



**The European Commission Mutual Learning Programme
for Public Employment Services**

DG Employment, Social Affairs and Inclusion

**PES MEASURES TO INCREASE YOUTH
PARTICIPATION IN THE LABOUR MARKET**

Peer country paper Youth Guarantees
(Input to Peer Review, Austria, 22/23 March 2011)

Tiziana Lang, Researcher, Ministry of Labour and Social Policies
in collaboration with GHK Limited / Budapest Institute
Date: March 2011

The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

CONTENTS

1	COUNTRY SPECIFICS OF YOUTH UNEMPLOYMENT – RISKS FOR LOW-SKILLED YOUNG PEOPLE	3
2	PES ORGANISATION AND SERVICE PROFILE.....	4
3	ENSURING ACCESS TO PES FOR YOUNG PEOPLE	6
4	PES SERVICES AND PARTNERSHIPS FOR YOUNG PEOPLE.....	7
5	EFFECTIVE PES MEASURES FOR YOUNG PEOPLE	9
6	ASPECTS OF TRANSFERABILITY AND CONCLUSIONS	12
	REFERENCES.....	13

1 COUNTRY SPECIFICS OF YOUTH UNEMPLOYMENT – RISKS FOR LOW-SKILLED YOUNG PEOPLE

The labour market for youth in Italy is showing a critical situation following the increase in the unemployment rate of young people aged 15-24 during the period of the crisis by more than 4.1 percentage points. This equates to a rise from 21.3% in 2008 to 25.4% in 2009, which is nearly 6 p.p below the EU average for the same timeframe. The latest official available data (adjusted data) on youth unemployment is that related to the third quarter of 2010, which shows a rate of 24.7% unemployed people aged 15-24. According to the latest monthly data released by the National Institute of Statistics (provisional data) and related to December 2010, unemployment among young people increased by 2.4% p.p in one year, reaching the rate of 29.0% .

On the other hand, the employment rate of young people aged 15-24 shows a less significant decrease in comparison to the recorded increase in unemployment (-2.7%); the latter is probably due to the observable low starting rate in 2008 which was equal to 24.4% (in 2001 the youth employment rate was equal to 29.5%). If we look at the employment rates of young people taking into account their educational levels, we find that 19.5% of those who hold a primary (elementary) school-leaving certificate are employed, while only 13.4% of those who hold a certificate from the middle school (junior high school) have a job. Similarly, the employment rate of boys and girls who have got a secondary school leaving certificate is equal to 32.1%, while that of young people who hold a university degree is equal to 24.9%.

According to the latest Monitoring Report on Compulsory Schoolⁱ (which is based on the data for the year 2007-2008 submitted to the Ministry of Education and University by the Regional Authorities and Public administrations in charge of education and vocational training, as well as of those in charge of PES), 89.0% of young people between the ages of 14 and 17 (2,080,148 absolute value) attend compulsory and middle school, 4.4% go to vocational schools, while 1.7% work in apprenticeship training. 5.2% of all youths under 18 (121,000 absolute value) leave school without a school-leaving certificate/degree. They are mostly living in the southern regions of Italy where the share of drop-outs who do not attend any vocational school is 8%. Among the drop-outs, 65.7% live in the South, nearly 20% in the North (North-West 14.4%, North-East 5.5%) and 14.4% in the Regions of Central Italy.

Three out of four youths (75.7%) aged between 15 and 24 obtain a school-leaving certificate, and about 41% of them go on to university. The trend recorded from 2001 to 2007 shows an increase of about 5% in the rate of new registrations (from 35.9% up to 41.4%).

As far as the use of PES services by young people is concerned, in 2007 nearly 58,000 youths were assisted by PES; among them, 22,525 entered vocational training pathways and 32,324 started an apprenticeship activity, while 3,159 decided to complete their school career.

2 PES ORGANISATION AND SERVICE PROFILE

Overview of key aspects of PES organisation and service profile

Over the last 13 years, the reform process of the Italian PES has taken place. A number of legislative acts have been introduced to decentralize PES management from the national administrative level to the local level (legislative decree 469/1997, l.d. n. 297/2002, decree n. 30/2003). Before this reform, the PES were centrally managed by the Ministry of Labour and were almost exclusively in charge of the certification of the recruitment process and the registration of job offers and job seekers (in terms of recording information on the individual's unemployment spells and transitions towards employment).

The reform process meant that PES offices had to be decentralized to the regions (Regioni – NUTS2), in order to make them more effective in the local labour markets. The regions kept the strategic planning of ALMP and services for themselves, while the administrative running of the PES was in turn decentralized to the provinces (Province – NUTS3). As a consequence of this process, there may be some geographical differences due to the different forms of PES organization chosen by each local authority.

The above-mentioned reform pursued the main goals of: improving, at the local level, the PES governance of the labour market; enhancing the employability of the unemployed who face significant difficulties in finding a job (unskilled, long-term unemployed, women, disabled people, drop-outs, etc.); increasing the effectiveness of matching labour supply and demand.

A further goal of the reform was to introduce private employment agencies into the Italian labour market (Decree 30/2003). Their role has been specified in the subsequent regional Acts and does not include the delivery of any official certificate, such as that relating to unemployment which gives entitlement to benefits and incentives. Private employment agencies can by law implement all kind of services for unemployed people but up to now they mostly offer supply/demand services and some training (for adult people only).

The 538 PES that are active in Italy are financed by public funds coming from the Regions and from the Ministry of Labour. Between the years 2000 and 2008, the Ministry of Labour contributed to the improvement of PES with 285 000 euro, which was distributed amongst the Regions according to two indicators: the number of unemployed people and the total population older than 15 years in the Region. Furthermore, a large amount (more than 1.2billion euro) of the ESF resources for the programming period 2000-2006 was also devoted to the PES network and to develop the PES personnel's skills and competences.

Currently PES activities consist of a complex system of functions designed to reduce unemployment duration and improve the information flow between demand and supply in the labour market. These functions can be summarized with the following general tasks:

a) collecting information on labour supply and demand in the local labour market;

- b) identifying priority target groups (long-term unemployed, unskilled, women, disabled, immigrant citizens);
- c) providing individual services and placement programmes;
- d) supporting job search and participation in professional training courses, facilitating access to the labour market;
- e) providing counselling to companies, information and support on existing specific incentives (collective dismissals policies, tax reductions, assistance on outplacements, etc.);
- f) promoting self-employment (job creation schemes).

Those services are offered largely in house since only a minimum part of the PES services such as tutoring for self-employment and start-up is contracted out. The PES also contracts out counselling and guidance to structures specialized on young drop-outs needs/problems (psychologists public services/private associations, etc.), Concretely, the new PES setting in Italy establishes that the PES have to offer their clients one of the following three alternatives:

- a personal counselling interview within three months of the unemployment declaration during which the PES staff outline to the unemployed person the possibilities for finding a job in that province (training courses, vacancies opened by firms, etc.);
- a short vocational training course and/or work practice, within 6 months from the unemployment declaration; this time period is reduced to 4 months in the case of young people, and women who have been of the labour market for more than two years;
- a job proposal.

An individual can decide to enrol at the PES on a voluntary basis. Once an individual is enrolled, he has to accept the program established by the PES.

In an increasing number of PES (65.8% of all PES), there are services specifically devoted to young people (14-18) whereby professionals tutor drop-outs and other at-risk youths to help them complete their compulsory education. In 2007, (based on the most recent available data), the number of professional tutors active in the PES was equal to 432.

3 ENSURING ACCESS TO PES FOR YOUNG PEOPLE

Focus on co-operation with schools and other PES activities to reach young people

The co-operation with schools is not foreseen by law in Italy. Therefore, the PES co-operate with schools on the basis of local agreements and projects promoted autonomously by the Regions and Provinces. This cooperation figures within the education and vocational training system managed by the Regions themselves (IeFP – Corsi di Istruzione e Formazione Professionale), which has a special focus on guidance and counselling services.

Schools are therefore working together with PES and other relevant social partners in local partnerships to implement projects and activities targeted at students, families and school personnel (teachers and officers). A great number of initiatives and events are promoted at the local level in nearly all Regions. Those activities can be grouped as follows:

1. **Information events** (VET Fairs, Counselling days, Media Campaigns, etc.) are organized in mostly all Regions for youth and families with the main aim of filling the gap of information on vocational education and training offered in the relevant territories (VET and apprenticeships) to complete compulsory education.
2. **Pilot projects** (summer course for students in the third and fourth year of upper secondary school, tutoring for drop-outs, guidance days for students in lower and upper secondary school on labour market legislation and PES services for young people, promotion of apprenticeships, promotion of technical and scientific professions and studies, etc.)
3. **Production of toolkits**, software, tests for guidance and counselling
4. **Training courses for teachers and trainers** to improve their integration into the systems related to State Professional Education (3+2 years with final certificate/degree = Diploma) and Regional VET (IeFP 3 or 4 years with professional certification)
5. **Networking activities** among public administrations, VET institutions, state schools, PES and social partners to promote guidance and counselling initiatives and services minimise the number of drop-outs and promote apprenticeships and VET.

Some projects targeted at young immigrants fall within these pilot activities and have been implemented in some Provinces (Prato, Ascoli Piceno, Arezzo) and Regions (Emilia Romagna, Veneto, Liguria, Valle d'Aosta, Toscana, Marche). They foresee specific actions aimed at supporting social integration and the formative success of students coming from immigrants' families (literacy courses and guidance sessions).

4 PES SERVICES AND PARTNERSHIPS FOR YOUNG PEOPLE

Summarise core and specialised services provided by PES to young people

86% of the Italian PES provide welcome and counselling services to young people (445 out of 538 PES). Most of these PES are in the provinces of North Italy (with peaks of 94% of PES active in the North-West). PES deliver their services in the relevant territories by organising themselves according to either a “diffuse” model (all PES provide specialised services to young people) or a “centralised” model (one central PES in the Province provides all core and specialised services).

There are no rules defining the timescale for the activation of youths registered at the PES. According to the PES Monitoring Report for 2007 (based on the data submitted by the 416 PES responding to the monitoring questionnaire), the services provided by PES for all PES registrants include:

1. Registration of unemployed (in 79% of PES)
2. Welcome services which includes advice about services delivered by the PES, scheduling for services on appointment, distribution of information pack (where available) (in 82% of PES)
3. Counselling sessions (in 84.7% of PES)
4. Guidance sessions (in 79.9% of PES)
5. Tutoring (in 62% of PES)
6. Monitoring (in 72% of PES)

13.9% of PES do not provide any service to young people aged between 15 and 18 (compulsory school attendance age and compulsory educational/vocational age). 58% of PES provide all of these services.

38.7% of PES deliver core and specialised services both in house and by means of local partnerships (social partners, employers/entrepreneurs’ organizations, VET institutions, schools, etc.), while 47.4% deliver these services directly in house or in “centralized” structures (as quoted above – one PES in the Province specialized on youth approach).

The data entry service is done mostly in house (45.7%) or “centralized” (30%), as are the welcome and information services (respectively 67.5% and 69% in house). However, the guidance and tutoring services are still mainly delivered in house (53%), although there is an increasing share of externalization for those services (respectively 14.9% and 13.1%).

The Province that is in charge of the PES puts in place special Websites/Web pages targeted at young people which provide information and guidance about VET and labour legislation (apprenticeships and internship regulation), as well as voluntary work and summer job experiences.

PES usually offer the following services to private employers and enterprises:

- Advisory service on PES activities and labour market policies (active/passive) implemented at the local and national level, the including benefits/incentives associated with youth apprenticeships, such as training vouchers financed from ESF resources (Operational Programmes at provincial, regional and national level). The PES also deliver an advisory service on labour legislation and collective agreements.
- Support in the publication of job vacancies and in the matching of job offers and demand

Support in the filling in and transmission of the “Obligatory Communication” that all employers have to transmit to the Ministry of Labour whenever employing a new employee (apprenticeship is by law a labour contract with training goals).

5 EFFECTIVE PES MEASURES FOR YOUNG PEOPLE

Focus on effective measures for young people implemented (either directly or indirectly) by PES, especially for low skilled young people

The effective measures implemented by PES include:

- a. individual interview and informative sessions
- b. individual guidance interviews
- c. tutoring

The individual interview and information sessions involved nearly 115,000 young people in 2007 (they were 101,791 in 2005, which means an increase of 12,6%). Individual guidance responded to the needs of 71,402 youths (in 2005, they were 54,796) and more than 15,000 young people were involved in tutoring activities.

The first two services undertaken to make young people aware of their choices - and above all, of the choices they have to make for their future (work, apprenticeship, traineeship, vocational training, completion of compulsory education in apprenticeship training, etc.) - are more widespread and used by young people. The tutoring services are mostly activated to deal with specific problems such as: young drop-outs, social exclusion, disability, immigration difficulties, etc. to support young people into apprenticeship and vocational training.

It has to be stressed that, until recently, the PES did not have a national youth employment scheme specifically targeted on young people.

The Legislative Decree 276/2003 introduced measures with the closest relevance to the youth labour market such as: traineeships, work-entry contract and the apprenticeship system.

The main purpose of the traineeship is to give young people their first experience of the world of work.

The work-entry contract has a training component and it was mainly introduced to facilitate the labour market entry (re-entry) of disadvantaged categories of workers. Its target groups are the following: young people aged between 18 and 29, and the long-term unemployed up to the age of 32; the jobless for at least 2 years and aged over 50; women of any age resident in areas where the female unemployment rate is at least 20% less than the male rate or 10% higher; disabled people.

The apprenticeship system has been reviewed according to the a.q. Decree and has three components: training, skilling and specializing. In 2008, a new Decree introduced the possibility of undertaking training, which is compulsory for employed young people under 18, within the professionalization (skilling) apprenticeship.

The apprenticeship contract is a work-contract and contracting is obligatory for all three types of apprenticeship:

1. Apprenticeship for the completion of compulsory education. It is targeted to young people of age between 15 up to 18;

2. Apprenticeship for the professionalization (skilling) of youth aged between 18 and 29. It is designed for the vocational qualification of young people;
3. Apprenticeship for specialization (higher apprenticeship) which is directed at young people aged between 18 and 29 who have already got a secondary school leaving certificate.

Over half a million young people in Italy are involved in apprenticeship schemes each year (591,800 in 2009). An apprenticeship usually combines on-the-job training and further education, with around four hours per day spent on practical training and three-and-a-half in theoretical training at an apprentice training centre. This training is programmed, organized and paid for by the Regional administrations in charge of education and vocational training.

Apprenticeships last from 18 months to four years and cover a huge range of occupations, including waitressing, cooking, plumbing, carpentry, hairdressing, car repairs and agricultural work. Employers pay apprentices 80% of the salary of a fully qualified worker, which increases with age and experience. They also pay for schooling and sometimes the cost of travel to and from school. Apprentices are entitled to the same holiday periods as fully qualified staff.

The transformation of an apprenticeship contract into a permanent contract is not obligatory. It depends upon the relationship established during the apprenticeship period between the employer and the apprentice. Each year, nearly half of the share of apprenticeship contracts are transformed into permanent work contracts. So, in 2008 out of the 331,213 apprenticeship contracts started, nearly 155,000 were transformed into permanent contracts. The majority of apprenticeship contracts stop before the foreseen deadline, and the interruption is mostly caused by the worker (youth) before the third month of work (the young people's reasons for doing this are not documented).

As far as the success percentage of the different apprenticeship types is concerned the second kind of apprenticeship (skilling) shows the best performances with 69,4% apprentices who have concluded their apprenticeships and have obtained a qualification. It has to be stressed, however, that this sort of apprenticeship can be carried out totally on the job without any training moment outside the workplace.

Monitoring of the implemented measures activated by the PES to integrate at-risk young people into the labour market is not carried out according to national agreements. Therefore, each Region/Province conducts its monitoring exercise differently, but with the aim of amending and improving the quality and quantity of the delivered services.

Ifsol (national public research institute for the vocational training of workers, which is the in-house agency of the Ministry of Labour and Social Policy) carries out yearly qualitative monitoring yearly on behalf of the Ministry of Labour, i.e. the Monitoring of the PES system, Monitoring of Compulsory Education, Monitoring on school-work transitions, and Monitoring of LLL.

The key obstacles to the success of policies are still the limited networking between PES from different Provinces and Regions.

Success factors can be identified mostly in terms of the networking and PES participation in local partnerships among public administrations in charge of programming ALMP, labour market and economic observatories, social partners and enterprise/employers organizations, private employment services, leFP institutions, school system.

6 ASPECTS OF TRANSFERABILITY AND CONCLUSIONS

The very tight connection between PES and schools (already in the lower secondary schools) appears to be one of the key success factors of the Austrian strategy for youth employment.

In Italy, a newly launched strategy targeted at youth employment (The Plan for Youth Employability) envisaged the implementation of six combined actions by the three Ministries in charge of youth education, employment and social inclusion: Ministry of Labour and Social Policy, Ministry of Education and University and Ministry of Youth.

The main areas of activity are:

1. Long and short-term monitoring of the skills most in demand, as well as those offered by the market
2. Guidance sessions in lower and upper secondary schools on educational, training and work choices
3. Integration of school-university-work to relaunch the work education and cultural dimension; **the aim of this action is that of promoting all different kind of transitions: school-university, school-work, university-work;**
4. Creation of guidance centres within upper secondary schools, higher technical institutes and universities to spread traineeships and apprenticeships;
5. First work-contracts and professionalization (skilling) apprenticeships
6. Entrepreneurship and self-employment for young people younger than 35.

The key issues to be addressed by PES in Italy:

1. Effective monitoring of the services specifically devoted to young people and their effectiveness/efficiency.
2. Tighter links with schools
3. Monitoring of the outcomes of activities for young people promoted by the PES
4. Promotion of networking with social actors at the local level (PA, social partners, employers associations, artisans associations, etc.)
5. Promotion of networking with other PES at national and inter-regional level
6. Allocation of incentives and vouchers (occasional work vouchers)
7. Promotion and/or organization of summer traineeships for young people younger than 18.

References

Italia 2020. Piano di azione per l'occupabilità dei giovani attraverso l'apprendimento e il lavoro, novembre 2009

Le misure per il successo formativo. Ottavo rapporto di monitoraggio del diritto/dovere 2008, Isfol 2010

I giovani in Italia, Segretariato generale del Ministero del lavoro, 2010

Monitoraggio dei servizi per il lavoro 2000-2007, Isfol, 2009

Short and long term evaluations of Public Employment Services in Italy, Università di Cassino, WP 3/2010.

Intesa tra Governo, Regioni, Province autonome e Parti sociali per il rilancio dell'apprendistato, 27 ottobre 2010

Rapporto sul futuro della formazione in Italia, Ministero del lavoro, 2009

Sistema di monitoraggio del funzionamento dei servizi per l'impiego in riferimento all'utilizzo delle risorse di cui all'articolo 1, comma 1165, della legge 296/2006 e all'attuazione dell'art. 19 co. 1bis del dl. 185/2008, Ministero del lavoro, 2009

La vita buona nella società attiva. Libro Bianco sul futuro del modello sociale, Ministero del lavoro, 2009

Pathways to work: Current practices and future needs for the labour market integration of young people. Final Report, Isfol for the European Commission, 2008
