



# **The European Commission Mutual Learning Programme**

DG Employment, Social Affairs and Inclusion

## **Key policy messages from the Peer Review on 'Emplois d'avenir' ('Jobs for the future' scheme)**

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## 1. Executive summary

This report summarises the key policy messages from the Peer Review hosted by the **French Ministry of Employment, Labour, vocational training and social dialogue** on the 10-11 February 2014, as part of the Mutual Learning Programme.

The event brought together government representatives and independent experts from **Bulgaria, the Czech Republic, Greece, Germany, Ireland, Italy, Norway and Spain**, as well as representatives of the European Commission.

The Peer Review focused on measures to improve the position of young people facing obstacles to access the labour market, a key priority across EU Member States in the context of the implementation of 'Youth Guarantee' plans.

### **The 'Emplois d'Avenir' (EA) scheme in France: learning from past programmes to design ambitious measures for youth at risk**

The EA scheme is France's flagship initiative to support labour market participation of young people with lower levels of educational attainment, from disadvantaged areas or with a disability. The scheme is part of the government's pledge to curb youth unemployment. So far, the EA scheme, which was launched at the end of 2012, has been the most ambitious active labour market policy for disadvantaged youth implemented in France both in terms of the intensity and length of support provided. The EA 'fills a gap' in the current offer of policies for low-skilled young people and targets sectors such as the public and non-for-profit sector where apprenticeship training is currently not well-developed.

#### **The Emplois d'Avenir: an overview**

- *Target group:* young people aged 15-24 with low qualification levels, i.e. at most a vocational qualification (CAP or BEP in French) not giving access to higher education, corresponding to ISCED 3c level; some exceptions apply (disabled youth; youth with higher qualification levels from disadvantaged areas)
- *Scope:* country-wide, profit and non-profit sectors
- *Type of measure:* subsidised work contracts complemented by the provision of a training plan (which can include informal training, non-formal training and/or formal, qualifying training if appropriate) and counselling
- *Objectives:* 100,000 contracts in 2013 (achieved) and 50,000 additional contracts to be signed in 2014
- *Budget:* EUR 3.5 billion - State contribution is of 75% of the wage in the non-for-profit sector, 25% in the profit sector; additional budget for extra counsellors
- *Length of contract:* one year, renewable up to 3 years
- *Leading organisation:* network of *mission locales* (public-funded specialised local agencies for youth, not depending directly from central government, working in close cooperation with the main operator of the Public Employment Service)

**While the impacts of the EA scheme cannot be evaluated yet, its design and innovative features - compared to subsidised job schemes implemented in France over the past decades, or in the rest of Europe - drew interest from the Peer Review participants.**

Unlike previous measures, the EA scheme relies on clear eligibility criteria and targets the less qualified young people and/or those living in disadvantaged areas who have been unemployed for some time.

The scheme involves a mandatory training component, to be defined in an individual training plan. However some flexibility is allowed concerning the content of each training plan. This can include formal (qualifying) training, non-formal training complementary to the scheme and informal training. In addition, young people are mentored by their employers. EA contracts are full-time and of a relatively long duration in order to help young people build sustainable pathways (one year contracts, renewable twice - up to three years in total).

**The scheme is implemented locally by specialised agencies in charge of youth inclusion (*missions locales*), working in close cooperation with Pôle Emploi, the main operator of Public Employment Services (PES).**

The *missions locales* recruit young people and employers, act as intermediary and operate the 'right' matching process at the micro level. As signatories of the EA contracts, they are responsible for implementing the contract to a high standard. This includes both the individual training plans and the provision of counselling to young people and their employers/tutors, which is particularly intense at the start of the contract. Local implementation is supported by regional coordination, which helps optimise available resources for training. The approach is based on the needs of each area and the priority sectors. An on-going quantitative monitoring of the scheme takes place at the national level.

**Learning outcomes at the organisation level associated with the implementation of the EA scheme have already been observed**, concerning employers' outreach and the elaboration of training plans. In addition, improvements in the design of subsidised job schemes made during the planning and initial implementation phase of the EA may have a 'ratchet effect', particularly concerning the inclusion of a mandatory training component in future measures.

## Key messages from the Peer Review

The key policy messages for designing and implementing effective subsidised job schemes for low-skilled young people can be summarised as follows:

- Subsidised job schemes can play a **countercyclical role** in times of crisis but also help to **solve the 'structural' component of youth unemployment** if:
  - **Well targeted** in order to avoid deadweight and substitution affects; a range of measures should be offered to young people depending on their needs, including 'train first' approaches and/or less intensive and costly measures when suitable.
  - **Combined with training**; 'work first' measures are most effective in terms of employability when they include a training component, especially when leading to the award of recognised qualifications shaped by suitable qualification models/market. Training acts as a "bridge" between short-term and structural measures and helps to develop transferable skills. Training pathways should be fine-tuned according to individual circumstances and needs. They should also open up the possibility to complete vocational training after termination of the measure. Therefore, linking them to as much as possible to the VET system and enhance flexibility of the VET system help to increase effectiveness of combined "work-and-train" measures. Control over the quality of the training component is a key issue for the success of combined measures.
  - **Encompassing profiling, guidance and counselling** to support sustainable outcomes. Some training and capacity-building may be required to allow counsellors to operate the 'right' matching process between the young person and the employer (helping to reduce drop-out) and provide support to both parties from entrance to exit from the scheme, as well as after the exit in case of the most disadvantaged young people.
  - **Of sufficient duration** to ensure lasting outcomes and avoid cyclical issues.
- Importantly, the features of subsidised job schemes should be **tailored according to institutional, labour market and economic contexts**, taking into account the potential for job creation in different economic sectors, the coverage of social benefits, the level of the (youth) minimum wage, available budget for active labour market policies, features of the education system and of public employment services, etc.
- **Strong governance** is essential to any scheme's success. The implementation of holistic programmes for young people relies in large part on:
  - The **right allocation of roles/responsibilities** and choice of lead organisation, taking into account the availability and capacity to reach out to young people and to deal with this specific target group; and the **quality of partnerships** between relevant institutional stakeholders (local and regional authorities, training providers, etc.). Partnerships can be challenging, but can be harnessed via political backing and resource constraints.
  - Developing **commitment from (public and private) employers** as public interventions alone cannot solve the issue of youth integration into the labour market.

- An **appropriate communication strategy** to raise awareness of the scheme's benefits.

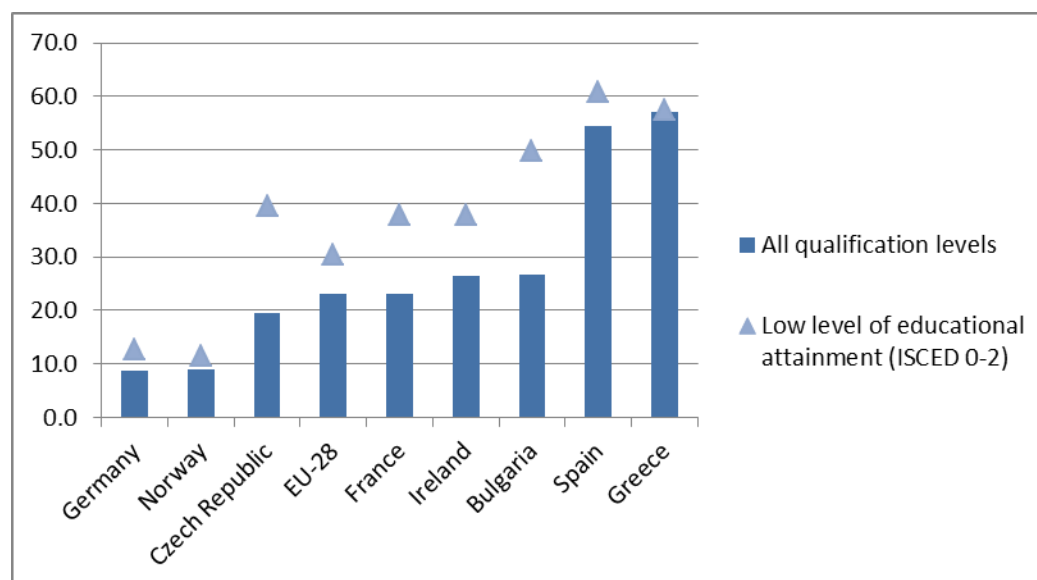
More information on the Peer Review and background material (including a Thematic Paper, a Host Country Discussion Paper and Peer Country Comment papers) can be found [here](#) on the website of the [Mutual Learning Programme](#).

## 2. Addressing youth unemployment: a key policy challenge in Europe

**The economic recession has aggravated the structural issues with youth unemployment in Europe.** In the third quarter of 2013, the youth unemployment rate (15-24 years old) stood at 23.0% across the EU, against 10.6% for the entire active population (15-64 years old). This hides strong disparities across Member States: the youth unemployment rate ranged from less than 10% in Germany to as much as 57.4% in Greece and 60.9% in Spain.

**In general, across Europe young people with low or basic levels of qualifications are most at risk.** In each country, the low qualified are significantly more likely to be unemployed than other groups – in average, about 30% of active young people who had at most an ISCED 0-2 qualification are unemployed. 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. They are also at risk of falling into the 'NEET' category (not in education, employment or training), which can have profound implications for their long-term health, salaries and wellbeing.

**Figure 1. Youth unemployment rates (15-24 years old) in the third quarter of 2013, in the EU-28 and selected countries**



Source: Eurostat, Labour Force Survey

While the probability for young people with low level of qualification to get a job differs significantly across Member States, what is relatively common to all countries is the

fact that they face a **multitude of barriers** to get into the labour market. Influencing factors / barriers include (in either combination):

- Lack of basic skills and vocational skills
- Lack of work experience
- Motivational problems, social and psychological barriers
- Learning disabilities
- Institutional factors (e.g. labour market costs)
- High requirements from employers
- Weak labour market demand affecting the supply side and creating creaming effects

### Strategies and policies to tackle youth employment: an overview

Tackling youth unemployment can be achieved by various means. Key approaches generally focus on either the demand or the supply, but can also be combined. Given the multiplicity of barriers that young people face, **holistic approaches** which integrate different approaches (e.g. use of economic incentives to stimulate employers to offer vocational training, or comprehensive programmes combining hiring subsidies, upskilling measures and counselling) are commonly regarded as being more effective<sup>1</sup>.

**Table 1. Overview of measures to tackle youth unemployment**

Supply side measures	Demand side measures
Directed at young people	Directed at employers
<ul style="list-style-type: none"> <li>▪ Focus on the adaptation of skills to the labour demand via training; helping young people to acquire relevant skills and work experience</li> <li>▪ Rest on / are supported by the provision of vocational and pedagogical guidance and counselling/mentoring</li> <li>▪ Comprise outreach activities mostly targeted at NEETs and activities focusing on specific target groups</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic incentives (hiring subsidies, reduction of social security contributions) to make more attractive for employers to hire young workers and to compensate lower productivity for a limited period of time</li> <li>▪ Job creation measures i.e. aiming to create 'additional' jobs with social and/or environmental utility aim</li> <li>▪ Can be targeted at specific sectors/categories of employers</li> <li>▪ Provision of guidance to local employers on how to take up low-skilled youth in their labour force.</li> </ul>

### A coordinated response at the EU level

<sup>1</sup> See the Thematic Paper prepared for the Peer Review, available [here](#) on the MLP website: Duell Nicola, Thureau Lena/ICF GHK (2014), *Overcoming employment barriers for disadvantaged youth: is linking job creation to training measures a way out?*



Both EU **Employment Guidelines** and the **Europe 2020 targets** emphasise the importance of support to young people through both employment and education. **Reducing early school leaving** has been identified as being central to boosting employment prospects and a target has been set at EU level to reduce school drop-out to 10%<sup>2</sup>. The Commission has also issued sets of Country Specific Recommendations to Member States calling for measures to integrate young people into the labour market.

A key strand of the European Commission's approach to addressing the needs of young people is the **Youth Guarantee**<sup>3</sup>, which aims for all young people up to age 25 to have a quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. As part of this process, Member States are currently developing national Youth Guarantee Implementation Plans<sup>4</sup>. The European Social Fund (ESF) will support the implementation of the Youth Guarantee, along with Member State investment.

The new **Youth Employment Initiative** will also target additional financial support on NEET young people up to age 25 (and over in some cases) in regions experiencing youth unemployment rates above 25%<sup>5</sup>.

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<sup>2</sup> Provisional figures for 2012 put this at 12.8%; source: Eurostat.

<sup>3</sup> The Youth Guarantee was adopted by the Council of Ministers on 22 April 2013.

<sup>4</sup> Countries with the highest youth unemployment eligible for the Youth Employment Initiative must submit plans by the end of December 2013 and others by spring 2014.

<sup>5</sup> This is funded through a new budget line and ESF national allocations.

### 3. Effective economic incentives to support youth employment: key considerations

A series of parameters needs to be considered when designing economic incentives (hiring subsidies, wage subsidies, and job subsidised schemes) with a view to fairness, effectiveness and efficiency:

- **The target group:** it may include all young people or specific groups at a particularly disadvantage on the labour market.
- **The main objectives:** The aim of the subsidy can be to create jobs and foster investment in growing sectors, or to improve the quality of existing jobs for young people. This may depend on the sector(s) targeted. Some nation-wide schemes can have a relatively flexible focus, which can also be adapted at the regional and local level in order to take into account territorial differences in some countries.
- **The intensity of the support** (amount of the subsidy and/or length and characteristics of subsidised contracts): As a general principle, economic incentives should be adapted to the economic context and proportionate to the problem. The level/length of the subsidy should be set to avoid a risk of employer dependencies and market substitution effects.

These different factors are closely interrelated. Indeed, setting the appropriate level and time limits for subsidy depends on the objectives of the measure and the outcomes sought. Cyclical measures correspond to short term investment with flexible subsidies while structural measures aiming for longer-term stabilisation of the labour market. The nature of the target group also dictates the level of support required. For instance, a shorter, less costly internship programme can serve as a 'stepping stone' for young people to get into the labour market, but may not always be suitable for the lowest-skilled, hard-to-place young people, who need extra support over longer periods to improve significantly their level of job readiness.

Furthermore, the amount/length of the subsidy is also heavily contextualised by national budget constraints and practices. In practice, the amount of the subsidy also depends on whether the contract is full-time or part-time, on the level of employer engagement and whether the profit of non-profit sector is targeted. Historically, more subsidies tend to go towards the non-profit sector (also due to state aid limitations in the private sector).

**Examples of hiring subsidies and subsidised work contracts used in Peer Countries show a great variety of practices.** For instance, concerning the target group, some schemes are opened to young people (defined by the age bracket, e.g. 15-24 or until 30 in some cases), while other schemes are based on specific eligibility criteria.

In **Italy**, two different programmes incentivising employers to recruit young people were adopted in Italy concerning in recent years. Both of them seek to tackle the issue of precarious employment among young people (but do not include a training component complementing the role of subsidies):

- In October 2012, the Ministry of Labour and Social Policies and the Ministry of the Economy and Finance established a specific, extraordinary fund with a budget of EUR 233 million to promote hiring of people under 29 years of age (and women of any age) in 2012-2013. The amount of the hiring subsidy paid to employers (EUR 3 000 to EUR 6000) depended on the length of the contract; in addition a higher subsidy (EUR 12,000) was provided to employers who transformed a fixed-term contract into an open-ended one. Results suggest that this measure had an impact of improving the quality of contracts, but the quantitative impact was questionable.

- In 2013, the *Decreto Lavoro* earmarked EUR 794 million until 2016 (EUR 500 million for Southern regions) to provide hiring incentives to employers. The programme focuses on open-ended contracts (or conversion of fixed-term into open-ended contracts) for young people aged between 15 and 29, who had either not been in paid employment for the last six months, do not have a secondary school or equivalent diploma or live alone with dependents. The incentive can amount to up to EUR 650 per employee per month and is paid for 12 months, in case of a fixed-term contract transformed into an open-ended one, or for 18 months for a new open-ended contract. The overall target is to subsidise 100 000 jobs by 2016, but so far the take-up has been slow.

In **Germany**, wage subsidies are also used to ease the integration of the most hard-to-place unemployed youth into the labour market. Employers that hire young people for this group can benefit from 'integration wage cost subsidies' or *Eingliederungszuschüsse* for a certain period. These wage subsidies are paid by the PES for up to one year and cover up to 50% of the gross wages. However, due to positive labour market developments, schemes promoting the access to subsidised employment have been less used in recent times. In 2012, the PES subsidised wages of nearly 25.000 young people.

In **Norway**, wage subsidies programmes are in place and have shown better results for young people in terms of labour market outcomes than other measures (training, follow-up, etc), but are not widely used.

In **Bulgaria**, subsidies are used to develop the social economy, invest in new economies, develop certain regions and encourage labour demand and job creation in certain sectors. This type of subsidies also minimises effects of the grey economy by making legal paid work more attractive and increasing a sense of security in work.

In addition, young people are also able to access schemes to stimulate hiring with a relative broad focus. For instance in **Ireland**, the JobsPlus programme, which offers cash incentives for private sector and NGO employers, is open to all registered unemployed irrespective of age. The amount of the cash incentive is linked to the remoteness of the person from the labour market (the furthest, the higher the incentive).

In **France**, job subsidies are considered as a classical tool of employment policies and various schemes are currently in place. The specificity of the *Emplois d'Avenir* (EA) contracts, introduced at the end of 2012, is that they target specific groups of young people and rely on the use of specific eligibility criteria (see Box below).

#### **The subsidised *Emplois d'Avenir* (EA) contracts in France: 'targeted focus and intensive support'**

Unlike other job subsidised schemes already implemented in France, the EA are fixed-term subsidised contracts geared towards specific groups.

The EA have a double focus on low qualified<sup>6</sup> young people unemployed for a length time and/or from disadvantaged areas, where employment opportunities are scarce. EA are also opened to young people with disabilities.

Some adjustments to the eligibility criteria were made during the first months to facilitate take-up. In addition to using eligibility criteria defined at the national level,

<sup>6</sup> Except in specific areas, it targets only those holding at most a qualification corresponding to the level V of the French classification, i.e. a vocational qualification called CAP or BEP, not leading to higher education – equivalent to ISCED level 3c.

the local structures in charge of implementation of the scheme also select young people for EA based on the individual assessment of their needs, as they can also offer them different measures.

Support provided to young people recruited under EA is particularly intensive. EA subsidised contracts are typically full-time (although part-time contracts are possible). The State financial contribution is of 75% of the wage in the non-for-profit sector, and 25% in the profit sector. The subsidy itself is of relatively long duration (each contract lasts for a year, and renewable up to 3 years) to ensure long-lasting outcomes. In addition, counselling and training are provided, and additional budget is foreseen for extra counsellors.

**A key important aspect in the design of effective schemes to promote youth employment, particularly noticeable in the Host Country policy example, is the articulation of economic incentives to foster youth employment with training and counselling measures.** Available empirical evidence from existing evaluations suggests that job creation schemes and employment incentives, unless they are combined with training elements, cannot compensate for the low skills level of participants and have therefore limited long-term impact on their employability<sup>7</sup>.

The role of the training and counselling components are discussed in turn in the following sections of this paper.

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<sup>7</sup> See the Thematic Paper prepared for the Peer Review, available [here](#) on the MLP website: Duell Nicola, Thureau Lena/ICF GHK (2014), *Overcoming employment barriers for disadvantaged youth: is linking job creation to training measures a way out?*

## 4. Combining work and training to foster employability

**Combining off-the-job and on-the-job, workplace-based related training is generally seen as best 'gateway' towards employment and the most effective approach to upskill young people.** Compared to purely school-based or off-the-job training, including a work-based element helps labour market integration as it creates ties with the employer. In addition, when the two forms of learning are combined, learning outcomes are manifold, covering basic social skills ("soft skills"), specific vocational knowledge and skills acquired through work experience. In addition, combining different types of learning may particularly benefit those young people who failed at school and improve their motivation.

While the advantages of such approaches are widely acknowledged in all countries, active labour market policies for young people that combine work and training differ across Member States. Measures in place in the countries participating to the Peer Review can be classified into the following categories: measures encouraging access to formal initial vocational training schemes combining work-based and school-based training and subsidised work contracts including compulsory (formal and non-formal) training and subsidised apprenticeships.

### **Measures encouraging access to formal initial vocational training schemes, combining work-based and school-based training**

In those countries with a **'dual' training system**, initial vocational education and training systematically combines workplace training and school-based training, (apprenticeship-type schemes). In **Germany** for instance, the 'dual' training is very well-developed and helps to support smooth transitions into the labour market. Therefore, the main emphasis of ALMP for youth is to encourage young people to take part in this type of formal training and acquire a qualification to enable a successful entrance into the labour market.

Pre-apprenticeship programmes have been developed to support young people who face obstacles to access the dual training system. The *Einstiegsqualifizierung* (EQ) scheme is part of the German Social Law since 2007. It follows up on the special federal labour market policy programme, *Einstiegsqualifizierung für Junge*, which had been launched as part of a National Pact with social partners in 2004. The EQ scheme is under the responsibility of PES. The target group comprises young people who were unsuccessful in their search for an apprenticeship placement (even after receiving support from the PES) and those which do not fulfil the requirements for apprenticeship training, including youth from disadvantaged backgrounds. The EQ offers six to twelve months of firm-based pre-training courses, to help participants to firm up their occupational choices and prepare for apprenticeship training, and to improve the quality of the matching with training firms. In average since its launch, the EQ and its predecessor EQJ have offered annually 25.000 places.

### **Active labour market policies for youth combining work placements and compulsory (formal and non-formal) training**

The combination of work and training can also occur as part of subsidised work contracts. As part of ALMP, work experience is provided to young people via a specific type of work contract, which is associated to a training component. The **level of intensity and formality of the training can vary according to the measure**. This depends on the available resources, but can also be tailored according to young people's starting points, their needs and competence, as in the case in France.

### The training component in EA contracts in France

The training component as part of the EA is mandatory. It has to be defined in an individual training plan, agreed with the employer and the *mission locale* in the first months of the contract. However some flexibility is allowed concerning the content of each training plan. It can contain informal training, basic induction training, but also non-formal, off-the-job training courses and formal training if appropriate and/or feasible. The intensity of the training in the EA therefore varies from one EA contract to another, depending on the young person's starting point. Data from the last quarter of 2013 shows at this stage, 65% of the beneficiaries had started to implement at least one training activity.

*Missions locales* actively cooperate with local and regional providers and financiers of continuous vocational training in order to organise training courses according to the needs of participants and of their employers. For example, in the region of Basse-Normandie, cooperation takes place at the regional level; a leading training provider at the regional level gathers information on training requests and seeks to identify common needs.

For the different stakeholders involved in the implementation of the EA contracts, the development of a tailored training component was a new task. Learning outcomes at the organisation level concerning the elaboration of individual training plans have already been observed. The inclusion of a mandatory training component may have a 'ratchet effect', i.e. it could be regarded as a pre-requisite as part of future measures. As the French VET system offers a high degree of flexible pathways, there is a good potential for linking EA to the VET system, taking into account the degree of disadvantage and the educational level of the young people.

The relatively long duration of the EA contracts also helps young people to develop and consolidate new skills. At the end of the contract, participants can make use of existing procedures to undertake a procedure of validation of their learning outcomes (called VAE in French), in order to acquire a recognised qualification.

In **Norway**, as part of the "New Possibilities" initiative (Ny GIV) launched in 2010, the so-called 'Follow up Service' targets young people NEETs and helping them to get back into school or into work. It combines training programmes organised by the educational authorities at the regional level aiming towards formal competences, with traineeships organized by local employment authorities (NAV), providing work practice and training. The main focus on the "New Possibilities" initiative is however, on formal basic education, i.e. encouraging completion of upper secondary schooling.

In **Spain**, the 'training and learning contract' (*contrato para la formación y el aprendizaje*) introduced in 2011 can be classified as an active labour market policy, but it aims at the acquisition of a recognised qualification or a professional certificate (or, where appropriate, credits or partial accreditation)<sup>8</sup>. This type of work contract targets young people between the age of 16 and 30 years<sup>9</sup> who do not have a recognised qualification. However, this contract can also be used for older individuals with disabilities or coming from groups suffering social exclusion. In 2013, more than

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<sup>8</sup> In Spain, two systems of vocational training are in place, one under the responsibility of the Ministry of employment as part of Active Labour Market Policies, leading to the award of professional certificate and one under the responsibility of the Ministry of education (leading to the award of formal qualifications). Overall, vocational training does not enjoy a very good image and there is a growing recognition of the need to develop work-based learning opportunities for young people, which is reflected in recent policy developments.

<sup>9</sup> Until 25 when the unemployment rate will fall between 15%.

100.000 contracts were signed, which can be assessed as a good performance in a difficult economic context.

The work contract generally lasts between one year and three years. Unlike the French EA, it is geared at the private sector and companies select directly the young people they hire. These contracts are associated with economic incentives in order to encourage take-up, but costs per beneficiary are much lower than in France, as only social security contributions are subsidised. Employers are exempted from social security contributions during the full length of the contract. In addition, specific incentives help to finance training activities: employers can claim costs corresponding to up to 25% of the working time during the first year of the contract and 15% during the following years. In return, working hours must be compatible with the time devoted to training activities, which are provided by training centres authorised by education and training authorities or the PES, or in-house if the company is equipped and authorized to do so.

**As part of their ALMP, some Peer Countries have also implemented internship programmes of shorter duration, which do not include a formal training component. Those 'work-first' programmes typically do not focus exclusively on low-skilled young people.**

In **Ireland**, recent ALMP are putting a stronger emphasis on a work-first approach. Indeed, the lack of work experience has been identified as the most significant barrier for jobseekers, while there is a strong consensus on the fact that employers need to play a greater role. Internship programmes are offered as part of ALMP for the beneficiaries of social welfare benefits, including young people. The JobBridge scheme offers opportunity to gain work experience through internships offered by private employers, NGOs and public agencies for six to nine months. Internships are not paid and participants do not receive a work contract, but they retain their social welfare benefits and receive a weekly top-up €50 allowance. About a quarter of participants in 2012 were under 24 years, but as part of the implementation of the Youth Guarantee it is planned to offer an additional 1,500 placements for young people.

In the **Czech Republic**, the Further Training Fund, an organisation of the Ministry of Labour and Social Affairs is running since June 2012 the ESF-funded programme "*Companies Internships – learning by practice*". This programme aims to provide unpaid, short internships of one to six months to job seekers without practical experience and those (re)entering the labour market, i.e. not only young people<sup>10</sup>. Participation is voluntary. At the end of 2013, 5,000 internships placements had been filled, and another 1,000 are planned until September 2014.

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<sup>10</sup> It is not opened to students. The programme has a nation-wide coverage, but does not cover the city of Prague.

## 5. The central role of intermediaries: outreach, matching and guidance/counselling

The local-level coordinator of the scheme plays a central role, fulfilling the following tasks:

- **reaching young people** - including the hard-to-reach;
- **recruiting and cooperating with employers**, explain the benefits of the scheme and address the stigmatisation of the target group;
- **operating the right profiling and matching**;
- **providing guidance and counselling to both parties, while monitoring the implementation and ensuring the quality of the outcomes**;
- **cooperating with other relevant stakeholders** that are associated to the delivery of the measure (e.g. training providers) or act as multipliers.

### Prospective, proactive and cooperative intermediaries

In order to reach those objectives, finding the right intermediary with the right expertise and proximity to both young people and employers is essential. Depending on the national context and features of the programmes, the lead can be the PES, a specific part of the PES or other organisations with relevant expertise

In **Germany**, a specific unit within the PES is specifically in charge of supporting young people and implementing ALMP for youth.

Conversely in the **Czech Republic**, there is currently no dedicated part of the PES dealing with youth; as a result, young people, who generally do not have a generally good image of PES, are unlikely to spontaneously register for support. The coordination and implementation of the ESF-funded programme "*Companies Internships – learning by practice*" is led by the Further Training Foundation (FTF), which depends from the Ministry of Labour and Social Affairs. The matching between employers and applicants is done via an online portal managed by the FTF. To ensure the quality of internships, a tripartite internship contract is signed between FTF, the trainee and the employer, and regular meetings are scheduled to monitor implementation. The FTF also controls the profile of in-company mentors (employers must, at the time of posting the vacancy, identify a suitable mentor with relevant experience). In order to increase the number of placements and promote take-up, communication activities focused on how to attract employers and use employers as ambassadors. The campaign used short statements from employers who had offered placements. Chambers of commerce and sectoral councils also play an important role as multipliers as they contact companies to ask them to provide training positions.

In **France**, as part of the EA scheme, this role is played by the *missions locales*, who have a specific expertise in the area of youth and guidance/counselling, and have stepped up their cooperation with local employers during the initial phase of the programme. *Missions locales* also cooperate on a regular basis with other actors of the PES as part of EA via 'operational cells'.



### Match first, accompany next: the role of *missions locales* in implementing the EA scheme

At the core of the EA, the *missions locales* recruit and support young people and employers. Accompanying both young people and employers is seen as a key success factor of the EA scheme.

On the one hand, *missions locales* are best placed to reach young people facing difficulties to integrate the labour market. Their role is to support young people age 16 to 25 and provide guidance and counselling on a range of issues, including employment. As such, they receive many spontaneous visits and requests from **young people NEETs not registered with the PES**. In 2012, *missions locales* have received visits from more than 1.3 million young people, among whom 500,000 young people who had never come to a *mission locale* before. Since the launch of the EA, the number of the young people received has grown by 13%.

In order to identify suitable placements, *missions locales* build on their knowledge of local labour markets and contact local employers to showcase the benefits of the scheme. They also help employers to define and formalise placement offers and adjust their expectations.

*Missions locales* then act as an intermediary and operate the 'right' matching process at the micro level between the young people and employers. Thanks to the quality of this matching, the proportion of contracts ended prematurely (during the first weeks) is so far very low at around 3%.

As signatories of the EA contracts, *missions locales* are responsible for implementing the contract to a high standard, providing counselling to both young people and their employers/tutors along the duration of this contract. Each contract is followed by one counsellor who acts as key reference person for both the young worker and tutor. Support is particularly intense at the start of the contract. For instance, counsellors from *missions locales* help to design (and later implement) individual training plans. This has required new ways of working and cooperating with employers and specific negotiations skills.

### Guidance/counselling as a key success factor

The intensity of guidance and counselling (including follow-up support provided after the implementation of the contract)<sup>11</sup> building on the expertise of *missions locales*, is a key characteristic of the French EA scheme. Quality guidance and counselling is resource-consuming but is decisive in ensuring sustainable outcomes, especially for those young people most at a disadvantage.

**None of the Peer Countries have so far implemented subsidised job programmes that are similar to the EA in terms of the intensity of the guidance and counselling component; however, the importance of this component is acknowledged in the context of other active labour market policies and measures.**

For example in **Germany**, intensified counselling and guidance is used as a very early stage in order to prevent early school leaving and encourage young people to access dual vocational training. Such support is provided by specialised counsellors to low-performing students during secondary school. The core instrument in this context is the "Berufseinstiegsbegleitung" scheme (mainstreamed in 2011), which supported more than 20.000 young people in 2012.

<sup>11</sup> The support to young people and employers (including early guidance, counselling and follow-up) is described under the generic term of '*accompagnement*' (accompaniment) within the EA scheme.

In addition, guidance and mentoring also play an important role in 'work-first' activation measures. For example, some countries use internships as shorter programmes to give an opportunity to young people to get relevant work experience, generally in a private company. When no off-the-job training is provided, a crucial aspect of the internship programme is the quality of the guidance provided to both parties and of the mentoring/tutoring provided by the host company. However, currently training provisions for mentors are still too rare. In **Ireland**, as part of the JobBridge internship programme, no specific training for the mentors is in place, but regular meetings with mentors and interns take place to monitor the quality of the internships.

**A key challenge for the PES and other intermediary bodies implementing measures for young people is the availability of specialised staff to provide guidance and counselling to participants and employers**, especially in light of current budgetary constraints.

In **Bulgaria** for instance, young people are considered as one of the priority group of the PES, however, the lack of financial resources to train PES counsellors to work specifically with young people is a challenge. The main focus is on early activation of young people.

## 6. Conclusions and Next steps

Due to the high cost of the EA scheme per participant, this measure is not directly transferable to other Peer Countries and other EU countries that face high youth unemployment rates. However, specific elements of the EA scheme that can be replicated elsewhere are the **combination of the right 'building blocks'** (work experience, training and counselling) to overcome the multiple challenges faced by some young people to access the labour market and the focus on longer-term economic objectives and targeting specific sectors.

According to Peer Review participants, the objectives of a scheme to support low-skilled youth should be to **contribute to youth labour market integration and upskilling** (including access to recognised qualifications), but also to support the **motivation and personal development** of beneficiaries. Importantly, this type of scheme should focus on strategic objectives and middle-term and long-term outcomes rather than short-term impacts.

To be successful, an effective scheme should:

- Offer comprehensive support (integrated programme)
- Include a balance between rights and duties both for young people and for employers providing placements (e.g. obligation to train supported by appropriate financial incentives),
- Be flexible and tailored to the needs of young people and employers.
- Rely on solid coordination/partnerships,
- Rely on political support, and
- Be supported by appropriate management and follow-up.

The main messages from the Peer Review can be summarised as follows:

- **Subsidised job schemes can play a countercyclical role in times of crisis but also help to solve the 'structural' component of youth unemployment** if they well targeted in order to avoid deadweight and substitution effects, encompass training, profiling and counselling/coaching are of sufficient duration to ensure lasting outcomes.
- **Importantly, the features of subsidised job schemes should be tailored according to institutional, labour market and economic contexts**, taking into account the potential for job creation in different economic sectors, the coverage of social benefits, the level of the (youth) minimum wage, available budget for active labour market policies, features of the education system and of public employment services, etc.
- **Strong governance is essential to any scheme's success.** In addition, the success of a nation-wide scheme job subsidised scheme to support youth employment also relies on its flexibility, as there are important local and regional organisational differences to account for.

The implementation of holistic programmes for young people's skills relies in large part on:

- The **right allocation of roles/responsibilities**, the local-level coordinator of the schemes plays a central role and has to be prospective, proactive and cooperative
- The **quality of partnerships and on commitment from (public and private) employers**. Public interventions alone cannot solve the issue of youth integration into the labour market – they have to cooperate with employers
- An **appropriate communication strategy** to raise awareness of the scheme's benefits.

These were among the key issues of interest to participants and further follow up and transfer of experiences on selected items was encouraged. The [Mutual Learning Programme](#) can provide assistance in further processes of exchange.