



PES to PES Dialogue

The European Commission Mutual Learning Programme for Public Employment Services

DG Employment, Social Affairs and Inclusion

Peer Review “PES approaches to low-skilled adults and young people: work first or train first?”

Peer Review Comparative Paper

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1. Introduction

The goal of the paper is to provide a comparative overview of the contributions provided by countries participating in the Peer Review on PES approaches for low-skilled adults and young people: Work first or train first?, which took place in Vilnius, Lithuania on 6-7 June 2013.

The document builds on the **Analytical Paper on Public Employment Service (PES) Approaches for Sustainable Activation for Low-skilled: Work-first or Train-first¹**, and also the previous Analytical Paper on The **Role of PES in Youth Integration²**.

The guiding questions for the Peer Review are as follows.

- 1) Work-first approaches: What are the differences between effective approaches for low-skilled adult and for low-skilled young people?
- 2) Train first approaches: Which type of training works best for low skilled adults and which works best for low skilled young people?
- 3) What are the specific elements of PES service concepts to achieve good integration results comparing a work first with a train first approach?

Activation of **school drop-outs or low-qualified job seekers** is proposed as a primary field of cooperation in the **PES 2020 strategy** endorsed by all Heads of European PES. The strategy addresses the changing role of the PES as transition agencies and as a result also highlights the increasing need to **focus on the demand side of the labour market**. A clear understanding of the requirements of, and good co-operation with, employers is also critical in the activation of difficult to place individuals. With the decline in opportunities for low skilled work, low skilled individuals, and in particular low skilled young people without work experience clearly fall into this category.

This paper assesses the diverse 'work-first' or 'train-first' activation strategies of the thirteen PES participating in the Peer Review (Austria, Belgium Le Forem, Belgium VDAB, Bulgaria, Finland, Germany, Hungary, Greece, Lithuania, Norway, Poland, Macedonia and Spain) and seeks to draw lessons with regard to what does and what does not work in different countries for the two target groups³.

The Analytical Paper on PES Approaches for Sustainable Activation of Low-skilled, based on review of international and European literature, concludes that:

- Work-first activation is most suitable for those who are job ready, primarily adults with previous work-experience. It can be also suitable for some categories of young people if combined with additional supports.
- Train-first activation (second-chance education and VET) focused on skill development prior to employment, is a principal and effective option for young low-skilled and can have sustainable outcomes. Shorter duration, specific skills

¹ European Commission (2013) PES Approaches for Sustainable Activation of Low-Skilled Adults and Youth: Work-first or Train-first? Analytical Paper. Author: Sue Leigh-Doyle

² European Commission (2011) The role of Public Employment Services in Youth Integration. A review of Good Practice, Analytical Paper, PES to PES Dialogue, European Commission MLP for PES. Authors: N. Duell, and K. Vogler-Ludwig

³ The analysis is based on detailed data provided by eleven PES in response to a questionnaire sent by ICF GHK and agreed with the Commission and short papers submitted by a further two PES.

training is also an option for low-skilled adults redundant from traditional sectors and occupations.

- Welfare-to-job initiatives and activation approaches are converging with a common focus on early intervention, and a merging of elements and instruments of work-first and train-first strategies.

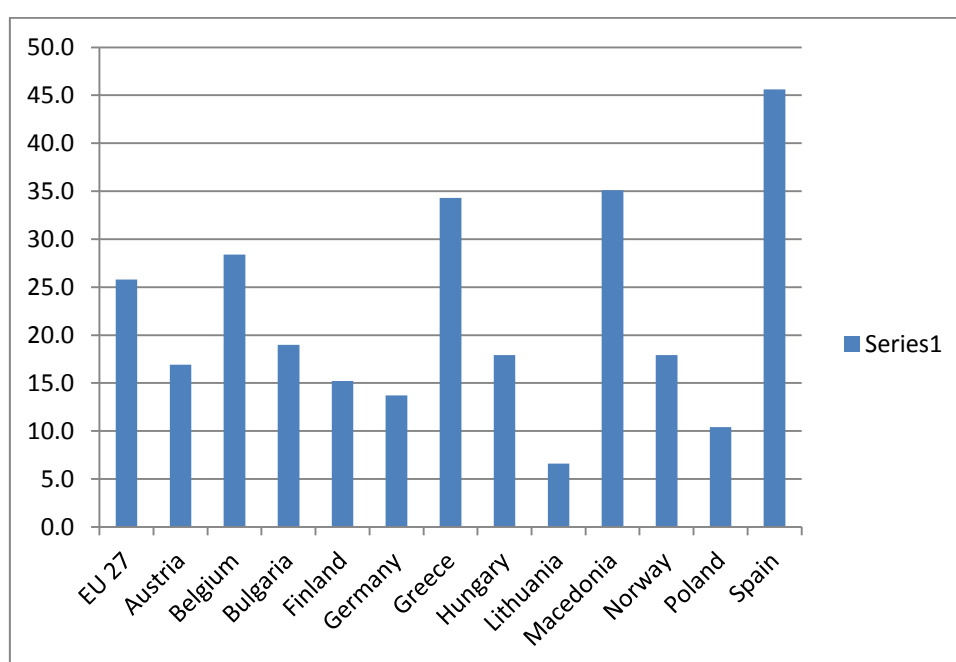
This **Comparative Review** will indicate the extent to which work-first and train-first approaches are currently implemented for the low-skilled by PES in twelve countries for adults and/or youth, and whether practice concurs with conclusions from the Analytical Reviews. Firstly, however, the paper presents a brief overview of the situation of the low-skilled in the labour market at overall European level and in the peer review countries to indicate the context for the comparative review.

2. Low-skilled in the labour market

2.1. The peer countries feature different skill distributions among their workforce

One quarter of the working age population in **Europe, almost 80 million people have low or basic skills**, and demand for these skills is falling. As shown in Figure 1 the range of low educational attainment levels of adults in most of the Peer Review countries is between ten and twenty percent, but over one-third of working age adults have low educational attainment in three countries (**Greece, Macedonia and Spain**). The low-skilled have been severely impacted by the current global economic crisis. The highest **long-term unemployment** rates are found in the least educated section of the population in every Member State. Low-skilled are also at higher **risk of social exclusion and poverty**. At the same time **skill shortages** and vacancy bottlenecks exist in some occupational sectors.

Figure 1. % of Persons aged 25 to 64 years with lower education attainment



Source: Eurostat

2.2 The extent to which national labour markets can absorb low skilled workers varies between Member States

There are differences between Peer Review countries in terms of the employment levels of low-skilled adults, as shown in Table 1. Over 60% of low-skilled adults are in employment in **Norway**, compared with less than 40% in **Belgium, Hungary, Lithuania, Macedonia and Poland**.

Low-skilled generally have considerably **lower levels of employment**; at EU 27 level just over half (52%) of the adults with low education levels are in employment, compared with almost three-quarters (73%) of those with middle level education, and 83% of those with third-level education. The situation is similar in all of the peer

review countries. For example in **Austria** 56% of employed adults have low educational attainment. Among individuals with middle level qualifications, employment rates are significantly higher at 78%, rising to 87% among those with third level qualifications. Likewise in **Bulgaria** 37% of adults with low education are in employment compared with 69% of those with middle level and 82% of those with third level (See Appendix 1 Table A1)

Table 1: Employment rates for young people and adults with low educational attainment

ISCED97	Pre-primary, primary and lower secondary education (levels 0-2). Total 15-24 years	Pre-primary, primary and lower secondary education (levels 0-2). Total 25-64 years
Year	2012	2012
European Union (27 countries)	19.6	52.9
Austria	38.0	56.0
Belgium	11.6	47.6
Bulgaria	5.3	37.4
Finland	22.4	55.2
Germany	32.1	57.5
Greece	7.7	48.6
Hungary	5.1	38.8
Lithuania	4.6	36.6
Macedonia	5.2	32.4
Norway	47.9	65.1
Poland	6.4	39.8
Spain	16.8	49.2

Source: Eurostat

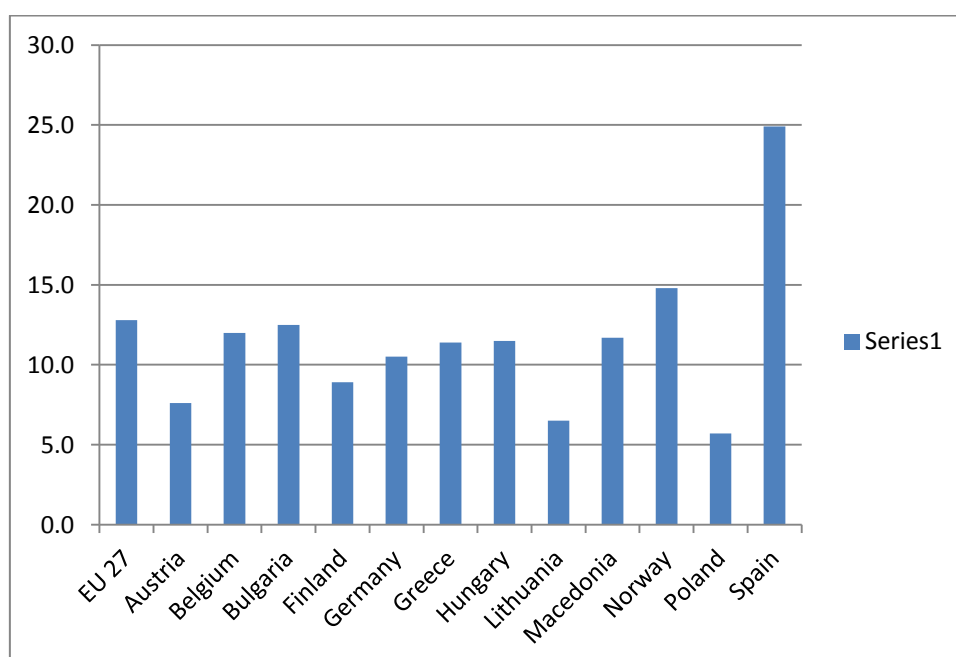
2.3 Low skilled young people are particularly affected by high unemployment

Throughout Europe young people have been particularly impacted by the economic crisis, and most particularly low-skilled youth. However countries differ considerably in terms of employment rates of young people with low levels of education, as shown in Table 1. Low-skilled youth have been severely impacted in countries which have overall high unemployment levels. For example, while almost half (48%) of low-educated young people are employed in **Norway**, and 38% in **Austria**, **less than 8% of youth with low-education are in employment in Bulgaria, Greece, Lithuania, Hungary and Poland.**

2.4 With the exception of Spain, early school leaving rates in the peer countries are close to, or below the EU average

In terms of early school leaving most of the peer review countries are broadly similar to the EU 27 average of 13% with the exception of **Spain**, which has almost double the EU level (see Figure 2).

Figure 2. % of Early leavers from education and training (2012)



Source: Eurostat

2.5 Low skilled job seekers often face multi-faceted challenges to enter the labour market

Despite variations in employment levels for low-skilled between peer-review countries, there are large similarities in the main challenges for low-skilled individuals, as outlined by the PES.

Key **challenges** include:

- **Decreased demand for low-skilled workers**, linked to decline in manufacturing, construction and other sectors that traditionally employed high proportions of low-skilled. Similarly, where vacancies exist, higher qualification levels are increasingly required.
- An increasing proportion of unemployed and **long-term unemployed with low education levels**.
- High proportion of **low-skilled adult males** within the long-term unemployed.
- Growing numbers of young unemployed in most countries, with **less employment opportunities for lower skilled young people**, particularly in rural areas.

- A rise in **early school leavers** (particularly males) in some countries, with a high representation of job-seekers with a **migration** (e.g. **Austria**) or ethnic background (e.g. **Roma-Hungary, Bulgaria**).
- **Multi-dimensional problems** faced by some low-skilled youth and adults and increased risk of social exclusion; and need to activate inactive and discouraged workers.

Employment opportunities for low-skilled mostly arise in the **service sector, and in construction and agriculture/fishing**, and to a lesser extent in manufacturing industry. Within the service sector most opportunities for low-skilled are in distribution, retail, catering, health and social care, and administrative support services.

Occupations and vacancies which are generally open to low-skilled include warehouse workers, packers, loaders, operatives, construction and farm labourers, cleaners, seasonal fruit pickers, care assistance and domestic work. **Temporary and part-time work** is often a feature of such occupations.

3. Activation of low skilled adults and young people: overall PES strategy and approach

3.1 PES generally favour train-first approaches for low-skilled young people and work-first approaches for adults

PES vary in terms of their overall activation approaches as shown in Table 2. PES in **Belgium (VDAB)**, **Hungary** and **Poland** give overall priority to a work-first approach, while **Macedonia** currently prioritises a train-first approach. Four PES indicate that their overall approach equally combines work-first and train-first strategies: **Austria**, **Belgium (Le Forem)**, **Bulgaria**, **Greece**. **Norway** and **Lithuania** also specify an overall combined approach but with differentiation between their approach for adults and for young people.

Table 2: Work-first or train-first? Summary overview of PES approach

Austria	No overarching strategy on train-first or work-first, services offered depend on the labour market situation and on the characteristics and needs of the individual jobseeker.
Belgium (Le Forem)	Combined approach of work-first, complemented by train-first as required within a framework of individualised job-support.
Belgium (VDAB)	The basic approach is one of work-first, but the need to upgrade the skills is also high.
Bulgaria	Both approaches are considered equal; but job-seeker is first advised to apply for a job if a suitable vacancy exists.
Greece	Combined approach of work-first and training. Training will be offered where a jobseeker lacks the relevant skills and training programmes are available.
Hungary	Work-first has been the primary approach since 2011. Where available, vacancies in the open market are first offered, followed by an option to participate in a public works programme. Registered low-skilled can also ask for training.
Lithuania	Work-first for low skilled adults, and train-first for low-skilled youth; although training measures are also available to low skilled adults.
Macedonia	Train-first
Norway	Basic approach is work-first (based on job matches, needs assessment and action plan); but work-training measures or return to education are a primary option for low-skilled youth.
Poland	Work-first with the opportunity to train
Spain	Train-first for low-skilled young people and a combined work-first and train-first for low-skilled adults

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

A dominant pattern of work-first activation for adults and of train-first for young people was identified in the Analytical Paper based on international experience. This trend appears to be broadly confirmed by the information provided by peer countries. However, it is also apparent that the **approaches employed are increasingly**

tailored as a result of **profiling** and the development of **individual action plans**. For example, the PES in **Germany** indicates that it 'does not favour strategies for specific target groups, but believes that strategies focused on the individual need for action are the most effective in generating positive labour market outcomes'. Placement in work has priority, but participation in a qualification measure is a part of the **German** PES strategy mix, within a framework of intensive profiling of all registered jobseekers. Likewise recent reforms of the PES in **Finland** aim to offer a uniform set of services equitably available across the country according to individuals' and employers needs'. PES in **Finland** offer three core service lines; based on individual assessment and profiling individuals are guided as appropriate either to employment services, competence development services or supported employment services.

Review of the specific PES activation approaches for 'youth' and for 'adults' demonstrates that pure 'work-first' or 'train-first' approaches are becoming increasingly 'diluted' in order to meet specific individual needs for skills upgrading or work experience. As shown in Figure 3, while five peer review PES indicate a dominant work-first activation approach for adults, a further five indicate that, for adults, both work-first and train-first activation can be implemented. In contrast, train-first is the dominant activation approach implemented for youth by four PES, while a further five indicate that they implement both train-first and work-first activation approaches for youth. The respective PES activation strategies for youth and adults are further outlined later in this paper (see 4.2 and 4.3).

Figure 3: Work-first or Train-first? Summary overview of PES approaches for adults and for youth

Country	Combined ⁴ Work-First and Train-First		Work-First		Train-First	
	Adults	Youth	Adults	Youth	Adults	Youth
Austria						
Belgium (Le Forem)						
Belgium (VDAB)						
Bulgaria						
Greece						
Hungary						
Lithuania						
Macedonia						
Norway						
Poland						
Spain						

Source: Analysis of contributions provided by PES for the Peer Review

3.2 PES activation strategies differentiate on basis of low-skills and age, but this practice is not set in legislation

Differentiation in PES activation strategies on the basis of skill level and/or age is not generally stipulated in legislation. Austria and Poland differ from other peer review countries in this regard; with special legal rules pertaining to apprenticeship training for young people in Austria. In Poland, legislation indicates a priority focus on the low-skilled which is implemented through PES actions. Most PES however indicate that in terms of policy and practice a distinction is made in their measures and services between low-skilled and other job-seekers, and between low-skilled adults and youth.

Distinctions made by PES in regard to **low-skilled and other job-seekers** relate to:

- More **intensive** activation (e.g. Belgium VDAB)
- **Earlier** stage at which activation commences (e.g. Belgium – Le Forem)
- Provision of **additional support services** and measures (e.g. Germany, Hungary, Spain)

⁴ Equal emphasis or priority is given to both approaches

- Increased **outsourcing** of activation services to specialist providers (e.g. Hungary)

Distinctions in PES policy and practice in respect of **job seeker age** relate to:

- Stage at which activation commences; with an emphasis on **earlier activation for young** low-skilled, for example in Belgium (VDAB and Le Forem), Finland, Poland, and Lithuania
- **Type of measure or service** – for example emphasis on return to education for youth (Spain) and special guidance service model for youth (Greece)
- Frequency and level of interventions; for example **more frequent or more intensive** guidance for youth or more disadvantaged adults
- Special **national agreements** – e.g. Guarantee for Youth (Finland and Norway).

Summary responses for each PES in the peer review are shown in Table 3.

Table 3. Whether legal activation rules distinguish between low skilled and other job seekers, and between low-skilled adults and young people

Country	Distinction between low-skilled and other job seekers	Distinction between low-skilled adults and young people
Austria	No legal rules, but PES service offer differs according to probability of exit	Special legal rules applies only in case of vocational training (apprenticeships) for 15-19 year olds
Belgium (Le Forem)	No legal rules, but activation process is commenced earlier for low-skilled youth than for all other job seekers	No. In practice the first interview for low-skilled youth takes place within 4 weeks, compared to within 3 months for more qualified youth, and adult jobseekers
Belgium (VDAB)	No legal rules, but in practice an individualised approach results in more frequent contact/guidance for low-skilled than for higher-skilled.	No. In practice earlier and more frequent guidance (fortnightly) is provided for young early school leavers
Bulgaria	The Employment Protection Act (EPA) does not differentiate services provided to different client groups	No
Greece	No legal rules. PES system differentiates according to 4 support levels, with specific goals and actions for each.	No. A specific Model Career Guidance Centre provides services for unemployed aged 16-18
Hungary	No legal rules, but special labour market programmes have been introduced for low-skilled; and agreements are in place for outsourcing with NGOs specialised in working with low-skilled clients	No
Lithuania	No legal rules, but differentiated labour market services are offered based on ability to compete in the labour market and motivation to work.	No, but PES activity plan includes early activation 'new-start' for young unemployed. Also specialist youth measures include: motivational seminars, and information and counselling provision through Youth Labour Centres
Republic of Macedonia	No legal rules but PES differentiation is on the level of activation, with a distinction made between 'active' and 'passive' clients.	
Norway	No legal rules/regulations/obligations	Different approaches taken between low-skilled youth and adults; specific guarantee exists for youth; youth task force and also KPIs for youth.
Poland	Yes, a legal distinction drawn between low-skilled and other job seekers. This obliges PES to create IAPs for those under 25 and unemployed without upper secondary level or vocational qualifications	Yes, a legal distinction drawn between low-skilled young people and adults. Obligation to provide an employment offer or other instrument of activation to all low-skilled youth (18-25)

Spain	No legal rules, but low-skilled are an identified PES priority group, together with LTU, immigrants, people with a disability, and others at risk of social exclusion.	Particular priority given low-skilled youth; focus on return to education for those under 20 and employment measures for those between 20 and 25.
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Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

4. PES services and measures for low-skilled adults and young people

4.1 Most PES provide support services and measures to prevent low-skilled employees from becoming redundant

The recent economic crisis has severely impacted on low-skilled employees, particularly those in traditional or declining sectors. In consequence most PES have developed and currently implement some **services and measures to prevent employees, including the low-skilled being made redundant** or ensuring work to work transition. Formal employer notification to PES of the planned redundancy is a general pre-requisite. The redundancy-related measures and services provided for low-skilled by PES in the ten countries are broadly similar. These include:

- Information, guidance and training plans for employers and employees (e.g. **Hungary, Norway**)
- Financial aid and support for adaptation; for example, employer subsidy related to changes in technology or production practices (**Greece, Lithuania, Norway**) or training vouchers (**Bulgaria**)
- Technical support for skills up-grading or re-training: **Belgium (Le Forem)**
- Specific support to SMEs (**Greece**)
- Outplacement services (**Poland**)

PES in **Greece** provide financial support to companies with over fifty employees within the context of a structural adjustment programme in response to the financial crisis; support is provided for adaptation of technology or production processes, and for employee training and counseling. In the case of corporate layoffs, PES in **Norway** can offer information about other jobs available for the staff being made redundant, and financial support to the corporations if they wish to use the available time to provide further training for staff. This approach was found to be effective in 2008/2009 when market demand was generally low due to the financial crisis and assisted in retaining the workers in employment. Additionally, PES in **Norway** provide information and recommend consideration of relevant education measures such as validation of prior competence, career guidance and further education to enhance the options for a new job. The responses for each PES are summarised in Table 4.

Table 4: PES services and measures to prevent low-skilled from becoming redundant

Country	Specific PES redundancy-prevention services and measures
Austria	No specific measures indicated
Belgium (Le Forem)	Technical and financial aid to promote staff training and to optimise staff performance Access to Skill Centres which offer training facilities, high-skilled trainers, innovative equipment and tools (in partnership with economic, academic and professional sectors).
Belgium (VDAB)	Discount on training for employees and courses via the VET-PES; career guidance for employees Diversity plans – The PES can assist in drawing up a plan for investment in low-skilled, older, persons with a disability or non-native speaking employees in a company, and provide subsidies for delivering the plan. Job coaches who support new employees when they start in a new job to help that person and his colleagues to adjust to the new situation. Wage subsidies to share the investment in training between the PES and the employer.
Bulgaria	Provision of training to improve key competences of workers; vocational training with vouchers for preserving employment for low-skilled employed adults and young people
Greece	Support for enterprises for the implementation of adjustment plans to respond to the new environment created by the financial crisis and the integration of new technologies into the production process. Also, support for training of employees in small companies (1-25 employees)
Hungary	Preventive ALMP tools are open for all employees. Training as an ALMP and career guidance are available for specified client groups if employers notify the PES.
Lithuania	The PES can finance vocational training measure for employees notified about redundancy, helping them gain the necessary qualification or competencies they lack.
Macedonia	None
Norway	The PES can offer information about other jobs available for staff being made redundant, and financial support to the companies if they want to use the available time for more training of the staff.
Poland	Outplacement services are offered for workers of all ages being made redundant. The outplacement programme must be performed by every employer intending to make at least 50 workers redundant within 3 months. Support for costs of training for workers and employers is co-financed by employers.
Spain	No specific measures. Current programme of reform of vocational training system includes improving the training of workers and the creation of a Training Account for all workers.

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

4.2. Young People: work-first approaches, train first approaches

PES vary in their activation approaches for low-skilled 'young' people; train-first or a combination of work-first and train-first strategies predominate

As indicated in Section 2, PES vary in terms of whether they utilise a work-first or train-first strategy and there are also differences in terms of activation approaches for low-skilled young people and adults. Improving employability is a key focus of PES activation approaches for young people. Four PES indicate that a **train-first approach predominates for low-skilled youth (Lithuania, Norway, Spain and Macedonia)**. The rationale provided by PES for this approach are:

- the high proportion of young unemployed without skills, and
- a need to respond to the skills-mismatch where young people do not have skills and competencies required by employers.

A **majority** of peer review PES - **Austria, Belgium (Le Forem), Belgium (VDAB) Bulgaria, Greece, and Poland** indicate they **use a combination of work-first and train-first approaches for activation of low-skilled youth**, acknowledging that in order to deliver skills which are required by employers, young people not only have to acquire theoretical skills but actual work experience to make them more attractive for employment.

The approaches employed by different PES and the rationale behind them are summarised in Table 5.

It is notable that **Greece** emphasises that referral into training is subject to the availability of relevant training provision and that Hungary argues that it focuses on work-first activation for youth, partly because of a perceived lack of effectiveness of training measures in integrating young people. Overall, responses indicate a propensity to tailor integration approaches to the specific requirements of young people, which often includes a combination of guidance, training and work experience, as will be elaborated below.

Table 5: 'Youth': work-first or train-first? Summary of overall PES approach and reason for selecting approach

Country	Summary approach towards young people	Main reason for approach
Austria	Combined WF and TF	Approach is based on assessment of the labour market situation (e.g. availability of suitable job or apprenticeship) and the individual profile and needs of each job-seeker
Belgium (Le Forem)	Combined WF and TF	Individual needs of each person taken into account within a career-management and life-long guidance approach; including orientation towards initial training for occupation sectors for which there is labour market demand
Belgium (VDAB)	Work first, but need to upgrade skills is also high	Both support to find a job and for training is provided by PES; the training is always work-related and the aim is to keep it as short as possible.
Bulgaria	Combined WF and TF	Through train-first the jobseeker gains skills and qualifications to be more employable now and in the long-term. Practical experience is gained through the work-first approach which can be a basis for better employability and further training.
Greece	Combined WF and TF	Services are offered on the basis of identified needs; training will be offered where job-seekers lack relevant skills, and training programmes are available.
Hungary	Work first has been primary approach since 2011.	The demand side of the labour market remains weak. Mass training provided during 1995-2010 period in response to lack of private sector employment opportunities was not an effective response.
Lithuania	Train-first	Labour market trends indicate that young people with low secondary education find it most difficult to find a job
Republic of Macedonia	Train-first	Due to the high percentage of low-skilled unemployed and a need to increase their employability through improved labour-market and demand-led competencies
Norway	Training/return to education measures a primary option for low-skill youth (within an overall PES 'work-first' framework).	PES has had a Youth Guarantee system for many years, which ensures quick follow-up and services towards work or education.
Poland	Work first with the opportunity to train	Activation services for young low-skilled unemployed in Poland aim to overcome labour market obstacles; primarily lack of professional experience and lack of professional qualifications
Spain	Train first	Skills-mismatch is a main obstacle to efficient labour market operation. The skills of unemployed do not match with job profiles demanded by employers. Improving and suiting skills to market needs is a key aim.

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

4.3. Key PES work-first services and measures for low-skilled young people

There are similarities between PES in the main work-first and train-first services and measures for low-skilled young people in the peer review PES, as shown in Table 6 below. As mentioned above, most PES indicate that there are not fundamental differences in the services and measures provided for young people and adults, but there are qualitative differences in terms of timing or intensity of services for young people in some countries⁵. In Austria for example a first interview for a young person has to take place within 8 days of registration with the PES and in **Belgium** within 7 to 14 days. In **Austria** young people can receive 35 hours counselling within a twelve month period within the C'mon 17 programme (see details in box following Table 6).

4.3.1. Vocational guidance services and subsidised work-placements are key PES work-first activation approaches for 'young' low-skilled.

The main services provided by PESs for low-skilled youth as part of a work-first activation approach are **vocational information, guidance and career advice, as well as subsidised employment**. Guidance is arguably also relevant in train-first approaches, but within a work-first context is targeted at advising young people about occupations and skills profiles which are in demand in the local labour market. Provision of personalised and individualised guidance services is particularly emphasised for young low-skilled to orient them towards employment, for example in **Belgium (Le Forem), Finland, Poland, Spain**. Guidance is also provided through activation workshops and motivational seminars (**Greece, Lithuania**). Intensive coaching and social/psychological supports for those most at risk of exclusion are provided in **Austria**; PES in **Norway** and **Belgium (Le Forem)** directly employ social workers and psychologists to support such provision. Job 'try-out' opportunities are also offered for young people by PES in **Belgium (Le Forem)** and also in **Finland**. PES in **Germany** offer follow-up support to young people placed in jobs to assist integration and job sustainability. Research evidence has found that job-search assistance, guidance and counselling services, and follow-up services are effective in assisting labour market integration of low-skilled youth, as indicated in the Analytical Paper⁶.

⁵ European Commission (2011) Youth Guarantees: PES approaches and measures for low-skilled Young People, Mutual Learning Programme for PES, Thematic Synthesis Paper, Authors: A. Scharle and T. Weber.

⁶ European Commission (2013) PES Approaches for Sustainable Activation of Low-Skilled Adults and Youth: Work-first or Train-first? Analytical Paper.

Table 6: Specific PES work-first services and measures for young people

	PES work-first services and measures for youth
Austria	Vocational guidance, youth coaching; & C'mon 17 programme Work based placements ; Wage subsidies to employers Settling- in allowance for young disadvantaged
Belgium (Le Forem)	Vocational guidance with social/psychological support for those with complex problems Job try-outs work in environments with vocational guidance (MISIP) Labour recruitment; work- placement with training insertion plan Subsidy for employers who recruit jobseekers for a minimum period following initial training in-company.
Belgium (VDAB)	Career guidance; wage subsidies Internship including intensive guidance for the very low-skilled
Bulgaria	Career information and guidance Wage subsidy schemes for employers
Finland	Vocational guidance; work-coaching; and job try-outs Subsidies to employers (or employees), and pay-subsidy marketing card (Sanssi/Chance-card)
Greece	Career guidance and counselling Activation and mobilisation workshops Work-experience programme for new labour market entrants Jobseeker subsidies during work experience stage Employer subsidy for employment contract post-work-experience
Hungary	Career advice and guidance Tax and social insurance relief programme for private employers to recruit young unskilled Placement in Public works for LTU youth.
Lithuania	Subsidised employment Public works and local employment initiatives Vocational information and career counselling (Youth Labour Centres) Entrepreneurship support Motivational seminars
Republic of Macedonia	Vocational guidance; subsidised employments; and internship programmes
Norway	Career guidance and follow-up; Wage subsidies, and work-experience programmes;
Poland	Vocational guidance; with further supports for those at most risk of exclusion; work practice (internship); employer subsidies re. wages, social insurance and equipment costs; activation allowance paid to jobseeker placed in lower-paid job
Spain	Vocational guidance Supports for Micro-SME and self-employment; First Employment Youth Contract; practical work- experience contract; employment workshops

Source: Contributions provided by PES for the Peer Review

Box 1. Guidance services within PES youth activation - Austria

C'mon 17:

In Austria, intensive counselling and placement-oriented case management approaches for young people identified as facing particular challenges in completing their education and entering the labour market are provided within the C'mon 17 programme. Such young people receive a detailed needs assessment and specialised counselling and assistance by an external counsellor. One counsellor provides counselling services for a maximum of 48 clients, for up to 35 hours per young person within a twelve month period. This can also include follow-up for a period of time when a young person has found employment.

Youth Coaching:

Coaching is provided for young people in or out of the school system through special youth services within the PES. The aim is to prevent drop out either from the school-system or from the labour market. Needs-based support, diagnostic activities, and guidance within a case management approach is offered

PES also undertake outreach activities for youth in cooperation with partners including: schools, job information centres, and municipalities.

Most PES indicate the use of some form of **subsidised work-placement (or internship) measures** in firms (e.g. **Austria, Bulgaria, Lithuania**) to support work-first integration for young people. Supports to employers for such placements include wage subsidies, or tax and social insurance relief. In **Austria** employers can receive a subsidy of up to 66% to employ young low-skilled workers, including those with a disability; similarly in **Lithuania** a subsidy of up to 50% is provided to an employer that employs a low-skilled young person for four months and supports their skills acquisition. A higher level of subsidy is paid for employment of a young person with a disability. A subsequent guarantee of employment for a fixed-period following the work-experience placement is a feature of the wage subsidy and employment support measures in **Lithuania**.

Public works programmes are also used by PES (**Hungary, Lithuania, Poland**) to assist integration of low-skilled youth into the labour market. Research findings indicate that such programmes can be effective for some categories of low-skilled youth, although the public works programmes are not generally judged to be effective overall in terms of achieving sustainable outcomes in the open labour market. PES in **Spain** and **Lithuania** also provide services and measures to support self-employment and business start-ups by young people.

4.3.2. Train-first services and measures for low-skilled 'youth'

VET and work-based training is a key focus of PES train-first activation for low-skilled youth

Although the approaches highlighted below are classified as 'train-first' it is notable that most of them are not solely comprised of theoretical vocational training, but indeed very often also comprise aspects of employer based work experience. Emphasis is also placed on training (and work experience) in sectors facing labour and/or skill shortages. This is shown for each country in Table 7, and also in examples shown for **Belgium (VDAB)** and **Austria**.

PES offer the following **types of training** for low-skilled youth:

- Dual-training and apprenticeships; e.g. **Austria, Finland, Germany, Spain.**
- Specific skills/technical training e.g. **Belgium (VDAB)**
- General vocational education and training (VET): e.g. **Norway, Poland, Spain**
- E-learning, e.g. **Belgium (Le Forem)**

General vocational training programmes (workplace-based or combined with school-based) have been shown to be **very effective** in facilitating the transition from education to work particularly if they are well targeted and have a market-oriented background⁷. **Apprenticeships** are generally acknowledged as an efficient tool for fostering employability of young people through providing specialised skills needed by the labour market, through a mix of practice-based and theoretical training. **Traineeships** and training- focused **internships** are also effective. The OECD has recommended that apprenticeships be actively promoted as a response to youth unemployment during the crisis⁸.

However some disadvantaged young people find it difficult to access apprenticeships in the open labour market and require additional PES support. **Austria**, for example, provides **institutional-based apprenticeships** for this group and reports that 80% of participants in such training subsequently took up apprenticeship in a company; and on average 55% of those were in jobs after finishing their apprenticeship. **Combining core education components; such as literacy, numeracy and language skills with vocational training** is also deemed as good practice in respect of more disadvantaged low-skilled young people. PES in **Austria, Finland** and **Norway** indicate a need for a holistic training approach for some categories of young low-skilled to assist their reintegration. This may also include addressing related social, housing, mental health, rehabilitation, poverty or crime issues, with specialist staff required to provide this support and outreach services.

⁷ Walter and Pohl (2005) Thematic Study on Policy Measures concerning Disadvantaged Youth.

⁸ OECD (2010) Rising Youth Unemployment During the Crisis. Authors; Scarpetta, Sonnet and Manfredi.

Table 7: Specific PES train-first services and measures for young people

	PES train-first services and measures for youth
Austria	Apprenticeship training for unemployed 15-19 year; Skills training programmes Wage subsidies
Belgium (Le Forem)	In-company Training and insertion plan. Training in Forem Centres, and E-training/E-learning
Belgium (VDAB)	VET and technical skills training; On the job training programme; Financial supports for training: transportation, childcare, motivational reward, equipment, insurance
Bulgaria	Motivation training; key competences and vocational training in specific sectors, tailored to local need.
Finland	Apprenticeship training pilot project (within context of Youth Guarantee). VET (including language training for young immigrants)
Germany	Pre-apprenticeship and apprenticeship training.
Greece	Labour Market Entry Training Voucher system for skills training, combined with mentoring and in-company training.
Hungary	None specified
Lithuania	In-company subsidised training for young unemployed; with guarantee of minimum employment period post-training
Republic of Macedonia	Training for occupations deficient on the labour market
Norway	Labour market training (LMT), and VET
Poland	Work-based training and VET; Training scholarships for return to education; Training loans
Spain	Training and apprenticeship contracts; Training in Workshop schools and craft centres

Source: Contributions provided by PES for the Peer Review

Box 2. Skills acquisition and training through internships – Belgium VDAB

'Instapstage' – is an internship for young people who are low-skilled and in need of first work-experience. This helps them build up their competences. The employer is responsible for implementing a training programme during the internship and afterwards for certifying the competences gained. This way the intern can obtain a certificate for ('Elders verworven competencies EVC') 'accreditation of prior learning'. This reinforces his/her position on the labour market. During this internship they remain registered as unemployed, but receive an allowance and some extra money on top of that. This programme is limited to 3 months.

'WIJ' ('Werk inleving jongeren') – This is for those young people who are really low-skilled. They receive intensive guidance in addition to an internship placement. If an internship is not possible on the labour market, this programme searches for other ways to obtain extra competences. The possibilities in this programme are broader than in the 'instapstage', because the needs are greater. This programme is therefore of longer duration but is limited to 18 months.

Box 3. Training Guarantee and PES support for youth apprenticeship training- Austria

Training Guarantee: Every young person who is registered as unemployed or apprenticeship seeking with the PES for more than 3 months will be offered a suitable job, an apprenticeship on the free market or a training opportunity provided by the PES. This applies to young people from 15-24 years.

The PES provides an institution-based apprenticeship training option for those young people have been unsuccessful in obtaining an apprenticeship in a three month period. Two types of training are involved: theoretical training in a vocational school, and practical training in a company. The aim of the programme is to assist the young people in integrating as early as possible into a 'traditional', company-based apprenticeship. Such company-based apprenticeships have been shown to have higher transition rates into employment at the end of the apprenticeship period. Participants receive comprehensive support, including socio-pedagogical counselling, learning support, and assistance with apprenticeship search.

PES also vary in the **instruments** used to support such training (as can be seen in Table 7) including:

- Training allowances (e.g. **Belgium VDAB**)
- Vouchers for training (e.g. **Greece**)
- Wage subsidies (e.g. **Austria, Finland, Lithuania**)
- Creation of individual training accounts (e.g. **Spain**)
- Training loans and scholarships – (e.g. **Poland**)

Training allowances are important to incentivise young people to participate in training. In **Belgium (VDAB)** financial support systems for training also take into account other potential costs for young people, such as transport, child-care, insurance and equipment. The research literature shows that **vouchers** for training are increasingly used to facilitate access to a wider range of training opportunities, but tend to be less used by the low-skilled due to lack of information on training options. A

mixed system of vouchers and other financial support systems is therefore recommended in the Analytical Paper⁹ to support low-skilled young people to participate in training. **Poland** differs from other PES in its use of training loans and scholarships, as shown below. **Lithuania** reports that young people can avail of loans for self-employment or business start-up through an Entrepreneurship Promotion Fund.

Box 4. Poland – PES financial support for training for young people

Scholarships for continuing school education

Unemployed individuals with low family incomes who enter further education above the compulsory level (including secondary and tertiary extramural education) can receive a monthly scholarship equal to 100% of the unemployment benefit, payable for 12 months. A student who returns to employment receives a monthly scholarship equal to 20% of the unemployment benefit until the end of the school programme.

Training loans

Funded by the PES, for up to 400% of the average monthly salary. The loan is interest free and has to be repaid up to 18 months after completion of the training.

Financing of examinations

The PES can fund the cost of examinations for beneficiaries to obtain certificates, diplomas or professional titles, and the costs of obtaining licenses needed to get a job. The cost of an examination or license may be covered for a participant once in a year and up to 100% of the average monthly salary.

4.4. 'Adults' - work-first approaches, train-first approaches

Generally, speaking, **work-first approaches** are considered in the literature to **predominate for adults**. However, the evidence gathered from peer countries shows that the picture is shifting with the recognition that particularly **for low skilled adults, elements of up- or re-skilling** (depending on the previous sector of activity) may be required to achieve sustainable reintegration or retention in the labour market. As Table 8 below demonstrates, PES in different countries use broadly similar approaches in the activation of low-skilled adults. **A work-first approach, combined with a train-first approach is most prevalent amongst peer country PES for activation of adults**. The rationale for using the combined approach is to respond to the needs of individual job-seekers, provide practical job experience, and where necessary to assist in improving employability through acquisition of relevant new skills and/or a qualification.

However two countries, **Hungary** and **Norway** indicate a singular **work-first** approach for adults. For **Hungary** this is related to a perception that training was not an effective response to high levels of unemployment in the past and that re-integration is best achieved through placement in open employment, in subsidised employment, or in a public works programme. In **Norway** the prime orientation is to

⁹ European Commission (2013) PES Approaches for Sustainable Activation of Low-Skilled Adults and Youth: Work-first or Train-first? Analytical Paper.

re-integrate unemployed into the open labour market; and where necessary to provide supports to employers to assist this process with regard to low-skilled or hard to place. Additionally, the report for the PES in Poland notes that its work-first strategy is influenced by the reluctance of unemployed adults to participate in training, due to financial need to support a family.

Table 8: Adults: Work-first or Train-first? Summary Overall PES approach and reason for selecting approach

Country	Summary approach for adults	Main reason for approach
Austria	Combined work-first and train-first	Approach is based on assessment of the labour market situation (e.g. availability of suitable job or apprenticeship) and the individual profile and needs of each jobseeker
Belgium (Le Forem)	Combined work-first and train first	Individual needs of each person taken into account within a career-management and life-long guidance approach; including orientation towards initial training or re-training for occupation sectors for which there is labour market demand
Belgium (VDAB)	Work-first, but need to upgrade the skills is also high	Both support to find a job and for training is provided by PES; the training is always work-related and the aim is to keep it as short as possible.
Bulgaria	Combined work-first and train-first	Practical experience is gained through the work-first approach which can be a basis for better employability and further training. Through train-first the jobseeker gains skills and qualifications to be more employable now and in the long-term.
Greece	Combined work-first and train-first	Services are offered on the basis of identified needs; training will be offered where jobseekers lack relevant skills, and training programmes are available; but take-up of the training is not mandatory.
Hungary	Work-first has been primary approach since 2011.	The demand side of the labour market remains weak. Mass training provided during 1995-2010 period in response to lack of private sector employment opportunities was not an effective response. Registered low-skilled can request training option.
Lithuania	Work-first for low skilled adults, although training measures are also available to adults	A specific need to address the integration needs of the increasing number of unqualified people
Republic of Macedonia	Train-first	Due to the high percentage of low-skilled unemployed and a need to increase their employability through improved labour-market and demand-led competencies
Norway	Work-first	A job-match is mandatory in all initial PES contact with a job-seeker. The most used labour market measures for adults are wage subsidies, training and work practice. Continuing vocational training and education for low-skilled employees is also facilitated through grants to those companies in an agreed 'Inclusive Workplace' scheme
Poland	Work first with the opportunity to train	Activation services for young low-skilled unemployed in Poland aim to overcome labour market obstacles; primarily lack of professional experience and lack of professional qualifications
Spain	Train first	Skills-mismatch is a main obstacle to efficient labour market operation. The skills of unemployed do not match with job profiles demanded by employers.

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

4.5 Work-first services and measures for 'adults'

Guidance services and employer incentives are key PES work-first activation approaches for low-skilled adults

There is some similarity between countries in the PES work-first services and measures provided for low-skilled adults as shown in Table 9. **PES services** provided for low-skilled adults include:

- Information and **guidance to jobseekers** on employment opportunities (e.g. **Belgium-VDAB, Hungary, Macedonia**)
- **Specialist support** to job seekers with complex problems (**Belgium- Le Forem, Germany, Norway**)
- **Motivational** and generic activation **workshops** (e.g. **Greece, Lithuania**)
- Information, advice and **support to employers** (e.g. **Austria, Lithuania**)
- **Subsidies** to employers recruiting low skilled individuals (e.g. **Poland, Bulgaria, Greece**)

While the unemployed are the main focus of PES activation services for adults; **employers are also important PES clients** for work-first activation strategies. PES provide information and advice to employers on existing subsidies and available supports to assist in employment of low-skilled workers, and also in cases of possible redundancies. PES in **Austria** commented on the difficulty in motivating employers to make offers to low-skilled job seekers in the current competitive business environment and with a good supply of jobseekers. To address this challenge PES staff visit companies and discuss skill needs within the context of their services to enterprises; about one-sixth of PES staff in **Austria** deal exclusively with employers.

Table 9: Specific PES work-first services and measures offered for low-skilled adults

	Work first services and measures for low-skilled adults
Austria	Apprenticeships for adults. Employer subsidies.
Belgium (Le Forem)	Job tryouts and vocational guidance in work environments. Social/psychological support for those with complex problems Employer subsidies.
Belgium (VDAB)	Vocational guidance Job support Wage subsidies
Bulgaria	Vocational guidance Wage subsidy schemes for employers
Finland	Vocational guidance and job coaching Wage subsidy for employers and employees
Germany	Vocational guidance; intensified counselling and integration service for those with complex profiles (Inga)
Greece	Guidance to job-seekers and employers Activation and mobilisation workshops Subsidies for employee training in-companies Counselling for company adaptations
Hungary	Career Guidance and mentoring Tax relief and employer subsidies Public works programme
Lithuania	Subsidised employment; wage subsidies Public works; subsidies for local employment initiative projects
Republic of Macedonia	Guidance, Subsidised employments; internship programmes
Norway	Career guidance and follow-up Wage subsidies, work experience placements Specialist support for people with complex problems
Poland	Work practice (internship) Employer subsidies Activation allowance Public works for adults distant from the labour market
Spain	Vocational guidance for employment and self-employment Internships and work-experience for unemployed

Source: Contributions provided by PES for the Peer Review

As shown in Table 9 the most common PES **work-first support measures** for low-skilled adults include:

- Wage subsidies and tax relief to employers (e.g. **Austria, Lithuania, Bulgaria**)

- Internships and work-experience placements (e.g. **Belgium- Le Forem, Macedonia**)
- Public works programmes (**Hungary, Lithuania, Poland**)
- Supports for self-employment (e.g. **Spain**)

Research findings are generally **positive for wage subsidy schemes** that aim to facilitate unemployed who are distant from the labour market to integrate into the open labour market; while public works programmes are found to be less successful, as was outlined in the Analytical Paper¹⁰. This **trend is confirmed by Lithuania** where wage subsidies are deemed a most effective measure to incentivise employers to employ low-skilled, and with positive outcomes for job-seekers. The Lithuanian PES indicates that as many as 75 % of people remain in their jobs as permanent workers after participating in a subsidised work-experience measure for 6 months. By comparison, **public works** programmes, which provide temporary employment are **less effective**: only 14 % find employment after the incentive terminates.

4.6. Train-first services and measures for 'adults'

PES train-first approaches for adults focus on skills upgrading and re-training through direct financial supports and through employer grants

Most PES support both re-training and skills up-grading training for low-skilled unemployed adults, together with some support for continuing training for low-skilled employees, as shown in Table 10. A strong focus on work-based training is evident in PES train-first activation for low-skilled adults.

The main types of **training** supported by PES for low-skilled adults are:

- Specific occupational/technical initial skills training (e.g. **Belgium-Le Forem; Lithuania**)
- Occupational/technical skills up-grading (**Belgium-VDAB**)
- e-learning (e.g. **Belgium-Le Forem**)
- Vocational education and training (e.g. **Poland, Macedonia**)
- Apprenticeship (**Germany, Spain, Poland**)
- Motivational and generic activation training (**Greece, Bulgaria**)

Findings from the research literature indicate that **specific skills training** has more **positive outcomes for adults** than general skills training or VET¹¹. While apprenticeship training is primarily addressed to young people, in **Poland and Spain apprenticeship** training is also an option **for some adults**. In **Spain** apprenticeship is an option for adults up to the age of 30 who are at risk of social exclusion. Employers in **Poland** offering apprenticeship training for adults are reimbursed the costs up to 20% of the average wage for each month of the measure; additionally

¹⁰ European Commission (2013) PES Approaches for Sustainable Activation of Low-Skilled Adults and Youth: Work-first or Train-first? Analytical Paper.

¹¹ European Commission (2013) PES Approaches for Sustainable Activation of Low-Skilled Adults and Youth: Work-first or Train-first? Analytical Paper. Section 4.4.

employers receive a one-off bonus for participant's successful qualification in the measure. In **Germany**, currently the focus is set on promoting apprenticeships as a 'second chance' especially for the age group 25-34. In addition, vocational training measures leading to a vocational degree are promoted by an additional initiative for unemployed without a professional degree or with an outdated degree.

Common PES **measures and instruments** to support train-first activation approaches for low-skilled adults are:

- Training allowances for job-seekers
- Training voucher scheme
- Financial support towards costs of participation in training (e.g. childcare, transport, insurance, equipment)
- Training grants subsidies to employers for employee skills upgrading
- Support for accreditation of prior learning (**Poland**)

Allowances are **essential to incentivise** and **facilitate unemployed adults with family and other support commitments** to participate in training programmes. For example in **Poland** a monthly allowance that is 20% above the level of unemployment benefit is paid to trainees. Subsidies to employers have been found to be effective in motivating employers to provide work-based training opportunities or low-skilled unemployed, and also to incentivise skills up-grading of low-skilled employees.

Table 10: Specific PES Train First Services and Measures for low-skilled adults

	Train-first services and measures for low-skilled adults
Austria	Skills training
Belgium (Le Forem)	Skills training in Forem Centres and Sectoral Skill Centres E-learning/training
Belgium (VDAB)	VET and technical skills up-grading training On-the-job training programme E-learning options Financial supports for trainees
Bulgaria	Skills and motivational training schemes
Greece	Training in horizontal and specific skills Employee skills up-grading training in-company Activation and motivation workshops for unemployed Training voucher system
Hungary	Training/guidance for employees in context of company redundancies
Lithuania	Work/company-based vocational training programmes for unemployed (formal and informal/short courses)
Republic of Macedonia	Training in occupations deficient in the labour market; includes training placement within a company
Norway	Labour market training (LMT) Education for clients with reduced work ability In-house training
Poland	Apprenticeship for adults Vocational training courses (generally max. 1 year) Monthly allowance paid to trainees 20% above the level of unemployment benefit Accreditation of prior learning Training loans system
Spain	Training and apprenticeship contract for people over 25 at risk of social exclusion; Reskilling and up-skilling training for unemployed; Employment/training for long-term unemployed (LTU) over 25s Individual Training Accounts

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

5. Partnership working to support low-skilled adults and young people

5.1. A combination of in-house and external mechanisms are used by PES to deliver services and measures for low-skilled

Almost all PES use a **combination of in-house and external service providers** in respect of low-skilled clients, with both counselling and training services often being out-sourced (see Table 11). Outsourcing is to both public and private agencies and to NGOs. PES perceive that use of external providers is **beneficial and provides added-value**.

PES in **Bulgaria and Macedonia** emphasise the value of access to professionally trained counselling staff through external contracting. **Austria** indicates that external counsellors can give the necessary time required to adequately address the needs of low-skilled and disadvantaged jobseekers, in comparison with internal PES staff who are more pressured by time constraints. In **Belgium (VDAB)** external training providers (private, third sector, and public) are viewed as being better adjusted to meeting the specific needs of low-skilled adults; while access to higher quality trainers and equipment is seen as a benefit of external providers in **Macedonia. Greece and Spain** specifically mention the value of external trainers that are accredited and meet specific quality standards.

Table 11 PES delivery mechanisms in provision of services and measures for low-skilled; in-house or external?

	Delivery mechanism
Austria	Services for low skilled are delivered internally as well as externally. The added value of external provision is that the amount of time for adequate support can be specified whilst internal counsellors are pressured for time.
Belgium (Le Forem)	Most services are delivered in-house. However, since 2004, le Forem has developed external provision through annual calls for tender to private and public operators, for innovative projects in the field of professional insertion and training. Le Forem also launches calls for proposals targeting more specialised operators for specific fields
Belgium (VDAB)	Services are provided by PES and other providers (private, third sector or public). Added value of external provision is that their services are better adjusted to the low-skilled adults.
Bulgaria	The labour mediator can direct the unemployed person to career guidance if required provided either by the PES or external providers. Career guidance provided by external providers is generally more comprehensive and professional, carried out by career consultants or psychologists, who use special techniques and information.
Greece	The PES directly implements vocational education and training through its 51 Apprenticeship-EPAS schools. It also cooperates with external training providers, selected through tender, which are private Vocational Training Centres accredited according to specific quality standards.
Hungary	Services are provided both in-house and outsourced, mainly to NGOs. The first contact with the job-seeker must be an internal one, taken by the PES's own staff, only vocational rehabilitations and some other cases are exceptional. External service provision is usually more flexible and easier to adapt to the labour market needs
Lithuania	Motivational seminars for young people that are socially vulnerable, unqualified and lack motivation are delivered by TLE. The sessions aim to improve their chances of employment and equal competition in the labour market.
Republic of Macedonia	Training is delivered by educational institutions and/ or organisations and they act like providers. They have workshops and equipment and high quality staff for training.
Norway	To be able to achieve labour- and welfare policy goals, the PES is very dependent on systematic co-operation with other key actors, like health and education authorities, employers, trade unions and social partners. NAV's in-house services do not generally extend beyond follow-up assistance for job seeking or measures as concluded after needs clarification. Projects are currently being piloted testing if more follow-up and guidance services should be resumed by the NAV-office.
Poland	The LLO (Local Labour Offices) deliver basic labour market services which can be outsourced to public, private or third sector organisations. New legislation assumes the introduction of an option to subcontract activation services to a greater extent than is currently the case. This model is now being tested through a pilot project 'Partnership for work'.

<p>Spain</p>	<p>A number of organisations are licensed to deliver vocational training for employment including public and private organisations. The PES offers professionals from the collaborating organisations a training course, the content of which includes guidance services methodology and operational means.</p> <p>The PES is represented on a work group responsible for creating an annual assessment plan on the quality, impact, effectiveness and efficiency of the vocational training system.</p>
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Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

5.2. PES cooperate with education and training providers, and career guidance providers at a range of different levels

Addressing the training needs of low-skilled and disadvantaged in a holistic way requires **interaction with a range of stakeholders including education, training and career guidance providers**. Such cooperation can facilitate young people and low-skilled adults to **address gaps** in their **literacy, numeracy, and language competencies** to improve their employability. Similarly access to counselling can support integration of young low-skilled unemployed who lack motivation or direction. **Inter-institutional cooperation has been identified as key** to reaching out and helping low-skilled young people, and OECD has recommended that **PES improve their cooperation with the education system**¹² Closer PES interaction between various stakeholders in education, training and career guidance is part of European PES strategy to support effective transitions between education and the labour market¹³. Additionally, PES have good knowledge of the local labour markets and of workforce skill requirements; for example PES in **Finland** and **Lithuania** have developed labour market analysis barometers which use information from employers to predict future labour market skill needs. Through cooperation with VET providers, **PES** can also play an important role in **ensuring that training is relevant and targeted** at the needs of the labour market.

Most PES currently cooperate with education and training providers, and career guidance providers. **Cooperation agreements** have been established that include a focus on services and measures for low-skilled. These can operate at different levels and through different structures, as outlined below. Further details are shown in Table A3 (Appendix).

- Partnership agreement between the national PES agency/employment ministry and autonomous provincial, regional or local level public authorities with responsibility for delivery of employment and training services (**Austria, Norway, Spain**)
- Specific partnerships at regional level with training and VET providers (**Poland**)
- Through PES representation on Boards of relevant national education, guidance and training institutions/agencies (**Belgium-Le Forem, Bulgaria**)

¹² European Commission (2011) PES to PES Dialogue: The role of PES in youth integration: Analytical Paper: Authors Duell and Vogler-Ludwig. p13; and OECD (2010) Rising Youth Unemployment during the Crisis, Authors, Scarpetta et al.p.23

¹³ PES Contribution EU 2020 Strategy, PES 2020 Strategy Output Paper. Section 3.3.

- Consultation and input from external providers into the development and review of PES Action Plan (**Belgium VDAB**).

5.3. PES cooperation with social partners is primarily formalised through tripartite structures

PES in most of the peer countries also cooperate currently with employer and trade union organisations at management level. Countries can differ in the levels at which cooperation takes place, including:

- tripartite board representation at national PES level (**Belgium-VDAB, Greece, Lithuania**);
- cooperation with Chambers of Commerce and Trade Unions and other relevant public agencies at regional/county/ municipal level development (**Hungary, Poland, Macedonia, Norway**)
- social partner input into design and approval of PES employment and training programmes (**Greece, Spain**)

Further details of social partner cooperation for each PES is shown in Table A4 (Appendix).

5.4. Formal partnership structures are beneficial, but wider partnership is challenging for PES

PES identify a number of factors that **facilitate effective partnership**, as shown in Table A5 (Appendix). These include:

- Formal partnership structures (e.g. tripartite) and reporting systems to maintain partnership (**Austria, Norway**);
- Framework agreements for provider service delivery (**Bulgaria**)
- Shared cooperation and input of all partners into annual planning processes to ensure needs of all low-skilled target groups are addressed (**Belgium VDAB**);
- Regular (monthly) meetings that inform awareness of the different partner's needs and demands (**Belgium VDAB**);
- Ongoing personal relationships and informal communication in addition to formal structures (**Lithuania**).

Most PES foresee **challenges in future partnership** engagement. PES vary in the respective challenges which they face and include the following:

- Provision of holistic services for individuals with low-skills, given different sectoral regulations, different objectives of partners and measures, and variations in distributed budgets (**Norway**)
- Further strengthening /formalisation of partnership structures (**Greece, Hungary**)
- Sharing of activities between the education, training, employment and social care services (**Hungary, Poland**)

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- The future PES role in relation to partners – PES as operator or coordinator?
(**Belgium –Le Forem**)
 - Elaboration and agreement on new methodologies and products (**Bulgaria**)
 - Effectively coordinating approaches and activities of state agencies and NGOs
(**Macedonia**)

Further details of challenges for each country PES are shown in Table A5 (Appendix).

6. Monitoring and evaluation

PES monitoring processes and evaluation studies influence programme design

All PES in peer review countries have established some **monitoring systems**. These are mostly **outcomes-based**; for example, Management by Objectives (**Hungary**), Balanced Scorecard (**Norway**) or within the context of an overall PES monitoring and evaluation plan (**Spain**). Targets and indicators are used to monitor performance, with some variation in the type and volume of indicators used.

While most PES have **set targets and key performance indicators in respect of unemployed and inactive youth**, few indicate that there are specific PES indicators in respect of low-skilled adults, except within the context of reporting on ESF funded programmes (e.g. **Bulgaria, Hungary**).

Targets and indicators are primarily **quantitative and address efficiency and effectiveness** of PES activity; with data reported monthly by PES at national, municipal and local levels. Common PES targets include:

- the numbers in receipt of PES support activities;
- numbers placed in employment or in active labour market measures;
- costs of interventions;
- status three months after the intervention.

Client satisfaction surveys are a feature of monitoring by PES in **Austria, Belgium (Le Forem and VDAB)**, and **Hungary**. Some PES have **evaluated their key active labour market programmes**. These include reviews of the Youth First Employment Programme (**Hungary**) Job-Tonic programme (**Belgium Le-Forem**), Work-Practice Programme (**Poland**), Apprenticeship (**Austria**), Employer-based training (**Lithuania**). Other PES have evaluated pilot initiatives, such as the intensive counselling (Inga) project in **Germany**. PES indicate that evaluation results have led to some restructuring and improvement in programme design as for example shown below for **Belgium**.

Box 5. Use of findings from PES evaluations of services and programmes in Belgium

Review of the **VDAB Youth Guidance Services** indicated a need for additional efforts to reach hard-to-place young people. A new strategy was devised which included outsourcing (by tendering) some counselling services to specialist providers; increased partnerships with municipalities; and increased use by the VDAB of social media, chat and videoconferences in their work with this young target group

Review by **Le Forem** of the **Job Tonic Programme** for youth indicated a need for more-tailor made and PES support and guidance services. This led to strengthening of the individualised support plan for each job-seeker, with a dedicated reference counsellor/coach, and follow-up on personal action plans; the use of group workshops for this target group was curtailed.

7. Conclusions

PES activation strategies are being implemented in an increasingly challenging labour market environment

PES in Europe currently face many **challenges** in coping with rapid and massive **labour market change**, and **additional responsibilities** as work-focused gateways to welfare systems.

Over recent years PES have increasingly focused on **activation of the low-skilled unemployed**, particularly young low-skilled. PES play a particularly important role in **youth integration** as it operates as a bridge in the transition from education to work. PES also have a strong role to play in developing a skilled workforce, including incentivising **life-long learning** especially **for adults with low and obsolete skills**.

PES are working under tighter conditions following the economic crisis with current limited financial resources likely to continue in the future. Increased numbers of unemployed have also put severe pressure on social welfare budgets. Increased **conditionality and sanctions** are a common feature of labour market activation policies with contractual mutual obligation between job-seekers and the PES more widespread. Efficient and effective solutions to activation of the low-skilled are therefore required. However the evidence from the analytical paper and this comparative review shows that **more information is needed to demonstrate the cost-effectiveness** of different labour market services and measures for the low-skilled.

Low-skilled unemployed have been severely impacted by the economic crisis

Low-skilled, particularly the **young**, have been severely impacted by the current global economic crisis through high unemployment. The highest **long-term unemployment** rates are found in the least educated section of the population in every Member State. In all of the peer review countries adults and young people with low educational attainment have **lower rates of employment** than those with middle or third level education. Low-skilled are also at higher **risk of social exclusion** and poverty

PES are addressing the needs of low-skilled adults and youth

Vocational **guidance services** are a critical component of PES activation for low-skilled. Job search assistance, profiling, guidance and action plans are effective PES activation services for both adults and young people. The comparative review indicates an increased trend in PES provision of **personalised** guidance services for those most distant from the labour market, with **increased outsourcing** to specialist providers. Research has shown that such vocational guidance and counseling is effective in integration of hard-to-place jobseekers. However the extent and reach of current counselling provision for low-skilled and inactive is unclear as there is limited evidence on the proportion of low-skilled young people in receipt of counselling, or on the extent to which PES counselling services have been affected by budget constraints. **Early intervention** is essential for young low-skilled, and most PES aim to ensure early activation for registered young people.

PES use both work-first and train-first activation approaches

The comparative review shows that **PES currently use both work-first and train-first approaches for activation of low-skilled**. PES mostly use a combination of

train-first and work-first approaches for young low-skilled acknowledging that in order to deliver skills which are required by employers, young people not only have to acquire theoretical skills but actual work experience to make them more attractive for employment.

Some PES primarily use **train-first approaches for low-skilled youth** focusing on encouraging return to education for early school-leavers, or take-up of VET to gain a recognised qualification. However the extent to which PES promote a train-first approach is dependent on the availability of such training provision. Less initial skills training has been provided in recent years in most countries as training is one of the most costly ALMPs. Such training for the low-skilled must therefore be carefully targeted.

PES primarily implement **work-first activation approaches for low-skilled adults**, but also combined with training, recognising that some low-skilled adults also need up-skilling to enhance their employment possibilities. It is also apparent that the approaches employed for young people and for adults are increasingly tailored as a result of profiling and the development of individual action plans.

Incentivised work-experience and practical in-work training is most effective for low-skilled

International research studies and evidence from evaluations undertaken by peer-country PES indicate that **subsidised employment programmes** in the **open labour market** are the most effective integration programmes for low-skilled unemployed. However such programmes need to be **carefully designed** to avoid possible displacement and dead-weight effects. Effectiveness and sustainability can be improved through built-in guarantees for minimum-duration post-placement employment in the company, and **through monitoring and follow-up by the PES**. While placements in **public works programmes** provide temporary work-experience and integration opportunities for more disadvantaged low-skilled, they are not an effective measure for sustainable integration into the open labour market.

PES **training subsidies, coaching, mentoring** and other supports to employers and employees appear to be effective in ensuring **up-skilling of low-skilled employees**. During the economic recession PES in some countries have provided effective measures to prevent redundancies, through supports which assist firms in re-adaptation of technology or work processes and in provision of further training for employees. Up-skilling training for low-skilled unemployed adults needs to be demand-driven and **wider PES promotion** of work-based or other employer-oriented training would be beneficial. PES provision of **customised and tailor-made training for low-skilled employees in specific firms is effective**, but can be resource-intensive for a PES. **Dual training** (which combines theory and practice) approaches appear to be most effective for young low-skilled, for example **apprenticeships and traineeships**. Some low-skilled young people however require additional pre-apprenticeship or **preparatory training**.

Partnership is essential for better activation outcomes for low-skilled

The comparative review shows that PES have **formalised partnership structures** at management level with both employers and trade unions. Strengthening of these partnerships is required to ensure shared sustained commitment to meeting the labour market integration needs of low-skilled. **Increased cooperation** and

interaction between PES and employers in supporting work-based internships and placements are needed to ensure a first start for young low-skilled unemployed.

The comparative review shows that PES are also increasingly **partnering at municipal and local levels**, through outsourcing, with **specialist guidance providers and NGOs**. PES need to **strengthen cooperation with education and training and providers** to facilitate effective transitions for young low-skilled between education and the labour market, and in ensuring that training is relevant and targeted at the needs of the labour market. To effectively address the activation needs of more disadvantaged low-skilled and ensure a holistic response PES also need to establish formal **structures for engaging with a wider range of partners (e.g. in social, housing and health sectors)**. Good practices arising in the context of current ESF supported integration measures and project for disadvantaged youth and adults in Member States should be promoted to all PES.

Appendices

Table A1 2012 Employment rates by highest level of education attained for 25-64 age group in EU Member States.

ISCED97	Pre-primary, primary and lower secondary education (levels 0-2). Total 25-64 years	Upper secondary and post-secondary non-tertiary education (levels 3 and 4). Total 25-64 years	First and second stage of tertiary education (levels 5 and 6). Total 25-64 years
Year	2012	2012	2012
European Union (27 countries)	52.9	73.0	83.5
Austria	56.0	78.2	87.4
Belgium	47.6	73.5	84.6
Bulgaria	37.4	69.1	81.8
Finland	55.2	74.6	84.4
Germany	57.5	78.2	87.9
Greece	48.6	57.3	71.4
Hungary	38.8	67.9	79.7
Lithuania	36.6	67.6	88.2
Macedonia	32.4	57.7	71.9
Norway	65.1	81.3	90.2
Poland	39.8	65.4	84.7
Portugal	63.2	76.0	81.8
Spain	49.2	65.8	77.1

Source: Eurostat. Extracted on 05.05.13.

Table A2 2012 Employment rates by highest level of education attained for 15-24 age group in EU Member States.

ISCED97	Pre-primary, primary and lower secondary education (levels 0-2). Total 15-24 years	Upper secondary and post-secondary non-tertiary education (levels 3 and 4). Total 15-24 years	First and second stage of tertiary education (levels 5 and 6). Total 15-24 years
Year	2012	2012	2012
European Union (27 countries)	19.6	43.5	54.5
Austria	38.0	69.2	71.6
Belgium	11.6	32.9	47.6
Bulgaria	5.3	32.2	62.0
Finland	22.4	62.0	74.2
Germany	32.1	62.4	76.2
Greece	7.7	14.7	41.5
Hungary	5.1	29.3	54.4
Lithuania	4.6	31.7	67.0
Macedonia	5.2	22.4	30.2
Norway	47.9	66.3	70.4
Poland	6.4	38.9	45.6
Portugal	18.5	28.4	37.4
Spain	16.8	18.4	38.1

Source: Eurostat. Extracted on 05.05.13.

Table A3 PES cooperation with education and training providers, career guidance providers

	Cooperation with providers
Austria	Close cooperation especially with provincial governments and municipalities with the goal to concentrate financial resources for upgrading low skilled jobseekers or to offer them temporary jobs.
Belgium (Le Forem)	Cooperation through structural partnerships (i.e. with partners that share the same management structures with Le Forem, e.g. Local Job Centres) and contracting-out (for very specific services).
Belgium (VDAB)	These partners are asked to input into the development and evaluation of the annual action plan. The PES is evolving to a more structural agreement with all partners in the adult education field.
Bulgaria	Experts from the Employment Agency participate in the Commission for Career Guidance at the National Agency for Vocational Education and Training along with employers' organisations and trade unions.
Greece	One of the eight work strands of the programme "Reengineering of OAED's Business Model", which aims to upgrade OAED in organisational, business, and operational terms, with the aim of improving the quality and efficiency of its services, is focused on the development of partnerships for service delivery.
Hungary	Reducing the drop-out rate is one of the key objectives of the government, it is also included in the EU 2020 national targets. However, there is no national PES policy on this issue. Outsourced organisations provide most of these services to VET schools and adult education institutes.
Lithuania	In 2011-2012, the LTE closely cooperated with the University of Management and Economics, Public Enterprise and youth issue coordinators in various municipalities. Representatives from a range of organisations including employers, municipalities, psychologists and social partners participated in events organised for graduates and school-leavers.
Republic of Macedonia	There is cooperation with education and training providers, career guidance providers, municipalities, youth services at management level.
Norway	A central agreement between the Ministry of Labour and Association of Regional and Local Authorities led to the establishment of local agreements with a focus on overlapping target groups and implementing coordinated practical schemes. The goal is to increase the rate of completed upper secondary training/vocational training as well as making educational means more available for the unemployed.
Poland	There are examples of specific co-operation in the region, e.g. the Malopolska Partnership of Labour Market, Education and Training Institution, which has 111 members from the education, training and labour market sectors.
Spain	The Ministry of Education, Culture and Sport, vocational guidance services of all the Spanish autonomous communities, local councils and the Institute of Youth, INJUVE co-operates in different aspects.

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

Table A4 PES Cooperation with Social Partners

	Cooperation with social partners
Austria	The social partners are involved in important decisions at all organisational levels.
Belgium (Le Forem)	Not specified
Belgium (VDAB)	These partners are asked to input into the development and evaluation of the PES annual action plan. They are also represented in the board of directors.
Bulgaria	Not specified
Greece	Representatives of the Social Partners participate in designing and approving all PES programmes. The OAED Administrative Board is based on the principle of tripartite representation.
Hungary	The Hungarian government signed a long term agreement with the Hungarian Chamber of Commerce and Industry; employers also have opportunities for cooperation through the work of the county development and training councils.
Lithuania	The LTE cooperates with employer associations, trade unions and other social partners. This cooperation aims at identifying development prospects in specific areas of activity and the needs for experts in such areas. Cooperation agreements are made which agree to jointly prepare and implement strategies, programmes, etc.
Republic of Macedonia	There is cooperation with chambers of commerce/other employer representatives, and social partners.
Norway	There is an agreement concerning inclusive working life signed by the Government and labour market organisations. The goals of the agreement are to prevent and reduce sick-leave, enhance the job-presence, improve working-environment and prevent exclusion and drop-out from the labour market. Furthermore, it is a goal to increase employment of persons with reduced working ability.
Poland	The PES cooperates with the social partners on the basis of dialogue with the employment councils at national, regional and local level. Employment councils take part in the decision making process not only for labour market policies but also in the field of education.
Spain	The Strategy for Entrepreneurship and Youth Employment 2013-2016 proposes to promote public-private collaboration with placement agencies and companies in their role as organisations collaborating with the PES, with the aim of increasing effectiveness and efficiency of placement services.

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

Table A5 Good practice and future challenges in PES partnerships

	Good practice and future challenges
Austria	Close contact and good cooperation (regular communication and meetings) across systems and organisations.
Belgium (Le Forem)	In relation to other operators Le Forem has now to identify whether to act as an 'operator' or as a 'coordinator' of the labour and vocational training market.
Belgium (VDAB)	Regular maintenance of partnerships. Monthly meetings to get to know each other's needs and demands. Making the annual plans with all partners together helps to make sure no low-skilled person can slip through the net
Bulgaria	Framework agreements between respective authorities involved in career guidance activities to ensure good partnership work best. Future challenges are the elaboration of new methodologies and specialised information products.
Greece	There is no partnership framework for supporting specific categories of unemployed people. Partnerships for service delivery are one of the eight work strands of the programme to reengineer the PES's business model.
Hungary	The main challenges for the future include to: share activities between education and employment services; develop local partnerships; develop the work of the skills councils, develop and rewrite the PES mission statement; and develop partnerships with the institute responsible for all schools in the country and the newly established training and research institute.
Lithuania	Personal relationships and informal communication enable the most effective cooperation. The future challenge will be to successfully coordinate methods of work and lines of action across various state authorities and NGOs.
Republic of Macedonia	The main future challenge is better cooperation between PES and chambers of commerce, other employer representatives, providers and Ministry of education and science.
Norway	Structured co-operation and co-ordination on management levels both at county- and local levels provides a basis and framework for practical collaboration and coordinated individual services. However, different regulations in the sectors, different purposes of the measures and variations of distributed budgets make it challenging to target the individuals with holistic services.
Poland	The main challenge for the future is the cooperation of social care institutions and developing cooperation between PES and other providers of labour market services
Spain	The main challenge is the private – public cooperation and to keep the good results provided by the Royal Decree whereby training and learning contracts are implemented and the basis of dual vocational training are laid down (monitoring and evaluation strategy).

Source: Contributions provided by PES for the Peer Review, summarised by ICF GHK

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