to bring the number below 2 million. It should be noted that more than 50% of the overall NEETs population is inactive and is thus not considered in the calculation of the unemployment rate.

More detailed information on unemployment, the unemployment rate, the number of NEETs and employment in the Metropolitan City of Turin for the period 2004-2017 and for the age brackets 15-19, 20-24, 25-29, 15-24 and 15-29, split by gender, are provided in the statistical annex.

#### 1.3 Principal reasons for youth unemployment

The development of youth unemployment in Turin compared to overall unemployment has been mainly shaped by three general causes and conditions:

- 1. The increase in the retirement age which for old age pensions is linked to life expectancy at the age of 65 (presently forecast at 67 years and three months in 2021 and 2022) and to the number of years of contribution for anticipated pensions (pensione di anzianità), set by the pension reform known as Fornero Law to 43.3, years (one year less for women, but with penalized benefit);
- 2. The fact that local entrepreneurs conceive the hiring of younger workers as a long-term investment in human capital, which was drastically reduced during the prolonged period of low demand, economic crisis and reduced capacity utilisation;
- 3. The possibility for workers in the age bracket 40-50 to enjoy social support and wage allowances that allow them to remain in their companies in case of crisis and restructuring.

A fourth important element is linked to the fact the, due to the process described above, the highly skilled younger workers have increasingly left the city, causing mismatches between the skills offered by the remaining young labour force and those demanded by local firms.

#### 2. Policies and structures in tackling youth unemployment and inactivity

#### 2.1 The Italian system of labour market governance

To fully understand youth unemployment in the Turin province requires a brief description of the way in which ALMPs are governed in Italy. The Italian labour market is characterised by a multilevel governance. The central level is represented by the Ministry of Labour and Social Policy (MLSP) whose main activities cover legislative proposals, coordination of ALMPs, monitoring, evaluation and surveillance. The Legislative Decree 469/1997 attributed to regions and provinces the responsibilities for the labour market and transferred to them the relevant competences on PES.

The process of administrative decentralisation was reaffirmed by the Constitutional Law 3/2001, which gave central government and the regions *concurrent* legislative competencies in the field of labour protection and security and of ALMPs, as well as exclusive competencies to regions in

\_

<sup>&</sup>lt;sup>131</sup> It should however be noted that the official number of NEETs may be overestimated, as many young people can be in transition between school and work, or are searching jobs through channels different from the CPIs.

the field of vocational training. In concrete terms, the regions were asked to perform coordination and guidance tasks, whereas the actual management of PES was assigned to provinces.

Following the changes introduced by Law 56/2014, which established provinces as second-level non-elective entities, the law 183/2014, known as the "Jobs Act", allowed the Italian Government to enact a set of legislative decrees aimed at reforming the labour market (ADAPT, 2015). One of their domains regarded the employment services and ALMPs. The Legislative Decree 150/2015, established a new governance system (i.e. a *national* network of services) for labour policies, coordinated by the new National Agency for Active Labour Policies (ANPAL). The decree also established that unemployed people, workers benefiting from wage supplementation schemes and workers at risk of unemployment, are required to register on the ANPAL portal.

In this governance system, the MLSP sets essential service levels to be applied in the whole country and monitors labour market policies. It institutes the creation of the national register (*albo*) for entities recognised to provide active labour services, an informative system of labour policies and workers' electronic file. The Decree also determines that beneficiaries are to be profiled by employment centres according to their employability and have to sign a personalised service agreement. Sanctions in case of non-participation in agreed services aimed at promoting their reentry into employment range from benefit cuts, to suspension and cancellation. The decree also envisages the reorganisation of hiring incentives. More details on the current system of labour market governance are provided in the annex B.

#### 2.2 Youth Guarantee

In 2013 Italy enacted a Youth Guarantee (YG) Implementation Plan. It created a multilevel system of governance for the support and delivery of the YG Scheme, requiring the cooperation of governmental authorities, business and social organizations, and the third sector. Although the EU Recommendations focus on young people aged 15 and 24 years old, Italy decided to extend the programme to the 25-29 age group to include the 1 million NEETs belonging to this category in 2012.

The state is responsible for the creation of an IT platform, the development of a profiling model and the establishment of a monitoring and evaluation system. The regions have the responsibility of implementing ALMP actions addressed to the young beneficiaries of the programme. In order to take regional differences into account, the regions can also define their own implementation plan, thus creating the possibility of local deviations from a common national strategy.

The programme was launched on 1 May 2014 with the creation of the "Portale Garanzia Giovani" website. This portal collects information on applicants at the national level and shares it at the regional level. Any applicant can subscribe nationally, regardless of their region of origin, but is contacted by local employment centres. This is an important feature since the information available at each local employment service was previously disconnected with that of all the others, preventing people knowing the job opportunities that existed even in other provinces of the same region.

After being registered, the young person is assisted and escorted through different individual tailor-made paths aimed at facilitating the transition to the labour market: a job proposal; an offer to enrol in the civil service; an extra-curricular traineeship; an apprenticeship offer; self-entrepreneurship guidance and support; inclusion or re-inclusion in education and training pathways; general measures for promoting transnational mobility. The job proposal is offered through a network of public and private structures, as well as specialised portals such as "Cliclavoro". Incentives in the form of a hiring bonus are provided to companies that decide to offer a job within the YG scheme.

Apprenticeship programmes are addressed to individuals between 15 and 18 years of age, with the aim of smoothing the transition from school to work. Mentoring and guidance for business

<sup>&</sup>lt;sup>132</sup> The mission includes the MLSP (that plays the role of Managing Authority) and the regions, as well as other institutions, such as National Institute for the Analysis for Public Policies (INAPP), the Chamber of Commerce, the Ministry of Education and other public organisations (ISFOL, 2016a, 2016b, 2016c and 2016d).

More specifically, based on the ISTAT labour force survey, the potential catchment area for the Guarantee was initially estimated to be around 1.6 million of NEETs between 15-29 years old in 2012.

creation is provided if the beneficiary demonstrates having the appropriate skills and characteristics. The education and training actions allow the young person to be inserted in professional training or education pathways (the latter applies only if the beneficiary is under 19 years of age). The programme is continuously monitored and periodically evaluated by the MLSP, regions and public agencies.

#### 2.3 Local Policies

Even though the regions were affected in different ways by the economic crisis, the policies addressing youth employment in Piemonte operate only within the national YG schemes. The programme is not very flexible, even though the regions can decide which parts to activate. Thus, although the legislative decree 150/2015 and the other instruments conceived for a centralistic model are not yet realized, the YG is an exception, a model for regional policy, which attracted young people towards labour services and financed services that were previously scattered among territorial realities and activities.

Turin is in charge of the employment centres (CPIs) located in the city (34 in the whole region) and of the profiling and the taking charge of the registered young individuals sent to them by the regional offices. It also supports the coordination of the other accredited public and private entities offering training and/or labour services (94 in the region) which together with the CPIs, create a network of around 500 hosting venues). The Turin experience is characterised by the networking of actors with expertise in vocational training and information on early school leaving, social cooperatives, public entities like schools accredited as labour agencies, etc. The city has thus developed a close relationship with the users of labour services, but the available resources are decreasing and the only metropolitan service of the region supporting the unemployed and those looking for a job is the portal "informagiovani" 134.

Other local policies for employment do exist but they are not targeted on youth employment. For instance, a very strong emphasis has been placed on the programme promoting the creation of firms, mainly financed with Regional Operational Programme (ROP) resources (35 million Euros), but also by *Finpiemonte* (*Finanziaria Regione Piemonte*, the financial entity that supports the region and other public members, including university incubators of start-ups). It involves around 40 accredited organisations, several dedicated subjects and employment centres specialized in independent work and firm creations.

A second example is a measure devoted to ten typologies of disadvantaged individuals, independently of age, including:

- Disabled;
- Marginalised taken in charge by a public entity;
- Roma, Sinti and walkers;
- People with specific learning disturbances;
- Immigrants holding a residence permit for humanitarian reasons;
- Unaccompanied minors;
- People who experienced restrictions by the judicial authority.

Another measure not specifically targeted at youth unemployment but to all individuals who have been unemployed for more than six months, include a "service bonus" financed with ROP-FSE resources, or by the Regional Fund for Disability, that includes a set of services ranging from the taking in charge to the insertion in the labour market. Other measures refer to policies to fight early school leaving (including orienteering measures) and first level apprenticeship. Some EUR 900 million of ROP-FSE resources are devoted to vocational training and labour services.

Whereas in Germany corporations are part of the system, in Italy incentives are mainly used, such as those for traineeships <sup>135</sup> and for the employment bonus (not used until 2016). Furthermore, even though apprenticeship is generally conceived as a way to hire workers with a lower wage, Piemonte is one of the few Italian regions where apprenticeship may be linked to a Ph.D programme and where there exists a tight link between school and work. However, the productive

-

<sup>134 (</sup>http://www.comune.torino.it/torinogiovani/lavoro).

The remuneration of traineeship is highly heterogeneous in Italy. For example, it is 600 Euros per month in Piemonte, 300 in Euros in Lombardia and 750 Euros in Lazio.

system has not generally reached the standards that are present in other European countries where apprenticeship is highly valued and can lead to the acquisition of formal education. In Turin, the culture in companies is not yet ready to create a close and stable connection with formal education.

General employment policies produce better results for young people than other groups, such as those unemployed for more than six months, the disadvantaged and the disabled, mainly because these categories are less skilled and employment possibilities, especially for the over 55s, are rare. These people are mainly treated through the *Cantieri di lavoro* (i.e. the use of ROP-FSE resources) with 50% co-financing by the local entity activating the *cantiere*, either to pay people EUR 750 Euros per month in exchange for public utility activities, or to accompany people towards retirement.

#### 3. Divergence from national and regional policy

#### 3.1 Introduction of the Youth Guarantee in Piemonte

At the beginning of 2014, the Piemonte Regional Board (Giunta Regionale) decided to anticipate the implementation of the YG and approved the Extraordinary Project Youth Guarantee - Piemonte (Progetto straordinario Garanzia Giovani Piemonte). The project, financed with EUR 5.6 million of the ROP-FSE 2007-2013 resources, started on 1 June 2014 and ended on 30 March 2015. It first included only measures for labour services and training finalised to employment, but other measures subsequently followed (Regione Piemonte, 2017). Until 2015 the programme was aimed at attracting young people only when opportunities for them were visible.

These measures paved the way for the national YG programme, which earmarked almost EUR 97.5 million for the region. Given the concurrent regional Extraordinary Project, the major part of resources was concentrated on measures against early school leaving, for occupational inclusion and extra-curricular traineeships. The financed measures are divided into four paths:

- 1. Re-inclusion in training (reinserimento in formazione);
- 2. Extra-curricular traineeship;
- 3. Occupational inclusion; 136
- 4. Actions devoted to people who have not received any offer after four months from taking in charge (young people with reduced employability and in need of special actions); and for this reason the activation is limited to public employment centres.

#### 3.2 National results

According to the ANPAL (2018) sample-based study, as of 30 April 2018, young people registered with the YG programme in Italy exceed 1,317,000. Around 50% of the registrations occurred in the South of Italy and the Islands. The individuals taken in charge are more than 1,026,000 (77.9%), 55% of whom are in the age bracket 19-24, 34.9% over 25 and 10% under 18. The percentage of individuals taken in charge by the public employment centres (78.7%) is greater than that by the private employment agencies (21.3%), but this distribution is reversed in the North-West (21.7% vs 78.3%). More importantly, the results achieved by the Piemonte region significantly differ from the national average, ranking in sixth position for registered individuals and eighth for those taken in charge.

The effects produced by the YG are not particularly positive for the country as a whole. <sup>138</sup> Although major differences are recorded across regions (slightly above 30% in the South), employment

<sup>&</sup>lt;sup>136</sup> In each path, the main measure is accompanied by further measures of reception and specialised orienteering.
<sup>137</sup> This should not be a surprise, since in this area the NEET problem is far more intense compared to

<sup>&</sup>lt;sup>13</sup> This should not be a surprise, since in this area the NEET problem is far more intense compared to other Italian regions.

Only 54.7% of the individuals taken in charge were provided with an active policy (59.3% of which are extra-curricular traineeship, 23.3% are hiring incentives and 12.7% is training). Only 51% of the individuals who completed the program are employed, of whom 41.6% (58.5%) found a job within one (six) month(s) after the end of the programme. 39.8% of the employed hold an apprenticeship contract and 31.3% an open-ended one.

tends to increase everywhere with education (56.6% for individuals holding a university degree, 42.3% for those with a junior high school degree, according to the national average).

#### 3.3 Regional results

For Piemonte, the last available regional monitoring data (Regione Piemonte, 2018) provides information, as of 2 May 2017, on the interventions concerning the programmes:

- PON Youth Garantee 2014-2018 (labour services, training for early school leavers, national civil service);
- ROP 2007-2013 Extraordinary Youth Guarantee Piemonte (orienteering, traineeship, work and finalised training);
- Regional Fund for Disability 2015-2017, FRD (Extraordinary Disabled Youth Guarantee, including orienteering, traineeship and work).

For the period started in May 2014, the number of individuals enrolled on the YG portal were 92,964 and those taken in charge 56,506. Of them, 51,857 were on the national YG plan (47.808 on labour services) and 4,649 on the regional Extraordinary Youth Guarantee Projects 2014-2018, POR 2007-2013 and FRD. Around 60% of the enrolled received an orienteering service and were inserted in one measure of the YG plan. As of 2 May 2017, the individuals registered on Cliclavoro were 92,964; those taken in charge were 56,506; and those participating in the Bando Servizi al lavoro PON YG were 47,808.

The young people introduced to employment in firms (avviamenti di impresa);

- For a period between 1 day and 3 months, were 37,640, corresponding to 77% of the taken in charge (48,127 in the national YG and 980 in the disabled YG, for a total of 49.107):
- For periods greater than 3 months, are 22,881, corresponding to 46% of the taken in charge.

The total individuals introduced into firms (those in national YG) are split across the type of labour contract as follows:

- Traineeships is 29% (28%);
- Apprenticeship is 10% (10%);
- Open-ended is 4% (4%);
- Close-ended up to 3 months is 40% (40%);
- Close-ended between 3 and 6 months is 9% (9%);
- Close-ended for more than 6 months is 2% (2%).

According to more recent national monitoring (ANPAL, 2018), as of 30 April 2018, the individuals taken in charge in Piemonte correspond to 71.4% of the registered ones, as compared to the national average of 77.9%, to 93.1% in Veneto (the highest value) and to 52% in the Marche (the lowest value).

#### 4. Strengths and weaknesses of key policy

#### 4.1 Key strengths

-

The key strengths/success factors of the labour market policies carried out in Piemonte can be identified as follows.

<sup>&</sup>lt;sup>139</sup> Until February 2016, were taken in charge only those young people selected for training and labour opportunities. Starting from March (FASE II of the YG) are taken in charge all the individuals registering at the public regional Youth Corners (CPI) and at the agencies accredited for labour services.

<sup>140</sup> According to data provided by an interviewed policy maker, as of 31 July 2018. the number of people

enrolled on the portal are 115,000 (46% being females), the taken in charge are 85,000 and 66% of these were offer at least one orienteering service and one measure. The data on earmarked financial resources, were significant (97 million Euros) in the first phase of the YG, whereas they are going to significantly decrease in the second phase (EUR 37 million).

- 1. Integration of public and private entities operating in the territory which generated 500 sites (*sportelli*) able to provide labour services. Although the main objective of the private services is in some cases related to their need for expanding business and making profits, several agencies providing labour services which part of the network are are non-profit organisations (including almost all the training entities and the social cooperatives). The main peculiarity of the experience of Turin is hence cooperation, as opposed to other territories where public and private organisations are competing (e.g. Lombardy, where the Unique Labour Dowry (*Dote Unica del Lavoro*) can be spent by the unemployed in the agency they prefer).
- 2. The accredited organizations (introduced by the 2003 Biagi Law) contributed to make the labour services of the region a cooperative system and this public/private alliance allowed the territory to provide relevant services in the face of a contraction in public resources. The accredited agencies emerge where the system is insufficient, not where it is ineffective. Together with the firms' need to obtain subsidies when hiring through the employment centres, this explains why they are continuing to provide services to the young people even though the YG ended on 31 July 2018.
- 3. The success of labour policies also depends on the fine-tuning and on the degree of specialisation of interventions. In Turin, the special attention paid to traineeships contributed to reduce the share of the informal economy, even though this was more relevant for older workers, also due to the presence of social shock absorbers.
- 4. The data (see the statistical annexe) show that in Turin the unemployment rate, the youth unemployment rate and the NEET rate started to decrease in 2014 (with the increase in youth employment more pronounced than that of older workers) when the YG programme was implemented.

However, it is difficult to assess how much of this improvement is attributable to the implementation of the YG. Several other factors could have influenced these dynamics, such as improvements in the macroeconomic framework, or the introduction of structural reforms in Italy in recent years, such as the education reform "Good School" (*Buona Scuola*) in 2015 and the Jobs Act labour market reform introduced in the same year. Unfortunately, the only available evaluation report that tries to measure the impact of the YG on occupational outcomes, while controlling for the potential sources of bias, refers to the Piemonte Region and not to the City of Turin, being the programme designed at that level (Abagnale et al., 2017).

It assessed the variation in the chances for people aged 15-29 to start access to the labour market, as well as the development of the different channels of labour market access, following the introduction of the Youth Guarantee Programme (1 May 2014). The analysis used regional administrative data from the *Sistemi informativi per il Lavoro* (SIL, which also contains the database of the individual enrolments in employment centres and that of compulsory communications of work relations (i.e. hiring and firing, extensions, transformations, contract type, working time, etc.) from 1 January 2009 to 31 December 2015, employed a difference-in-differences approach (considering as the control group the people in the age bracket 30-40, who were ineligible for the Programme 141) and used as outcome variables: (1) the people employed within one year from the enrolment and (2) the type of contract (traineeships; apprenticeship; open-ended; close-ended up to 6 months; close-ended between 6 months and one year; close-ended for more than 1 year).

Before the implementation of the programme, the net difference between eligible and non-eligible individuals is less than one percentage point (+0.36). Looking at the evolution of the coefficients before and after the introduction of the YG, it turns out that the probability of being introduced in work remains basically unchanged for the non-eligible people of age 30-40 (from 0.6196 to 0.6187), whereas it increases for those aged 15-29 (from 0.6232 to 6691). It can therefore be estimated that, following the introduction of the YG, the probability went up by almost 5 percentage points. 142 Among the main marginal effects, the positive ones are: previous work

This conclusion is obtained by calculating the difference in differences: (66.91 - 61.87) - (62.32 - 61.96) = 5.04 - 0.36 = 4.68.

-

The underlying assumption is that the behaviour of hiring in the control group incorporates all the exogenous elements that can affect the increase in the probability of hiring, e.g., macroeconomic cycle, other labour market policies, legal changes etc.

experience; Italian citizenship; holding a high school or university degree. The negative ones are instead being a woman and holding only a junior high school degree. The assessment concluded that in Piemonte the YG programme had a positive effect on the probability of accessing the labour market. Given the special relevance of Turin for the economy of Piemonte as a whole, it seems possible to believe that the same programme positively affected this city as well.

Relevant changes were estimated also for the ways the labour market is accessed by younger workers. Following the introduction of the YG, the assessment estimated an increase in traineeships, a reduction in the use of apprenticeship and of fixed term contracts of up to 6 months, and an increase in open-ended ones, which was basically the same for the two groups and hence cannot be attributed to the introduction of the YG (but rather to the hiring incentives introduced together with the Jobs Act).

The main relevant strengths of the Turin experience, besides its outcomes, can hence be ranked as follows:

- Cooperation;
- Policy (i.e., YG);
- Shaping and reshaping of policies.

#### 4.2 Key weaknesses

A general weakness of the Italian labour policies, which apply also to the case of Turin, is that they have been too frequently changed, with intermittent steps in favour of a regional versus national model, whereas it takes time to properly structure a coherent model.

A potential weakness of the Turin system, which was confirmed by the interviewed policy makers, is that the existence of the YG may have inhibited local policies targeted to youth unemployment and NEETs. Furthermore, even though the YG was targeted at the NEETs, it experienced difficulties in attracting those who do not activate themselves.

Another key weakness of the policy implementation may be identified in:

- Reduced cost-benefit considerations:
- The sharp decrease in the resources available by City of Turin for active labour market policies, which in a few years dropped from around EUR 13 million to the EUR 1.1 million of the present budget (excluding the regional financing).

## 5. Transferability of local experience

## 5.1 Key ingredients

The key elements of the Turin local experience in successfully tackling youth unemployment that can be transferred to other areas, both within the country (i.e. in other regions, local areas, etc.) and in other European countries can be summarised as follows:

- The Turin case shows the relevance of a network for effective ALMPs. This experience is valuable at the national level because it shows that Italy cannot withdraw from the idea of creating a system, instead of relying on good (excellent, in some instances) practices that are not persistent in time and are not transferred to other territories, whereas they should become shared policy models. 143
- The creation of a network between public and private actors represents the best practice that can be identified in the Turin case, and one that could likely be transferred to some other European regions.

<sup>&</sup>lt;sup>143</sup> If the legal shift of competencies from the regions to the national level did not occur, this can now be realised through economic incentives, reaching an agreement in the State/Regions Conference to link additional resources provided by the government to the adoption of best practices identified on the basis of a shared model.

#### 5.2 Contextual prerequisites

In order to successfully transfer the main elements of the Turin approach to other Italian and European regions, some prerequisite contextual conditions must necessarily be met. The main ones can be identified in a social context which may favour the creation of a network composed of public and private organizations. The history of local services should hence be preliminarily assessed since in this context outcomes are dependent on the pathway.

#### 5.3 Key obstacles to transferability

Advanced organizational skills are required to transfer the Turin experience to other similar areas, both within the country and in other European countries. This is shown by the experience of adjacent employment centres (such as Lecco and Como) where social context, economic conditions, labour market structures and budget constraints are essentially the same, but outcomes are different. It is then worth emphasising that when a national system is not in place, the same policy, such as the YG, does not respond to the same logic and it is the infrastructure and the organisation that make the difference.

#### 6. The future

There are no detailed official documents on planned policies and future measure to fight against youth employment, but the local government is shaping a new political vision based on good administration and able to favour economic growth by coupling the improvement in industry and tourism with a renaissance of the city. In order to increase general employment, more focused territorial marketing is needed to spread the knowledge of the assets present in the region, focusing on specific fields and making them known abroad.

As for youth employment, in the face of increasing emigration of the most skilled younger workers, technological progress and technological training is envisaged by local policy makers as the key factors to invest in. Turin is already ahead in the sectors involved in advanced technological production such as aerospace and aeronautics, robotics, computer sciences and digital production. However, it is necessary to encourage bringing together technologically skilled unemployed youth and small firms without digital knowledge.

In this environment, two main directions of interventions are envisaged:

1. The valorisation of tourism and commerce activities, enlarging and improving their use of digital technologies, which younger skilled workers are likely to be knowledgeable in. According to the Osservatorio sull'innovazione digitale nei beni e attività culturali (2018), based on ISTAT data, in a sample of 476 Italian Museums, only 20% adoptd digital services linked to exhibitions, both online (online catalogue and virtual visits) and onsite (QR-code, Apps for smartphones and similar devices). In this respect, good practices exist in Turin, such as the Lavazza Museum (https://museo.lavazza.com/it.html), which allows virtual exploration of the world of coffee.

#### 2. Development of two important investments:

- A "city of health" in the Lingotto area, involving modern hospitals, the universities and pharmaceutical and biomedical research, to attract innovative firms operating in the sector and provide younger workers with high quality jobs;
- The purchase of space in the TNE (Torino Nuova Economia<sup>145</sup>) area, in the South Mirafiori part of the city, where there exists a technology hub with firms, advanced vocational training and research. The area will also host the decentralised "free exchange market" (the so-called Can, *Barattolo*), presently located in the Doria area,

 <sup>144</sup> Important corporations in the fields are FCA, AVIO, ERO, Prima Industrie, Prime Power and Prima Electro (specialised in laser technologies). According to the Polytechnic University of Turin, the firms operating in the regions are years ahead of their Italian competitors.
 145 Torino Nuova Economia is a corporation with mostly public capital, which was established in 2005 by

the Piemonte Region, the Province of Turin, the City of Turin and the automotive firm FIAT to achieve as one of the main targets of the Agreement Protocol, aimed at maintaining in the Mirafiori area (where was previously located an important FIAT plant) a hub of productive activities. Abandoned industrial areas should became fertile soil for reindustrialisation and the localization of service activities

in a space of over 6,000 square meters, easily accessible by public transports and with plenty of parking areas.

These new investments add to the Competence Centre (the tender has already been awarded to the Polytechnic University of Turin and the Manufacturing Centre), an advanced project of the *Assocam Scuola Camerana* open to the participation of private firms and focussed on the use of high-tech machinery and LEAN Production to foster technologically advanced youth employment and high-quality jobs.

In the future, Piemonte should also experiment on a measure already introduced in the Friuli-Venezia Giulia region and targeted to NEETS, who are currently contacted in isolated physical or digital (e.g., www.civicneet.it) aggregation spaces. The project is to create a network of schools, associations, volunteer organizations, social and cultural entities, etc. able to attract NEETs, but not to offer them job opportunities, but more to motivate job search activity.

-

<sup>&</sup>lt;sup>146</sup> Assocam Scuola Camerana is a training agency of AMMA, Industrial Union and Chamber of Commerce of Turin. It has been in operation since 1959, especially in the Province of Turin, and provides employed and unemployed workers, as well as firms and people who have just finished high school, with vocational training courses. In the last five years, it has concluded more than 2,500 training couses, for a total of 100,000 hours and 35,000 participants.

#### References

- Abagnale, G., Bevilacqua, V., Briotti, G. and Caporale, G.M. (2017). Mercato del lavoro e Garanzia Giovani. Come sono cambiati canali e probabilità d'ingresso nel mondo del lavoro per gli under-29. Piemonte e Sardegna, Documento di valutazione n. 2, Impact Assessment Office, Senate of the Italian Republic, Rome. Available at: https://www.senato.it/application/xmanager/projects/leg18/attachments/documento/files/000/028/583/20170727\_Garanzia\_Giovani\_COMPLETO.pdf
- ADAPT (2015). "I decreti attuativi del Jobs Act: prima lettura e interpretazioni. Commentario agli schemi di decreto legislativo presentati al Consiglio dei Ministri del 24 dicembre 2014 e alle disposizioni lavoristiche della legge di stabilità", edited by Carinci, F., and M. Tiraboschi, ADAPT Labour Studies, e-Book series n. 37, January 2015. Available at: http://www.bollettinoadapt.it/decreti-attuativi-del-jobs-act-prima-lettura-e-interpretazioni-commentario-agli-schemi-di-decreto-legislativo-presentati-al-consiglio-dei-ministri-del-24-dicembre-2014-e-alle-disposizioni-lavorist/
- ANPAL (2018). *L'attuazione della garanzia giovani in Italia*. Rapporto Quadrimestrale No. 1/2018. Rome: Anpal. Available at: http://www.anpal.gov.it/Dati-e-pubblicazioni/Documents/Rapporto-GG-n1-2018-05102018.pdf
- Banca d'Italia (2018). Economie Regionali. L'Economia del Piemonte, Banca d'Italia, Roma.
- IRES (2018). Relazione annuale 2018, Torino. Available at: https://www.ires.piemonte.it/relazione2018/RESET2018.pdf
- ISFOL (2016a). Primo Rapporto di valutazione del Programma Operativo Nazionale Iniziativa Occupazione Giovani al 31 Dicembre 2015, Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori, Roma
- ISFOL (2016b). L'attuazione della Garanzia Giovani in Italia, Report mensile gennaio, Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori Roma.
- ISFOL (2016c). L'attuazione della Garanzia Giovani in Italia, Report settimanale 15 gennaio, Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori, Roma.
- ISFOL (2016d). L'attuazione della Garanzia Giovani in Italia, Report bimestrale novembre, Istituto per lo Sviluppo della Formazione Professionale dei Lavoratori, Roma.
- Mandrone, E. and D'Angelo (2014), "Youth Guarantee and the Italian PES: insights from ISFOL PLUS Survey data", CIMR Working Paper No. 21. available online at http://isfoloa.isfol.it/bitstream/123456789/993/1/Mandrone\_Youth%20Guarantee%20and%20 the%20Italian%20PES.pdf
- Osservatorio sull'innovazione digitale nei beni e attività culturali (2018), Comunicato stampa. Available at: https://www.osservatori.net/it\_it/osservatori/comunicati-stampa/il-52-dei-musei-italiani-e-social-ma-i-servizi-digitali-per-la-fruizione-delle-opere-sono-limitati
- Regione Piemonte (2017), Cruscotto di monitoraggio periodico Piano Garanzia Giovani Piemonte, Torino. Available at: http://www.regione.piemonte.it/garanziagiovani/dwd/cruscottoMonitoraggio.pdf

# Statistical annex: City of Turin, data on unemployment, unemployment rate, NEETs and employment

The table contains the estimations obtained by the Labour Force Survey (*Rilevazione sulle forze lavoro*) carried out by the Italian Institute of Statistics (Istat) for the Metropolitan City of Torino in the period 2004-2017, disaggregated by gender and by the following age brackets **15-19**; **20-24**; 25-29; 30-34; **15-24**;15-34.

These data are not publicly available and were obtained upon request, courtesy of Dr. Silvia Loriga (siloriga@istat.it).

It is not possible to obtain estimations for the years before 2004 because the survey was not designed to produce data at the provincial level and, especially, because in 2004 the survey was profoundly restructured to adapt it to the new European standards and the data are not in any case comparable, at the province level, with those constructed before that date.

Unemployed (thousands), unemployment rate (%), NEETs (thousands) and employed (thousands) – age bracket 15-19

	Ag	Gen	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	е	der	04	05	06	07	80	09	10	11	12	13	14	15	16	17
UNEMPLOYE D	15- 19	M	3	2	1	1	2	3	3	2	3	4	3	4	2	4
UNEMPLOYM ENT RATE	15- 19	M	34 .7	22 .7	23 .9	29 .3	29 .2	.8	52 .4	41 .4	48 .7	62 .0	67 .7	60 .6	70 .4	78 .0
NEETs	15- 19	M	6	3	3	4	4	6	6	4	6	6	6	6	5	7
EMPLOYED	15- 19	M	7	7	4	4	4	3	3	3	3	2	1	3	1	1
UNEMPLOYE D	15- 19	F	2	2	1	1	1	2	2	2	1	2	2	3	1	2
UNEMPLOYM ENT RATE	15- 19	F	54 .1	52 .5	59 .2	32 .6	44 .0	46 .4	56 .6	56 .1	46 .7	93 .3	76 .6	79 .1	72 .4	50 .5
NEETs	15- 19	F	4	5	4	3	4	4	5	4	2	4	3	4	4	4
EMPLOYED	15- 19	F	2	2	1	2	2	3	2	1	2	0	1	1	1	2
UNEMPLOYE D	15- 19	Tota I	5	4	3	3	3	5	6	4	4	6	5	7	4	6
UNEMPLOYM	15-	Tota	39	32	33	30	34	45	54	47	48	71	71	67	71	67
NEETs	19 15- 19	I Tota I	.9	.1	.4	.6	.3	.6 9	.0	.4	.0	.9	.5 9	.0	. <b>2</b> 10	.9
EMPLOYED		Tota I	8	9	5	6	6	6	5	4	5	2	2	3	1	3

*Note*: Due to their high sample error. **the estimations in bold are not reliable** and must hence be used with particular caution.

Unemployed (thousands), unemployment rate (%), NEETs and employed – Age bracket 20-24

	Ag	Gen	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	е	der	04	05	06	07	80	09	10	11	12	13	14	15	16	17
UNEMPLOYE D	20- 24	М	5	4	4	4	4	7	9	8	10	12	15	11	8	6
UNEMPLOYM ENT RATE	20- 24	M	13 .4	11 .3	13 .2	14 .8	13 .5	.5	32 .8	25 .4		43 .5	48 .5	39 .8	29 .7	21 .8
NEETs	20- 24	M	6	6	6	7	5	9	11	12	13	17	19	17	13	10
EMPLOYMEN T	20- 24	M	31	29	24	23	27	25	19	22	21	16	16	17	18	21
UNEMPLOYE D	20- 24	F	4	5	4	4	4	7	6	7	8	8	10	8	10	9
UNEMPLOYM ENT RATE	20- 24	F	13 .4	18 .9	17 .7	17 .3	18 .2	36 .2	24 .7	27 .2		40 .6	44 .4	40 .2	46 .8	41 .2
NEETs	20- 24	F	8	7	9	8	8	12	9	11	13	15	11	12	15	14
EMPLOYMEN T	20- 24	F	25	22	19	19	18	13	19	18	17	12	12	12	11	13
UNEMPLOYE D	20- 24	Tota I	9	9	8	8	8	14	15	14	18	21	25	19	18	15
UNEMPLOYM	20-	Tota	13	14	15	15	15	27	29	26	31	42		40	37	
NEETs	<ul><li>24</li><li>20-</li><li>24</li></ul>	I Tota I	.4 14	.8	.3	.9 15	.4 14	.8	.0	.2	.8	.3	.8	.0	.4 28	.4 24
EMPLOYMEN T	20- 24	Tota I	56	51	43	42	45	38	38	40	38	28	28	28	29	33

Unemployed (thousands), unemployment rate (%), NEETs and employed – Age bracket 25-29

	Ag	Gen	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	е	der	04	05	06	07	80	09	10	11	12	13	14	15	16	17
UNEMPLOYE D	25- 29	М	5	4	3	4	4	6	7	6	5	8	10	9	8	5
UNEMPLOYM ENT RATE	25- 29	М	7. 8	7. 3	4. 8	6. 7	8. 7	11 .7	14 .0	11 .8	11 .5	17 .5	20 .5	18 .9	16 .5	12 .3
NEETs	25- 29	М	8	7	6	4	7	8	9	9	9	12	12	11	11	9
EMPLOYMEN T	25- 29	M	62	55	53	52	47	45	45	44	42	39	37	39	38	37
UNEMPLOYE D	25- 29	F	7	4	3	5	4	5	7	7	7	10	12	8	6	9
UNEMPLOYM ENT RATE	25- 29	F	13 .5	8. 9	6. 4	10 .0	8. 1	10 .0	16 .7	14 .9	15 .5	25 .7	29 .6	21 .8	17 .1	.3
NEETs	25- 29	F	19	13	11	13	13	14	15	12	12	20	20	17	16	17
EMPLOYMEN T	25- 29	F	43	45	45	42	44	41	35	39	36	30	28	28	29	30
UNEMPLOYE D	25- 29	Tota I	12	9	6	8	8	11	14	13	12	18	21	17	14	14
UNEMPLOYM ENT RATE	25- 29	Tota I	10 .2	8. 0	5. 5	8. 2	8. 4	10 .9	15 .2	13 .3	13 .4	21 .2	24 .7	20 .2	16 .8	17 .1
NEETs	25- 29	Tota I	27	20	18	17	20	22	24	21	21	32	33	28	27	27
EMPLOYMEN T		Tota I	10 5	10 0	98	93	91	86	80	83	79	68	65	67	68	68

Unemployed (thousands), unemployment rate (%), NEETs and employed – Age bracket 30-34

	Ag	Gen	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	е	der	04	05	06	07	80	09	10	11	12	13	14	15	16	17
UNEMPLOYE D	30- 34	M	5	2	3	3	5	7	6	6	6	9	8	9	9	5
UNEMPLOYM ENT RATE	30- 34	M	5. 8	3. 0	4. 1	3. 8	5. 7	9. 4	8. 0	8. 5	10 .2	13 .5	13 .8	15 .7	15 .2	8. 7
NEETs	30- 34	M	7	5	6	5	7	9	8	7	8	12	14	12	13	10
EMPLOYMEN T	30- 34	M	78	79	78	80	76	68	64	60	53	56	51	49	47	53
UNEMPLOYE D	30- 34	F	5	4	3	4	7	6	7	7	8	6	9	11	8	7
UNEMPLOYM ENT RATE	30- 34	F	7. 8	5. 9	4. 6	5. 7	9. 9	9. 1	10 .6	11 .1	14 .0	11 .7	15 .6	18 .7	13 .3	14 .6
NEETs	30- 34	F	21	18	16	20	20	20	17	16	18	18	21	21	18	20
EMPLOYMEN T	30- 34	F	61	64	67	62	59	57	55	55	50	48	46	47	49	43
UNEMPLOYE	30-	Tota														
D	34	I	10	6	7	7	11	13	12	12	14	15	17	20	16	12
UNEMPLOYM	30-	Tota	6.	4.	4.	4.	7.	9.	9.	9.	12	12	14	17	14	11
ENT RATE	34	1	7	3	3	7	6	3	2	7	.0	.7	.6	.2	.3	.5
NEETs		Tota I	28	23	21	25	27	29	25	24	26	30	35	32	32	30
EMPLOYMEN T		Tota I			14 4			12 5	11 9		10 3	10 4	98	96	96	96

Unemployed (thousands), unemployment rate (%), NEETs and employed – Age bracket 15-24

	Ag	Gen	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	е	der	04	05	06	07	80	09	10	11	12	13	14	15	16	17
UNEMPLOYE D	15- 24	M	8	6	5	5	6	10	13	9	13	16	18	15	10	10
UNEMPLOYM ENT RATE	15- 24	M	18 .1	13 .7	15 .1	17 .1	16 .1	26 .0		27 .4	35 .4		50 .9	43 .9	34 .1	31 .0
NEETs	15- 24	M	12	9	9	11	10	15	17	16	18	23	25	22	19	17
EMPLOYMEN T	15- 24	M	38	35	29	26	31	28	22	25	24	18	17	19	19	22
UNEMPLOYE D	15- 24	F	6	7	5	5	5	10	8	8	9	11	12	11	11	10
UNEMPLOYM ENT RATE	15- 24	F	18 .1	23 .2	21 .2	19 .1	21 .5	38 .4	28 .9	30 .4	32 .4	46 .7		46 .3	49 .0	42 .3
NEETs	15- 24	F	12	12	13	11	12	16	14	14	16	19	14	16	19	18
EMPLOYMEN T	15- 24	F	26	24	20	21	20	16	20	19	19	12	13	12	12	14
UNEMPLOYE D	15- 24	Tota I	14	13	10	10	11	20	21	18	22	27	30	26	21	20
UNEMPLOYM ENT RATE	15- 24	Tota I	18 .1	17 .8	17 .7	18 .0	18 .3	30 .9	33	28 .8	34 .1	46 .7		44 .9	40 .8	35 .9
NEETs		Tota			23											
EMPLOYMEN T		Tota I	64	59	49	48	51	44	43	44	43	31	30	32	31	36

Unemployed (thousands), unemployment rate (%), NEETs and employed – Age bracket 15-34

	Ag	Gen	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	е	der	04	05	06	07	80	09	10	11	12	13	14	15	16	17
UNEMPLOYE D	15- 34	M	18	12	11	12	15	23	26	21	24	33	35	34	26	20
UNEMPLOYM ENT RATE	15- 34	M	9. 4	6. 8	6. 5	7. 2	8. 9	13 .9	16 .3	14 .0	17 .0	.5	25 .1	23 .7	19 .8	15 .2
NEETs	15- 34	M	27	22	21	20	24	32	34	33	36	48	51	46	43	37
EMPLOYMEN T	15- 34	M	17 7	16 9	15 9	15 8	15 4	14 2	13 2	12 9	11 9	11 3	10 5	10 8	10 5	11 3
UNEMPLOYE D	15- 34	F	18	16	12	13	16	20	22	22	24	27	33	29	25	26
UNEMPLOYM ENT RATE	15- 34	F	11 .9	10 .5	8. 2	9. 7	11 .4	15 .0	16 .5	16 .3	18 .5	23 .4	27 .2	25 .1	21 .7	23 .1
NEETs	15- 34	F	52	43	40	44	45	50	46	43	45	57	55	54	53	55
EMPLOYMEN T	15- 34	F	13 1	13 3	13 2	12 6	12 3	11 4	11 1	11 2	10 5	89	87	87	90	88
UNEMPLOYE	15-	Tota														
D	34	l	36	28	23	26	31	43	47	43	48	60	68	63	51	47
UNEMPLOYM	15-	Tota	10	8.	7.	8.	10	14	16	15	17	22	26	24	20	18
ENT RATE	34	1	.5	5	3	3	.0	.4	.4	.1	.7	.9	.1	.3	.7	.9
NEETs		Tota I	79	64	62	64	69	82	80	75	81		10 6	99	97	92
EMPLOYMEN T		Tota I			29 1				24 2				19 3	19 5	19 5	20 0

# Statistical annex: City of Turin, data on population, employed, searchers, inactive and main labour market rates

The table contains the estimations obtained by the Labour Force Survey (*Rilevazione sulle forze lavoro*) carried out by the Italian Institute of Statistics (Istat) for the Metropolitan City of Torino in the period 2008-2016.

	2008	2009	2010	2011	2012	2013	2014	2015	2016
	2,232	2,247	2,254	2,259	2,266	2,277	2,281	2,274	2,265
Population	,200	,300	,900	,800	,500	,400	,000	,900	,800
	·	·					,		
	955,3	925,7	913,5	933,7	928,0	904,4	897,7	914,5	928,1
Employed	00	00	00	00	00	00	00	00	00
Male	531,0	520,0	508,5	513,5	506,9	493,9	490,4	504,4	505,1
Maio	00	00	00	00	00	00	00	00	00
Female	424,3	405,7	405,0	420,2	421,1	410,5	407,3	410,1	422,9
Female	00	00	00	00	00	00	00	00	00
Italians	850,9	824,4	819,3	832,8	818,2	802,8	799,8	808,7	812,6
italiaris	00	00	00	00	00	00	00	00	00
Faraignara	104,4	101,3	94,20	100,9	109,8	101,6	97,90	105,8	115,5
Foreigners	00	00	0	00	00	00	0	00	00
Agriculturo	13,60	16,00	17,60	14,90	12,30	9,700	7,600	10,30	9,400
Agriculture	0	0	0	0	0	9,700	7,000	0	9,400
Manufacture	245.6	221,8	234,9	236,4	226,3	211,7	220,3	227,5	231,9
Manufacture	00	00	00	00	00	00	00	00	00
Constructions	64,50	65,40	60,10	64,80	72,20	57,90	48,50	51,30	44,70
Constructions	0	0	0	0	0	0	0	0	0
Commerce and	168,8	169,3	159,1	152,7	158,4	144,3	146,8	157,5	167,3
hotels	00	00	00	00	00	00	00	00	00
Othorografics	462,7	453,3	441,7	465,0	458,8	480,8	474,4	467,9	474,7
Other services	00	00	00	00	00	00	00	00	00
	57,10	83,60	93,90	93,10	100,6	115,2	133,3	123,7	108,0
Looking for a job	0	0	0	0	00	00	00	00	00
Male	26,80	41,70	49,80	46,20	49,90	61,80	70,80	67,00	56,10
	0	0	0	0	0	0	0	0	0

Female	30,30	41,90	44,10	46,90	50,70	53,40	62,50	56,80	51,90
i emale	0	0	0	0	0	0	0	0	0
	1,219	1,238	1,247	1,233	1,237	1,257	1,250	1,236	1,229
Inactive	,700	,100	,500	,000	,900	,700	,000	,600	,800
Male	521,7	524,7	530,9	530,9	536,9	544,0	541,0	527,7	533,9
Wale	00	00	00	00	00	00	00	00	00
Female	698,0	713,4	716,6	702,1	701,0	713,7	709,0	708,9	695,9
1 omaio	00	00	00	00	00	00	00	00	00
Under 15	288,5	293,3	296,9	299,2	301,0	303,2	303,4	300,8	296,9
	00	00	00	00	00	00	00	00	00
Over 64	473,7	481,3	486,9	491,5	502,5	514,5	523,5	526,9	527,2
	00	00	00	00	00	00	00	00	00
Other inactive in	413.5	413,6	410,4	392,8	382,3	373,6	352,6	341,3	331,5
working age	00	00	00	00	00	00	00	00	00
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Activity rate 15-64	68.6	68.3	68.2	69.6	70.0	69.6	70.6	71.4	71.4
Male	75.7	76.3	76.0	76.4	76.4	76.3	77.2	79.2	77.8
Female	61.6	60.4	60.5	62.9	63.8	63.0	64.1	63.8	65.2
Employment rate	68.7	66.5	65.9	67.4	67.2	65.8	65.6	67.1	68.4
20-64	00.7	00.0	00.0	٠. ٢٠	07.2	00.0	00.0	07.1	00.4
Male	76.8	75.1	73.8	74.8	74.1	72.4	72.1	74.6	74.8
Female	60.7	58.0	58.1	60.2	60.4	59.4	59.2	59.9	62.1
Employment rate	29.9	31.2	32.9	36.7	36.8	42.1	46.1	51.2	54.5
55-64									
Male	37.3	39.0	40.7	44.4	45.0	50.2	52.2	60.0	62.4
Female	22.9	23.9	25.5	29.5	29.1	34.7	40.5	43.3	47.1
Unemployment rate	5.6	8.3	9.3	9.1	9.8	11.3	12.9	11.9	10.4
Male	4.8	7.4	8.9	8.2	9.0	11.1	12.6	11.7	10.0
Female	6.7	9.4	9.8	10.0	10.7	11.5	13.3	12.2	10.9
For comparison									

Unemployment rate									
Piemonte	5.1	6.8	7.5	7.6	9.2	10.5	11.3	10.2	9.3
Male	4.0	6.0	6.9	6.8	8.1	10.1	10.7	10.0	8.8
Female	6.4	7.8	8.3	8.5	10.5	11.0	12.1	10.5	10.0
Unemployment rate									
Italy	6.7	7.7	8.4	8.4	10.7	12.1	12.7	11.9	11.7
Male	5.5	6.7	7.5	7.5	9.8	11.5	11.9	11.3	10.9
Female	8.5	9.2	9.6	9.5	11.8	13.1	13.8	12.7	12.8
Unemployment rate									
North	3.9	5.3	5.9	5.7	7.4	8.4	8.6	8.1	7.6
Male	2.9	4.4	5.0	4.9	6.5	7.6	7.8	7.3	6.6
Female	5.2	6.4	7.0	6.7	8.5	9.4	9.7	9.1	8.7
Unemployment rate									
North-West	4.2	5.7	6.2	6.3	8.0	8.9	9.3	8.6	8.1
Male	3.3	4.9	5.5	5.6	7.0	8.4	8.8	8.1	7.3
Female	5.5	6.8	7.1	7.2	9.1	9.5	9.9	9.3	9.3
Unemployment rate									
North-Est	3.4	4.6	5.4	5.0	6.6	7.7	7.7	7.3	6.8
Male	2.3	3.8	4.4	4.1	5.7	6.5	6.4	6.1	5.8
Female	4.8	5.8	6.8	6.1	7.6	9.3	9.3	8.7	8.0
Unemployment rate									
Centre	6.1	7.2	7.5	7.5	9.4	10.7	11.4	10.6	10.4
Male	4.6	5.7	6.5	6.6	8.2	9.6	10.4	10.1	9.7
Female	8.1	9.1	8.9	8.7	10.9	12.0	12.5	11.3	11.3
Unemployment rate									
South	12.0	12.5	13.3	13.5	17.1	19.7	20.7	19.4	19.6
Male	10.0	10.9	11.9	12.1	15.8	18.7	19.1	18.3	18.1
Female	15.6	15.3	15.7	16.1	19.3	21.4	23.3	21.3	22.1

## J. Case Study: Twente Region (Netherlands)

#### **Abbreviations**

Cedris	The national association for social employment and reintegration
COROP	Dutch regional classification corresponding to NUTS3
Divosa	Association of municipal social services in the Netherlands
LWL	Learning-Working desk (Leerwerkloketten)
POWI	Platform for education, work and income (Platform Onderwijs, Werk en Inkomen)
RMC	Regional Report and Coordination Points monitoring early school-leaving in
	cooperation with schools (Regionaal Meld- en Coördinatiepunt)
ROC	Regional Centre for Vocational Education and Training
SBB	Foundation for Cooperation between Vocational Education and Business).
VNG	Association of Dutch municipalities
UWV	The Dutch Public Employment Service. UWV Werkbedrijf is the actual PES, other
	tasks of UWV include the provision of unemployment and disability benefits.

## 1. Background and context

#### 1.1 The area

#### 1.1.1 Introduction and characterisation of the region

This case study focuses on Twente. Twente is a region in the east of the Netherlands, adjacent to the border between the Netherlands and the northern part of the German state North Rhine-Westphalia, in particular the government district Münster.

Twente is part of the province Overijssel and one of the 40 official Dutch COROP regions<sup>147</sup> and NUTS3 region NL213. It is also one of the 35 Dutch labour market regions (see section 2.2) and one of the 42 Youth care regions in the Netherlands.



Figure 1: Twente in the national and regional context

Source: https://www.regioatlas.nl/kaarten

COROP = regional classification in 1970 by the Coördination commission for the Regional research programme. The 40 main COROP regions correspond to NUTS3 regions.

Twente describes itself as a locked-in region. In the north, west and east it is surrounded by meadows, and in the east is the border with Germany. Twente is also defined as an administrative region for various policy areas.

There is a feeling in the region of 'being condemned to each other' and mutual dependence. Twente's inhabitants describe themselves as matter of fact, modest, doers, driven by a desire to do what needs to be done and deliver good work. A deal is a considered a deal.

One of the effects has been that for a long time the administrative bodies in the region have cooperated. In addition, representatives from PES, municipalities, employers, etc. know each other by the first name. The region and municipalities intensively cooperate on a structural basis, as do municipalities and the Public Employment Service (PES, i.e. UWV Werkbedrijf) for labour market affairs.

The existing consultation and cooperation structures, as well as the tradition and culture of working together at the onset of the crisis, provides for a strong partnership framework for action.

#### 1.1.2 Population facts and figures

In 2017 467,000 people were living in Twente in the 15-75 years of age group. Within this group 324,000 belonged to the active population, with 307,000 employed and 17,000 unemployed. The inactive population amounted to 143,000 people. 148

The region has an overrepresentation of inhabitants with lower qualification levels, in particular medium vocational education.

While in 2017 the average unemployment rate was 5.2%, it had dropped to 3.9% by the end of September 2018, and only slightly higher than the national 3.8%. The region's labour market is increasingly characterised by unfilled vacancies which occur in particular in technical occupations.

Table 1: Key Indicators -Twente

Key Indicator	Data
Resident population all (2017)*	627,209
Resident population 15-65 (2017)*	401,177
Resident population 15-25 (2017)*	79,492
In employment (End of September 2018)	320,413
Unemployed (End of September 2018)	12,500
Unemployment rate 16-64 (end of September 2018)	3.9%
Employment rate 15-75 (2017)***	65,7%
Youth unemployed (March 2017)	2,700
Youth unemployment rate 15-25 (2017)****	8.0
Claimants to unemployment benefit (Dec 2017)**	12,139
Claimants to unemployment benefit <27 (Dec 2017)**	687
Claimants to social assistance (Dec 2017)**	14,602
Claimants to social assistance <27 (Dec 2017)**	1.751
Unfilled vacancies (End of June 2018)	6,700
// I I I I I I I I I I I I I I I I I I	7 - 4

<sup>\*</sup> https://opendata.cbs.nl/statline/#/CBS/nl/dataset/70072ned/table?dl=97F1

Source: https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82915NED/table?dl=DE75&ts=15441145586

https://opendata.cbs.ni/statline/#/CBS/ni/dataset/82915NED/table?di=DE75&ts=15441145586 64

All other figures: Twentse Arbeidsmarktmonitor Voor inzicht in cijfers en trends op de Twentse Arbeidsmarkt, 3de kwartaal 2018 (Twente labour market monitor, 3rd quarter 2018)

148

<sup>\*\*</sup> Twentse Arbeidsmarktmonitor Januaryi 2018

<sup>\*\*\*</sup> http://statline.cbs.nl/Statweb/publication/?DM=SLNL&PA=83933NED&D1=0-4,11-15&D2=0&D3=17-56&D4=I&VW=T

#### 1.1.3 The region's ambitions

The region's industry and hence employment strongly depend on the technical business sectors (construction and industry) and the transport sector. Its location and the presence of a university with a strong technological profile are the drivers behind the region's ambition to become one of Europe's top technological regions.

The key instrument to achieve this ambition is a multi-year investment programme called the Twente Agenda (Agenda van Twente), developed by the fourteen municipalities of in Twente. Its main aim is to strengthen the Twente economy, but the areas in which projects are launched include the labour market, besides innovation, business climate, mobility, leisure economics, and sport and culture. The first Agenda ran from 2008 to 2018 and had an EUR 80 million budget. The current Agenda covers 2108-2022.

A number of initiatives under the Agenda target or are relevant to youth:

- One of the projects subsidised concerns international education. By offering
  internationally recognised education at basic and secondary levels, the region aims to
  attract international companies.
- Young unemployed can profit from general measures for people with difficulties on the labour market, including support for start-ups and intersectoral mobility.
- The programme 'Anpakk'n' (tackle the problem) targeted young people with severe
  multiple problems. It aimed to get them back to school or in a job and/or in an
  assistance programme.

The new Agenda has a strong focus on technology, with one of the four strands being labour market and talent.

#### 1.2 Development of youth unemployment 1

Youth unemployment in Twente increased more than the national average between 2012 and 2015 decreased more between 2015 and 2016. For the most part, the development of youth unemployment in the region followed the national pattern. Almost 2,700 young people were unemployed by the end of March 2017 (registered, not working, looking for employment) (Figure 3).

180 160 140 120 100 80 60 40 20 2011 2012 2013 2014 2015 2016 2017 Twente Netherlands

Figure 3: Youth Unemployment Trend 2011-2017 –development of the number of young (<27), not working jobseekers in Twente and the Netherlands, indexed for 2011

Source: https://www.kennispunttwente.nl/cijfers-trends/twentse-arbeidsmarktmonitor/487-5werkzoekenden-nww-t-m-2017

Initially the share of young people amongst the unemployed was lower in Twente than than nationally (Figure 4). By the 2013, this had equalised at 12% share of youth unemployment in total unemployment, and this downward trajectory continued until 2017.

14,0% 12,0% 10,0% 8,0% 6,0% 4,0% 2,0% 0,0% 2011 2012 2016 2017 2013 2014 2015 Netherlands Twente

Figure 4: Development of the share of young people (<27) in the total population of not working jobseekers in Twente and the Netherlands, 2011-2017

https://www.kennispunttwente.nl/cijfers-trends/twentse-arbeidsmarktmonitor/487-5-werkzoekenden-nww-t-m-2017

Throughout the period youth unemployment was higher in the 15-20 age group than the older age group of 20-25 (Table 3).

Table 3: Youth Unemployment Trend 2003-2017 by age group -The Netherlands

	Unemployment rate		
	15 to 25	15 to 20	20 to 25
2003	9.9	12.9	7.6
2004	11.4	14.0	9.6
2005	11.8	14.8	9.7
2006	10.0	13.6	7.3
2007	9.4	13.0	6.6
2008	8.6	11.3	6.4
2009	10.2	12.4	8.5
2010	11.1	13.9	8.9
2011	10.0	13.0	7.8
2012	11.7	15.1	9.2
2013	13.2	16.2	11.0
2014	12.7	15.8	10.5
2015	11.3	14.5	8.8
2016	10.8	14.1	8.3
2017	8.9	11.4	6.8

Source:https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82915NED/table?dl=DE75&ts=15441 14558664

#### 1.3 Principal reasons for youth unemployment

The reasons behind youth unemployment in Twente are also similar to those for other unemployed in the region and for youth in the Netherlands as a whole.

However, a specific factor in the region<sup>149</sup> was the large presence of technical (construction and industry) and trade sectors, which normally generate a strong demand for labour. The crisis

This section draws mainly on the Plan van aanpak Jeugdwerkloosheid Twente 2009-2011 (see list of references).

showed though these sectors were extremely susceptible to the crisis, resulting a quick reduction in employment and a strong decrease in vacancies, with increasing unemployment the consequence. Employment decreased at the onset of the crisis (2008-2009) in the following sectors:

- Industry (sustainable luxury goods for which financing is being requested).
- Construction (new construction and new construction utility)
- Supply companies (notably for construction and industry).
- Trade (in as much as related to construction and industry).
- Transport (export as well as transport related to construction and industry).

Another specific feature of Twente is its locked-in geographical position which has fostered a 'locked' labour market area. The vast majority of new labour market entrants living in Twente prefer and chose jobs in their own region. At the start of the crisis some 80% of the employed in the region both live and work in Twente.

The fact that workers with medium level vocational qualifications were relatively hard hit by the crisis, made workers in Twente particularly susceptible to lay-offs. The first people to get fired with fixed-term and temp work agency contracts. Young people were often working under such flexible working arrangements. The outflow of work was highest amongst the 23-27 age group. Due to (structural institutional) lower wage costs, youth under 23 years of age were more attractive for employers, in the case of similar skills and qualifications. Many youth in this age group became unemployed after a number of temporary work periods and were at risk of becoming long-term unemployed.

# 2. Policies and structures in tackling youth unemployment

# 2.1 Key policies

#### 2.1.1 The Youth Offensive

#### Overview

The crisis prompted the Dutch national government in 2009 to develop a national action plan to tackle youth unemployment. One of the addressees of the plan were municipalities and one of its four pillars was investment in regional action plans submitted by the responsible aldermen and their cooperation partners. (Section 3 discusses the national framework in more detail.) Twente submitted a regional plan, the 'Youth Offensive' ('Jongerenoffensief') which was implemented by Regio Twente in cooperation with the partners of Werkplein Twente (a partnership between the Dutch PES -UWV Werkbedrijf- and the 14 municipalities of the region).

The Youth Offensive aimed to be the key to identifying and advising on the cooperation within Werkplein Twente and to safeguard collaboration. It also works on assuring a coordinated approach to the regional bottlenecks regarding youth unemployment, which is particularly relevant in Twente given the large number of objectives defined as well as the number of partners involved. The Youth Offensive offers a supplement to the existing services of the cooperation partners, each of whom carries out their own statutory duties. The plan has been updated regularly (around every two years) and in 2018 the plan was once again extended.

During early years of the crisis, the plans dealt with the massive lay-offs of often young flexworkers and it became clear that in many sectors those with relatively low qualifications were substituted for people with higher qualifications. By using a sector approach, it was attempted to keep young people at work or at least available for work in the sector at a later stage. Training was offered to make young people more attractive to employers and also to make suitable candidates for jobs not at risk. Many other activities (keeping in touch, information, preparatory activities for future learning and work, breeding point approach) were used to prepare young people for the recovery period.

Over time it became clear that the youth population is very diverse and certain groups need specific approaches or face multiple problems requiring a wide array of measures. In parallel, the education sector gained a more prominent place in youth unemployment policy: the

prevention of early school leaving, but also career advice in order to promote a timely choice for curriculums and occupations for which there are likely to exist jobs when young people enter the labour market.

Career advice remains important post school, as many young people need guidance on their future working options. From 2016, lower and medium vocational schools have worked together to develop and implement a programme called 'the Twente promise'. This aims to provide guidance to young people without a qualificsation aged 12 to 23 to increase their chances of independent participation in society. The programme contains measures to fulfil five promises related to support during the transition from preparatory education to medium vocational education; the alignment of education to the development and needs of young people; support for young people leaving education and entering the labour market; as well as during their stay in the labour market, due to which will remain at work; all young people that nevertheless dropout of work will be cared for and accompanied.

The Youth Offensive has its own a communication strategy for youth unemployment. It includes general information flyers to promote the initiative and its activities, but also the labour market flyer 'Chance of getting a Job' to inform young people about promising sectors given the type of education they chose. The Youth Offensive uses the website www.werkpleintwente.nl for communication with all target groups. In 2013, the first investment was made by the Youth Offensive in the conversion to a joint regional website of the PES (UWV) and the 14 Twente municipality for labour communication.

More recently it also started to make use of vlogs, e.g. top promote company visits conducted in the framework of the 'youth on tour' programme or report on jobs and training markets.

# The first years

The first implementation period of the action plan from the beginning of September 2009 to the end of 2011 recognised that youth were particularly hard hit by the economic crisis. Between August 2018 and the same month 2019 the number of registered unemployed youth increased by 64%, which was much higher than for most other age groups. The inflow into unemployment was relatively high for young people from medium level vocational education, as well as for early school leavers. This first plan aimed to maintain the supply of jobs and apprenticeship for young people and to match young people to the right place. It identified four interrelated aspects to be considered: school, the youth desks for unemployed youth, work, and (youth) care institutions.

Following the above analysis, the plan foresaw three strands:

- Young people studying ('Jongeren aan de studie'): Keeping young people at school or guide them back into the education system.
- Getting young people started ('Jongeren aan de slag'): Helping youth who find it difficult to make the transition from school to work.
- Lending young people a helping hand ('Jongeren een handje helpen'): Helping young people who have a hard time finding their direction in life.

This initial period was also used to build up the necessary infrastructure And the so-called 'youth desks' (Jongerenloketten) played a pivotal role in this structure. Vulnerable youth received specific attention because of their heightened risk. The plan set out detailed and precise quantitative indicators, as well as qualitative (process and organisation) indicators.

A number of principles guided the design and implementation of concrete activities, including:

- A balanced distribution of activities across the region, with local plans enabling tailoring to the local situation
- Existing projects and activities are intensified and upscaled, with regional cooperation sought if relevant, also with a view of accessing regional funding.
- Local 'best practices' are shared in the region.
- Implementation of the action plan takes place in varying groupings of stakeholders to enable and realise this regional cooperation meetings for exchanging expertise and coordination of approaches and activities were to be organised.

• The plan targets both labour demand and supply and the latter, specific attention is paid to ensuring that those with lower qualifications substituted for young people with higher levels of qualification.

Table 4 illustrates the variety of measures taken under the three strands.

Table 4: Selection of activities undertaken in the 2009-2011 period

Strand	Sample of activities
Young people studying	<ul> <li>Expand the School-Ex" programme which targets school leavers who cannot find work and offers them specific additional education that will strengthen their chances on the labour market</li> </ul>
	The creation of additional traineeship places in public institutions  The creation of igint yeartures between ampleyers and schools.
Cotting young	The creation of joint ventures between employers and schools.
Getting young people started	<ul> <li>Create and use 'incentive packages' for employers, consisting of a mix ofeducation, benefit and training subsidies and wage cost subsidies.</li> <li>Make additional acquisitions in collaboration with the then still existing Knowledge Centres for Vocational Education and Business.</li> </ul>
	The acquisition focuses on regular jobs, learning jobs, and various types of internships.
	To prevent unemployment - making agreements with employers and institutions on sectoral and intersectoral mobility through 'sector service points' to promote from work to work instead of dismissal or temporary unemployment.
	<ul> <li>Bridging pathways developed and offered prior to the intake in sheltered employment ('WSW').</li> </ul>
	<ul> <li>The design of learning on-the-job places aimed at creating additional activation pathways to enable young people to get back into work rhythm or to keep working.</li> </ul>
	<ul> <li>To promote young people's participation in coaching offered by the youth desks, an internet module based on 'gaming' was to be developed, by unemployed higher and medium vocational education students.</li> </ul>
	<ul> <li>The 'Regional Arrangement Bèta Techniek Twente' trains young people as (beta) technicians in view of their labour market integration.</li> </ul>
	<ul> <li>If young people cannot be offered a job or internship, together with municipalities options will be offered for volunteering in a local institution or at a local company.</li> </ul>
Lending young people a helping hand	<ul> <li>For all care youth in the group of vulnerable young people, extra support will be deployed in the period 2010-2011. The support of care youths will be rolled out in the region through the 'Work-Wise' method developed by youth care institutions.</li> </ul>
	<ul> <li>At least 100 'vulnerable' young people will be given employment or an internship. If necessary, extra efforts will be made in training of teaching workers.</li> </ul>
	<ul> <li>Additional in subsided work places were to be created.</li> <li>Incentive packages and volunteering options will also be developed</li> </ul>
	for this group (see above).

#### **Next steps**

The Youth Offensive was extended several times and again in 2013 by which time youth unemployment had continued to increase. It also became apparent that young people often became unemployed because no connecting contract was offered after a temporary contract or training place. Youth Offensive 2013 aimed to increase the outflow of young unemployed from the PES register and reduce the inflow into the register. At the same time, Regio Twente and POWI (together uniting employers, education, research and government, see section 2.2) agreed on a Labour Market Perspective for Twente until 2020 ('TWAM 2020' – 'Twents Arbeidsmarktperspectief 2020'). This report provided an analysis of the labour market and identified the most promising sectors from an employment perspective in Twente: Technology, Logistics, and Health & Welfare. In the implementation programme young people are explicitly addressed and the additional feature offered by the report is a sectoral approach to create jobs in the region, leading to the development of partnerships with employers in the promising sectors.

When the 2013-2014 Youth Offensive Plan was being developed, the youth desks had ceased to exist since the region chose not to use its own resources to re-establish them but to rely on the existing structures and services of PES and municipal public employment services (Werkplein Twente) and the partnership promoting working and learning, career advice, validation & recognition and low literacy (the Twente Learning-Working desk, i.e. 'Leerwerkloket Twente'). In 2014 three youth advisers have been attached to the youth initiative, with jobseekers aged up to 27 years able to approach them for advice and coaching.

The youth desks had the advantage of their local presence, making them accessible and integrated in local policies and actions. In practice, this also meant that part of their time went into mutual consultation, participating in regular meetings and activities of their organisation and even carrying out other tasks for part of their time. In contrast, the youth advisers worked fairly independently under the supervision of the youth offensive coordinator. Operating across the region gave them the necessary overview to identify priorities and allowed them to rapidly adjust their focus in response to developments in specific parts of Twente.

The youth advisors look at the background of the young people and develop an action plan with them. In addition, young people who follow guest lessons, workshops and job interviews at the Youth Offensive can have their CV checked. Special events include Meet & Greets; jobseekers are given the opportunity to get in touch with companies from the region with vacancies to learn how to build their network in an accessible environment. This approach proved very successful when piloted and has been extended to other target groups.

## Continuation

The basic objective and activities undertaken in the framework of the Youth Offensive have remained similar. Two activities that are worth mentioning because of their potential relevance to other regions are the identification of promising occupations for specific educational strands and the experience with vouchers.

At the end of 2012, a study into promising occupations for medium vocational education ('MBO') students resulted in an overview of over 40 professional groups and the associated opportunities for employment. These results were published in a flyer 'Opportunity for work in Twente' at MBO level. The partners in Twente then kept in contact with each other to focus the service provision on (unemployed) young people primarily on promising professions. Schools have also joined in by advising unemployed young people to opt for a study programme in promising professions. Currently, Virtual Reality is also used in the process where jobseekers get the chance to interactively look at different employers using VR glasses and a film recorded in 360 °, giving a completely different experience. The films are offered in an app "Werkplein Twente Virtual Reality", which everyone can download and with a holder for the smartphone, it is possible to watch these 360 ° movies

As early as 2010, Youth Vouchers were already used in Twente, awarded to unemployed young people up to the age of 27 whose work coach / case manager had assessed that they were at a distance from the labour market that a financial incentive for a future employer makes these young people more likely to find work. The young person can offer the voucher to an employer during the application procedure, provided that this employer offers the young person a contract

of at least 32 hours per week for at least 6 months. In 2016, the Youth Offensive participated in a pilot to deploy training vouchers under certain conditions. The pilot started in November 2016 and finished on 1 March 2017 and focused on young people without a basic qualification. They could receive a training voucher worth EUR 500 for a short course and the pilot was an initiative of the training fund for the temporary employment sector.

#### **Current situation**

The Youth Offensive has continued, and the most recent action plan is for 2018. It distinguishes five pillars of services where Werkplein Twente will make an additional effort:

- From an independent position, make connections within the Twente network around the theme of youth unemployment, at policy as well as implementation level. From this position, the Youth Offensive provides personal advice, including referral, to the individual young people.
- Organising events aimed at meeting-experiencing-connecting.
- Organise workshops, trainings and guest lessons.
- Support and facilitate the partners of the Werkplein Twente with Learning-Working-packages aimed at the target group of the Youth Offensive
- Gathering and distributing information concerning the target group of the Youth Offensive (Knowledge Base Youth Offensive).

The youth advisors are now part of the Learning-Working desks (Leer-Werk loketten, see section 2.2.3).

### 2.1.2 Specific policies for youth with difficulties

Two important groups with specific difficulties are the (partially) disabled and vulnerable youth. For the first group at national level a tri-partite agreement reached in the framework of the Social Agreement of 2013 to create jobs for people with occupational disabilities or limitations. Employers agreed to create 125,000 jobs, of which 100,000 were to be in the private sector. This Job Agreement is additional to existing sheltered employment places and a separate commitment regarding their future creation. Young people who are unable to earn their full statutory minimum wage due to illness or disability can apply for an indication of job appointment. The young person is then included in the target group register which contains all the people who fall under the job agreement. Several supporting facilities are available to jobseekers and employers And the Werkplein Twente supports employers who are looking for candidates from the UWV target group register.

The second group are young people with multiple problems who need specific support (e.g. using the 'Workwise method' developed by healthcare institutions). In Twente this group is also addressed by the 1000 Youth Plan in which the province of Overijssel, together with youth care institutions, municipalities and employers' organisations, invested in the labour market opportunities of young people in a vulnerable position. The 1000 Youth Plan was implemented in Twente in close collaboration with the Youth Offensive and in 2015 was transferred to Werkplein Twente, the cooperation structure between the Dutch PES (UWV) and municipalities in the region responsible for employment services and ALMPs for jobseekers and employers. Based on the Twente Youth Unemployment Action Plan, a young person gains work experience from an employer while retaining benefits. After that, they will possibly be offered an employment contract via the 1000 Youth Plan and eEmployers who offer young people such an annual contract received a provincial subsidy of EUR 6,000 until 1 January 2015. The subsidy scheme was then stopped but employers from Twente can still make use of the regular subsidy options, such as premium discount or wage cost subsidy, when hiring a young person from the 1000 Youth Plan.

### 2.2 Current structures

# 2.2.1 Governance of the region – Twente Board and Council

Regio Twente is governed by a general board and an executive committee. Currently the powers of Twente Region derive from the municipal Colleges of Mayor and Aldermen. Under current Dutch legislation law on public bodies, only members of the board may sit on the general board. Before 2016, legislation had a joint arrangement at regional level with powers that

municipal councils and colleges of mayor and aldermen have granted to Regio Twente. At that time there were both council members and board members in the general board, which was then called regional council.

Several thematic meetings are held each year for which all 348 council members are invited; the Twente Council ('Twenteraad') and is a platform for information exchange, discussion and opinion-forming. The meetings of the Twenteraad are prepared by a Presidium, in which one member sits on behalf of each council.

The regional cooperation between municipalities and the powers at the regional level have gradually increased over time. For example, the funding received form central government by the centre municipality the so-called centre municipalities perform a coordinating role in certain policy areas for other, usually smaller municipalities. The centre municipalities receive budgets for policies in these areas and decide on spending for their group of municipalities. In Twente, these funds are currently managed at regional level, providing concrete support for a truly regional approach.

# 2.2.2 Governance of the labour market region

Regio Twente has been responsible for labour matching and the labour market since 1 April 1994 and in 2007 it launched POWI, a platform for education, work and income ('Platform Onderwijs, Werk en Inkomen'). The POWI brings together the business sector (employers organisations), education institutions, municipalities, the PES (UWV Werkbedrijf) and SBB, and the foundation for cooperation between vocational education and business ('Stichting Samenwerking Beroepsonderwijs Bedrijfsleven'). These parties use the platform to align regional labour market bottlenecks, opportunities and working methods and Regio Twente coordinates and supports the platform. Over time the platform has taken on a more strategic role and in 2011, the POWI drew up a new labour market plan, the central objective of which was to strengthen the regional labour market by better matching supply and demand. It focuses on promoting vitality and sustainable employability, particularly of older people. The POWI also initiates or approves concrete labour market projects e.g. the Youth Offensive) implemented through Regio Twente, as the POWI is not a legal entity.

#### 2.2.3 Project organisation Youth Offensive

The management structure of the project currently involves three key roles:

- The portfolio holder, the Portfolio holder's Labour Market Consultation body (PHA) of the region's 14 municipalities;
- The official client: the Labour Market Officials' Consultation body (PHA)
- The regional Project coordinator.

Implementation takes place with the use of a coordinator and youth advisors at regional level. Before 2016 the so-called Youth Desks were in place.

The Twente region has formed a steering group ('Regiegroep') using the POWI structure that coordinates regional activities and monitors and promotes those at a local level. The Steering Group for Youth Offensive includes representatives from the municipalities of Almelo, Enschede, Hengelo and Oldenzaal, ROC Twente (the regional vocational education centre), RMC (Regional Report and Coordination Points monitoring youth in cooperation with schools (RMC), UWV, the team leader of the Learning-Working desk (LWL), and the Youth Advisors. The role of the Steering Group Youth Offensive is that of a sounding board group for the project coordinator. The regional project coordinator is the chair of the Youth Offices Control Group.

Cooperation partners for the Youth Offensive currently include Werkplein Twente (cooperation in public employment services between the 14 Twente municipalities and UWV), the Learning-Working Desk (LWL), education partners (amongst others ROC Twente), and SBB (Foundation for Cooperation between Vocational Education and Business). A project administration has been set up at regional level and financial management is done by Regio Twente. However, it is important to note that each municipality decides for itself how the local initiatives develop, to ensure that activities are geared towards the local situation and polices.

An important role in youth employment policy is currently foreseen for Learning-Working Desks (*Leerwerkloketten*). Learning-working Desks are partnerships between actors involved in

learning and working in the region, in the case of Twente: The Public Employment Service (UWV), educational institutions for vocational education and the fourteen Twente municipalities. The programme aims to strengthen the link between education, the training market and the labour market and labour market opportunities. The Learning and Working Programme is financed by the Ministry of Social Affairs and Employment with regional partners contributing. The three larger municipalities in Twente have such a Desk, cooperating and operating a shared website. The current ambitions for young people include career advice for starters and NEETs, and lifelong learning for workers.

#### 2.2.4 The provision public employment services in Twente

In the Netherlands municipalities are responsible for the labour market (re-)integration of the unemployed, including those on social assistance. The PES and municipalities cooperate at the regional level and in Twente the municipalities and UWV together formed 'Werkplein Twente' (Work Plaza) which supports people with unemployment benefits, social assistance benefits or occupational disabilities in finding a suitable job. It supports employers in finding staff and implements social entrepreneurship (corporate social responsibility), as well as providing information on labour legislation and subsidies. Werkplein Twente has its own website and three physical locations covering the three sub-labour market regions in Twente: North, Middle, and West.

Werkplein Twente also fulfils the role of a regional work company for those occupationally disabled. In the Netherlands, 35 regional work companies form the link between an employer and people with an occupational disability who want to get started or are eligible for sheltered work. This is laid down in the Work and Income Implementation Structure Act (Act SUWI). In a regional work company (*Werkbedrijf*), municipalities work together with the UWV, employers, trade unions and schools from one regionto agree on the assistance of people with a disability to provide the extra jobs. In this way, municipalities within a region can all carry out this guidance in the same way. For example, employers in a region receive one permanent desk for registering vacancies for disabled people and the regional operating companies connect to the labour market regions. For example, people with a work disability are successfully transferred to the extra jobs in the social agreement.

# 2.3 Effectiveness of policies and structures

### 2.3.1 Monitoring and evaluation -Labour market information

At national level UWV Werkbedrijf provides the labour market regions with regional labour market data. In addition, the National youth institute (NJI) commissions a monitor for developments in of labour market integration and participation of vulnerable youth.

In Twente five and region Twente erected the Knowledge Centre Twente ('Kennispunt Twente'), building on a merger of departments for statistics and research of two of these municipalities. The centre aims to develop into a knowledge point for all 14 municipalities in the region. The centre is located in the Regio Twente premises, but is an independent organisation and its products include a youth monitor, a labour market monitor (Regio Twente), and a poverty monitor.

The Youth Offensive reviews its past performance in every new (multi)annual plan. It also published separate interim report on the results for 2015 during the 2015-2016 period and a report on the results for 2017.

#### 2.3.2 Youth Offensive results

The available data provide a detailed insight in the outputs and results that were obtained. For the period 2009-2012 the results for example include:

- From the project 'Building Overijssel' 88 young people have entered a construction-related training with a job guarantee.
- From the project 'Youth Jobs in Technology' 35 young people have entered a technical job.
- In the calendar years 2011 and 2012, 219 young people in receipt of a Youth Voucher found a paid job lasting least half a year.

• From the 1000 Youth Plan, 247 young people with a very large distance from the labour market have turned into a paid job.

In total 14,217 young people found work during the period 2010-2012. For the vast majority this constituted paid employment (12,039). Smaller numbers were placed in companies on the basis of a learning-working contract (572) or traineeships (1,606).

The 2015 interim report shows that 817 youths participated in activities and events organised by the Youth Offensive that year and that 27% (221) of them left the benefit system. The results were the highest for network meetings and the Youth on Tour programme. Another 816 youths participated in activities in which the Youth Offensive was involved as partner but for most of these activities the results are unknown.

In 2017 the Youth Offensive -demonstrable- reached 1,242 young people and some 25% (307) found a job.

However, the share of participants finding a job is higher than reported because young people may have been participating in multiple activities, so the data of participants are overestimating the total number. According to the Ministry of Social Affairs and Employment, the Youth offensive Twente helped more than 20,000 young people find a job since the initiative was launched in 2009<sup>150</sup>.

Although these results are impressive, a number of caveats should be mentioned. No systematic comparison has been found between targets and results, so only the effects and not the effectiveness of the initiative is known. However, national monitoring of the regional approach has shown that most regions reach the quantitative targets they have set themselves. It would also require a proper evaluation to estimate the causality and the deadweight effects – the degree to which the results can be attributed to the Youth Offensive and would not have happened without this initiative. In the absence of such an evaluation it is also not clear what the impact of the Youth Offensive on regional youth unemployment have been.

# 3. Divergence from national and regional policy

### 3.1 Key aspects of approach

From 2009 onwards, the regional approach has been one of the key lines of action in the Dutch national policy for youth unemployment in the Netherlands. Regions are supported financially as well by a partnership of relevant national organisations called the Programme Council ('Programmaraad'). The Council encouraged collaboration between all parties involved by answering questions and by organizing meetings for knowledge and contact exchange. The Council consists of Divosa (association of municipal social services), VNG (association of municipalities), UWV, and Cedris (the national association for social employment and reintegration).

Other national policies supporting the work done in the regions are structural improvements in education, co-financing for sector plans for promoting youth inflows into jobs at employers and the appointment of an Ambassador for addressing youth unemployment.

The regional approach in the Netherlands was additionally prompted by the major decentralisation operations in the social field. Municipalities were given the responsibility for youth care; individual guidance at home, day care and protected living of its citizens; participation (work or volunteer work) of citizens, including the provision of supported or sheltered employment to people handicapped from a young age. Several of these tasks could only be properly managed when seeking cooperation with other municipalities.

https://www.uitvoeringvanbeleidszw.nl/subsidies-en-regelingen/g/durf-doedivers/arbeidsmarktregios/twente/jongerenoffensief-twente

### 3.2 Requirements for local policy effectiveness

The overall policy framework for youth, employment services and youth unemployment has a strong local and regional dimension. Regions are actively invited to make use of the financial and other support available.

Since regions have to submit plans and justify their actions and expenses as part of the subsidies they receive from the national level and ESF, intensive consultation between municipalities, as well as the formulation of objectives, activities and targets is required. This lays a foundation for more effective policies and implementation. Similarly, a good relationship and cooperation between municipalities is needed to obtain the financing and be effective in implementation.

Twente has from the beginning chosen to make the best possible use of existing structures. They have used existing partnerships, legal structures and physical structures. This allows for a speedier start-up and avoids potentially long discussions on the establishment of them.

A recommended approach is to designate a clear leading partner or institution, but for this organisation to ensure the involvement of all partners in consultations and initiatives. It is important to strike the right balance between a clear central framework (administration, monitoring, communication, objectives and actions) on the one hand, and the possibility for local tailoring when implementing activities on the other. In Twente this has been summarised by some as 'regional when possible, locally when necessary'.

The culture in partner organisations may diverge widely, varying from a focus on scoring high on key performance indicators, to a focus on delivering quality support for individual people. A common framework for action may provide an alternative framework that individuals can adhere to. In Twente, personal contacts between individuals in partner organisations played an important role in overcoming difficulties resulting from such differences.

Activities should take into account the characteristics of various specific groups of young people, in particular the more vulnerable ones. Not only is the youth population diverse, there is also a group of young people that accumulates multiple problems over time requiring various actors to become involved. Twente recognised this and chose an approach of intensive individual guidance and coaching. Although successful, the approach is also expensive, which eventually led to its discontinuation in most municipalities. Instead, a stronger focus on prevention is now being applied in the Twente promise' programme described in section 2.1.1.

Related to this is the importance of public relations and communication. It is important to consult marketing experts on the right languages (avoiding presumed popular expressions) and using the right channels. The use of social media changes rapidly among young people and in communications different target groups may require different approaches.

The Twente example also shows that schools are a crucial partner when addressing youth (un)employment. Cooperation with schools enables youth workers to detect signals that action may be needed. Schools also form a vehicle for reaching young people before they enter the PES registry. Education that incorporates labour market needs and provides career guidance to young people tailored to the region, helps prevent unemployment and strengthens young people's labour market position.

Finally, many institutions are bound to focus on certain target groups: registered unemployed, benefit recipients, students, etc. The group of young people staying at home and no longer participating in any of these institutions may thus fail to be reached unless an overarching body takes a wider view and develops programmes that (also) include NEETs. A regional approach facilitates such a perspective and can bring together relevant actors, as well as the investments required to support this group.

# 4. Strengths and weaknesses of key policy

### 4.1 Key strengths

Decidedly strong points of the Twente approach include:

- Rather than replacing or only supplementing existing initiatives, the Youth Offensive
  has brought them together under a coherent and strong framework, while bringing
  additional resources and new indicatives under this umbrella.
- The strategy to tackle youth unemployment in the region was based on a clear vision of the region's assets and potential, including the presence of a technical university.
- The approach to deal with youth unemployment contained measures targeting labour supply as well as labour demand measures, and the region had integrated youth employment objectives in its labour market as well as in its economic development strategy.
- The region has a history in cooperation and has systematically and consistently applied
  this approach when designing and implementing the Youth Offensive. In addition, the
  cooperation did not only involve (representative) organisations, but also individual
  schools and businesses.
- A careful balance was continually sought between local and regional responsibilities and competencies.
- The Youth offensive developed over time, adjusting priorities, approaches and its
  organisation based on experiences gained in practice. It also managed to deal with
  varying partners and varying levels of financial support. A strong implementation team
  and one or more champions in the regional decision-making structures is furthering
  this.

### 4.2 Key weaknesses

Amongst the key weaknesses can be mentioned:

- The region has made little use of the fact that it is a border region. The only initiatives in this direction were taken by one of the municipalities Enschede when the crisis had already ran its course.
- The Youth Offensive actions and results were monitored and on a quarterly basis reported on, but the plans and activities have not been subjected to evaluation, which means that only qualitative subjective information is available on their effectiveness and wider impacts. Also, valuable lessons may have been missed.

# 4.3 Overview

On balance, the region has succeeded in launching and maintain a comprehensive and large-scale programme to address the impact of the crisis on young people in their region. It has activated and brought under one framework organisations of the three key sectors in this respect: social security, employment, education, youth care, and businesses.

# 5. Transferability

# 5.1 Key ingredients

The one thing that other regions in in the EU as well as some in the Netherlands could learn from the Twente experience is how to organise partnerships. The division of roles between the local and regional levels and the involvement of the individual schools and businesses are specific features to be mentioned here.

An approach that lends itself to be transferred is the identification of promising occupations as a basis for guidance, mediation and promotion activities.

For national policy makers, the overall framework for financial and other support, and the impact of its various features on the effectiveness of regional labour market policies, are worth reviewing.

### 5.2 Contextual prerequisite

Some conditions that would be important when applying some of the Twente case study features in other regions are:

- The national legislative framework for cooperation between public bodies needs to allow for designing appropriate partnership models.
- The region needs to have a few strong, large companies willing to cooperate or that can be persuaded to cooperate
- The lessons may be more relevant to regions without large cities and a more rural climate for relationships
- Twente already disposed of a tradition of cooperation between municipalities, PES and the education sector. This provided a foundation to build on which, if not existing in other regions, would need to be created first.
- lit is important that funding from, for example. the national government or ESF is available and at a level at least able to promote and facilitate partnerships.

### 5.3 Key obstacles to transferability

Given the nature of the transferable ingredients, one of the key obstacles would be a desire of individual municipalities to distinguish and promote themselves at the expense of cooperation with other municipalities. The availability of resources at a regional level and the possibility to be flexible in their use and in the timing across accounting periods, was important for launching certain initiatives in Twente. In this respect Twente has benefitted from the fact that municipalities were willing to share some of the resources available to municipalities and agree on joint decision-making on spending at the regional level. However, it should be taken into accountthat this has been a process that took many years, in spite of otherwise fairly intensive and good cooperation. The absence of suitable partners in education or business will be another key obstacle.

#### 6. The future

### 6.1 Prospects for youth unemployment

After a growth spurt in 2017, the Dutch economy continued to grow strongly in 2018 and is expected to continue growing in 2019 and this is expected to create jobs, including in Twente. However, in line with national developments, the growth rate is expected to be lower in 2019 than 2018.

So far in 2019, job growth in Twente is greatest in temporary employment agencies, healthcare & welfare, ICT, wholesale and construction. However, there are also sectors with a flat or even falling number of jobs, but only in financial services is a clear contraction in employment expected.

The number of vacancies is increasing rapidlyand in Twente is 18 percent higher than in the fourth quarter of 2017 suggesting that it is generally more difficult for Twente employers to fill a vacancy. A number of qualitative trends may have repercussions for youth unemployment:

- Short, temporary and part-time contracts are increasing;
- Many older employees leave the labour market, and this forces employers to rejuvenate and innovate. They are mainly looking for motivated young people at medium vocational education level and above and the required (start) qualification level of applicants is increasing;
- In Twente there is a growing demand for higher-educated, specialist personnel, particularly in the technical but also in other sectors;
- People in Twente looking for (other) work are often lower qualified and somewhat older. In Twente, more than half of all long-term unemployed (are aged 50 or older.

#### 6.2 Likely policy developments

Earlier this year the Youth Offensive portfolio holder was given formal instructions to develop a business case for the period 2019-2022. It is timely to review the need and objectives of youth unemployment policy at a time when the labour market is becoming difficult and other groups

on the labour market are emerging as in need of support. However, it is expected that the Youth Offensive will continue and anemphasis on technical skills and jobs, with particular attention to lower skilled and vulnerable groups is also likely to feature again in the policy framework.

#### References

### Literature

### Twente policy documents

Twente werkt! Actieplan voor een regio met toekomst, Twente Board, 12.12.2014

Twente werkt! Actieplan voor een regio met toekomst, Twente Board, Update December 2015 Agenda voor Twente. Investeren in de toekomst, Regionaal investeringsprogramma 2018-2022, 10.5.2017

De Twentse belofte. Aanpak voortijdig schoolverlaten en jongeren in een kwetsbare positie 2016-2020, 23.9.2016, RMC Regio Twente.

Youth Offensive action plans:

Plan van aanpak Jeugdwerkloosheid Twente 2009-2011. Jongeren in Twente aan de slag, September 2009.

P. Weideveld, Plan van aanpak Jeugdwerkloosheid Twente. Jongerenoffensief 2013-2014 2.0, Regio Twente, Enschede, 11.9.2013.

P. Weideveld, Plan van aanpak Jeugdwerkloosheid Twente. Jongerenoffensief 2015-2016, Regio Twente, 3.2.2015.

Petra Weideveld, Regionaal plan van aanpak jeugdwerkloosheid. Arbeidsmarktregio Twente. Jongerenoffensief 2017, 23.11.2016.

Plan van aanpak Jongerenoffensief 2018. Arbeidsmarktregio Twente, 9.2.2018, commissioned by Rob Christenhusz, portfolio holder youth unemployment.

#### Twente monitoring reports:

Petra Weideveld, Jaarrapportage Jongerenoffensief. Behaalde resultaten in 2016, Werkplein Twente, 2017, commissioned by Rob Christenhusz, portfolio holder youth unemployment

Petra Weideveld, Jaarrapportage Jongerenoffensief. Behaalde resultaten in 2017, Werkplein Twente en Regio Twente, 2018, commissioned by Rob Christenhusz, portfolio holder youth unemployment

Twentse Arbeidsmarktmonitor Voor inzicht in cijfers en trends op de Twentse Arbeidsmarkt, 3de kwartaal 2018 (Twente labour market monitor, 3rd quarter 2018)

Regionale kwartaal trendrapportages banenafspraken

Regio Twente, Twentse arbeidsmarktmonitor, kwartaalraportages

UWV, Samenvatting Regio in Beeld Twente, October 2018.

#### National policy documents on youth unemployment

Actieplan jeugdwerkloosheid, Ministerie van Sociale Zaken en Werkgelegenheid, .s.m. de Minister voor Jeugd en Gezin, de Minister voor Wonen, Wijken en Integratie en de Staatssecretaris van Onderwijs, Cultuur en Wetenschappen, 2009

Brief van de ministers van scoaile zaken en werkgelegenheid en van onderwijs, cultuur en wetenschap, Tweede Kamer, vergaderjaar 2012–2013, 29 544, nr. 438 (on the approach to youth unemployment, including the regional and sectoral approaches)

Aan de Voorzitter van de Tweede Kamer der Staten-Generaal Den Haag, 5 maart 2013

Brief aan de Tweede Kamer over de Aanpak Jeugdwerkloosheid, Datum 30.11.2015

Brief aan de Tweede Kamer over de Aanpak Jeugdwerkloosheid, Datum 1.7.2017

# National monitoring of regional youth unemployment strategies

Suzanne de Visser, Auke Witkamp, Mirjam Engelen , Monitor Regionale Aanpak jeugdwerkloosheid. Eindrapport Meting 1 – Voorjaar 2014, 2.4.2014

Auke Witkamp, Mirjam Engelen , Monitor Regionale Aanpak jeugdwerkloosheid. Meting 2 – najaar 2014, Zoetermeer, 12.12.2014

Suzanne Bouma, Auke Witkamp en Mirjam Engelen, Monitor Regionale Aanpak jeugdwerkloosheid. Meting 3 – voorjaar 2015, Zoetermeer, 26.3.2015

Hetty Visee, Yannick Bleeker, Froukje van der Woude, Jos Mevissen, Matchen op werk. Ervaringen, inzichten en kansen voor het vervolg, Regioplan, Amsterdam, juli 2016 Adriaan Oostveen, Jos Mevissen, Hedwig Rossing, Jacob van der Wel, Yannick Bleeker, Matchen op werk. Tweede monitor. Eindrapport, Regioplan, Amsterdam, 21 april 2017

#### Online references

https://www.regioatlas.nl/kaarten

\* https://opendata.cbs.nl/statline/#/CBS/nl/dataset/70072ned/table?dl=97F1

\*\*\* http://statline.cbs.nl/Statweb/publication/?DM=SLNL&PA=83933NED&D1=0-4,1115&D2=0&D3=17-56&D4=I&VW=T

\*\*\*\* Source:

https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82915NED/table?dl=DE75&ts=15441145586

Source: https://www.kennispunttwente.nl/cijfers-trends/twentse-arbeidsmarktmonitor/487-5-werkzoekenden-nww-t-m-2017

https://www.kennispunttwente.nl/cijfers-trends/twentse-arbeidsmarktmonitor/487-5-werkzoekenden-nww-t-m-2017

#### Source:

https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82915NED/table?dl=DE75&ts=1544114558664

https://www.werkpleintwente.nl/nieuws/actieplan-jongerenoffensief-weer-verlengd-naar-2018/

https://www.regiotwente.nl/in-twente/in-twente/werkgelegenheid/13-arbeidsmarkt

https://www.uitvoeringvanbeleidszw.nl/subsidies-en-regelingen/g/durf-doe-divers/arbeidsmarktregios/twente/jongerenoffensief-twente

https://www.werkpleintwente.nl/nieuws/actieplan-jongerenoffensief-weer-verlengd-naar-2018/

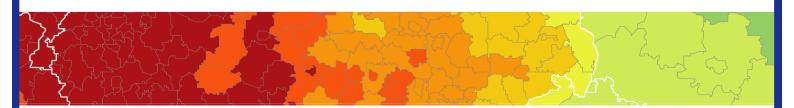
https://www.regiotwente.nl/werken-aan/werkgelegenheid/powi-samenwerking-op-de-twentse-arbeidsmarkt

https://www.kennispunttwente.nl/actueel?start=70

https://www.regiotwente.nl/werken-aan/werkgelegenheid/arbeidsmarkt

https://www.rijksoverheid.nl/onderwerpen/werkloosheid/aanpak-jeugdwerkloosheid

https://www.aanpakjeugdwerkloosheid.nl/



# **ESPON 2020 – More information**

**ESPON EGTC** 

4 rue Erasme, L-1468 Luxembourg - Grand Duchy of Luxembourg

Phone: +352 20 600 280 Email: <u>info@espon.eu</u>

www.espon.eu, Twitter, LinkedIn, YouTube

The ESPON EGTC is the Single Beneficiary of the ESPON 2020 Cooperation Programme. The Single Operation within the programme is implemented by the ESPON EGTC and co-financed by the European Regional Development Fund, the EU Member States and the Partner States, Iceland, Liechtenstein, Norway and Switzerland.