



## Mutual Learning Programme

### Peer Review on 'Youth unemployment: how to prevent and tackle it?'

25 - 26 November 2013, The Hague (The Netherlands)

#### *Executive Summary*

The Peer Review was held to enable Member States to consider the best ways of supporting young people to enter into the labour market or further training. Addressing this issue was particularly pressing at a moment of high average youth unemployment and inactivity across the EU. Hosted by the Dutch government on 25-26 November 2013, the event brought together ministry officials, social partners and independent experts from Greece, Germany, Ireland, Latvia, Lithuania, Romania, Spain and the UK, as well as representatives of the European Commission.

The Dutch approach to youth policies was of special interest. When compared with the rest of the EU, the country had the lowest rate of young people not in employment, education or training (NEETs) (less than 5% in 2012, against an EU-28 average of 13.4%) and one of the lowest youth unemployment rates. The Netherlands also ranks consistently highly in international comparisons of the skills levels of young people. This positive performance seems largely to be the result of long-term policies leading to human capital formation and sustainable economic growth.

The key messages discussed can be summarised as follows:

#### **Policy messages for preventing and tackling youth unemployment**

- 1. Youth unemployment is a structural issue that requires a strategic, long-term approach.**
- 2. Prevention is better than cure.** Where possible, integrated datasets should be in place in order to track and approach those at risk of ESL (e-registers, good administration systems etc.) as well as ensuring a good transfer of data.
- 3. Support should be targeted at those who are most at risk of becoming NEET** (individuals or families). Some NEETs such as the very low-skilled, the disabled, young people with special health or family issues or young people from a migrant background face specific barriers to either stay or reengage in education and training and/or access the labour market. The success of the early intervention also depends on offering person-centred, holistic approaches to counselling, on the setting-up of individual action plans and case management.
- 4. Good cooperation is required at the local level to tackle this issue;** there must be strong partnerships between local agencies so that young people are quickly directed to the right services and there is less chance of someone 'falling through the net'. Such an area-based approach is a common strategy for tackling youth unemployment. Local stakeholders should around exchange best practices around youth employment and reintegration.
- 5. Governments should work with social partners** to foster the creation of apprenticeships,

work placements and skills validation schemes, as well as to boost their status.

### **Reducing early school leaving (ESL)**

All countries agreed on the importance of acting early to reduce ESL. In the context of expanded educational opportunities and upgraded skills needs in many sectors, low qualified young people are particularly vulnerable to 'falling through the cracks' in the modern labour market. For instance, they are significantly more likely to be unemployed than those with qualifications. They are also at risk of falling into the 'NEET' category, which can have profound implications for their long-term health, salaries and wellbeing.

When designing policies to bring down early school leaving, Member States had fairly established information and administration systems for tracking those 'at risk', such as digital pupil registers (e.g. in Lithuania and the Netherlands) and the exchange of information between education, employment and care services (such as in Ireland). There was a strong consensus in favour of using this information to target support at individuals, families and schools most in need.

At the individual level, early guidance can be offered in schools to explain the range of alternative, often vocational, pathways available. As emphasised by the Dutch social partners, this coaching/guidance is a way of matching young people to the right courses, as well as encouraging them to appreciate their qualities and skills. This service can be offered by a range of providers (schools, public employment services, companies etc.), depending on the national context. At the family level, parents and relatives should be engaged to keep their children in education or training. Member States pursued this by establishing direct relationships with them, as well as introducing sanctions for those who repeatedly failed to fulfil this role (UK, Germany). On the level of schools, most countries had set up direct and indirect incentives for schools to reduce their ESL rates. Such schemes seem to offer some potential, although it was emphasised that these (often financial) incentives must be used wisely so as not to encourage the reverse of their intended effects. For example, they should not result in young people being forced to stay in mainstream education if an alternative pathway would be more effective; furthermore, schools should not be incentivised to cherry pick the 'easiest' pupils and reject those facing multiple disadvantages.

### **Reintegrating those not in employment, education or training (NEETs)**

Participants emphasised that young people out of employment, education and training are not homogenous, even if individuals from certain backgrounds are more likely to fall into this category (those from migrant backgrounds, those with disabilities, those from households with a lower income, etc.). The diversity of this group requires a range of individualised, holistic responses. For instance, whereas some individuals may require vocational guidance, others may be facing family issues and need the added support of national care organisations. Those with disabilities or mental health issues may need to interact with the medical system as well as the employment services, in order to ensure they are able to access job opportunities on equal terms with others. Often, some form of social welfare assistance may be required over the course of a young person's training / education. In sum, young NEETs are united by their need for support, rather than by the nature of the support they need.

Many Member States agreed that local partnerships are needed along the NEET pathway into training or labour market engagement, as local organisations are best placed to understand the immediate labour market situation, to identify young people in need, and to create individualised

reintegration plans. In some countries, local offices have smaller caseloads and are able to spend more time with disadvantaged young people.

It is crucial that there is 'no wrong door' for a young person, and that he/she is quickly directed to the right service regardless of the point at which he/she approaches the system for help. Ideally, 'one stop shops' should exist, representing many agencies but offering what appears to be a single service to young people.

### **Fostering skills development and improving the links between education and the labour market**

An interesting trend in some Member States has been the emergence of formal laws and processes to validate skills that have been gained informally or externally. Crucially, these schemes serve as a type of 'second chance education', available not only to early school leavers but also to those who have dropped out of the system at a later stage.

In Member States, there is growing appreciation of the value of apprenticeships and other dual training pathways, particularly as countries with strong systems of this nature appear to have been more able to address the challenges facing youth employment in the crisis. However, it was warned that there is not always 'parity of esteem' between different pathways. Winning the support of social partners (employers' organisations, trade unions, etc.) was seen as vital for 'selling' these routes to young people and their families.

Many Member States have introduced targeted subsidies and other incentives to encourage employers to take young people on and / or to create apprenticeships. However, it must be ensured that these are time limited and do not have strong deadweight effects.

In general, setting up connections between schools, VET colleges and the wider labour market was seen as vital if young people are to retain faith in the value of success in education and training. All countries had undertaken schemes to improve these ties. Given the inherent uncertainties of skills forecasts, it was also emphasised that vocational training curricula must be updated on a regular basis. The involvement of social partners and employers themselves is seen to be critical in this updating.