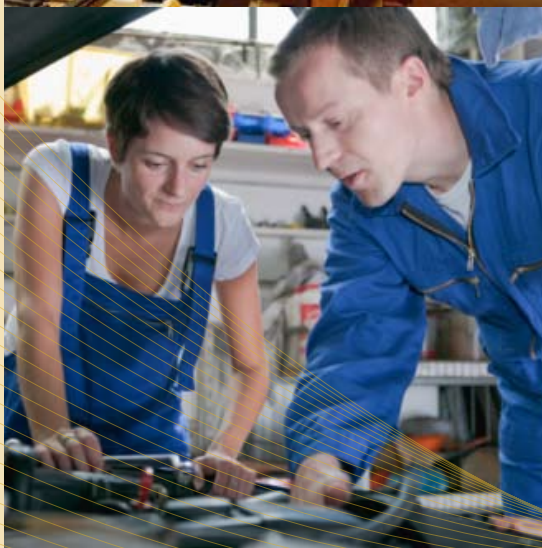


European Employment Observatory Review

# Youth employment measures

# 2010



Social Europe



European Commission

This publication is based on national articles provided by the SYSDM correspondents. National articles are the sole responsibility of the author(s).

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# Contents

<b>1. Introduction .....</b>	<b>5</b>
1.1. European context.....	5
1.2. National contexts.....	7
<b>2. Measures taken to promote youth employment .....</b>	<b>9</b>
2.1. School education and training policies .....	10
2.1.1. Measures to prevent early school leaving and to guarantee that all young people acquire basic skills .....	10
2.1.2. Measures to ensure that the vocational training system enables young people with only basic education to enter the labour market .....	12
2.1.3. Measures to promote the recognition of non-formal and informal learning .....	13
2.1.4. Measures to encourage the young unemployed to follow special training programmes aimed at facilitating insertion in the labour market.....	13
2.1.5. Measures to link education with work experience .....	14
2.1.6. Measures to ensure that education systems meet the qualification demands of the labour market (reforms) .....	16
2.1.7. Measures relating to higher education (HE) and lifelong learning.....	16
2.1.8. Youth guarantees .....	17
2.2. Labour market and employment-related policies and access to benefits .....	18
2.2.1. Active labour market policies (ALMPs).....	18
2.2.2. Access to social security benefits .....	21
2.2.3. Tax systems and labour market legislation .....	22
2.2.4. Promoting self-employment among young people.....	24
2.2.5. Promoting mobility of young people .....	24
2.3. Measures to address problematic features of youth employment.....	25
2.3.1. Problematic features of youth employment .....	25
2.3.2. Marginalised and at-risk groups.....	27
2.4. Roles of the labour market actors.....	28
<b>3. Conclusions .....</b>	<b>30</b>



# 1. Introduction

In July 2010, 33 national articles on the theme of youth employment measures were commissioned from the European Employment Observatory (EEO) network of SYSDem experts. This document summarises key messages emerging from these articles and draws links with policy developments, studies and data collected at European level. Further detail on the national-level developments discussed in this report can be found in the national articles, which are available on the EEO website (<http://www.eu-employment-observatory.net/>).

This executive summary is split into five main sections, in line with the structure of the national articles. The introduction provides a discussion of youth employment in Europe using data collected at European level to provide an overall picture; additional detail, based on the information provided in the national articles, is used to explain the different pictures found at national level. The second section discusses school education and training policies which have been introduced since 2008 and in response to the crisis, including for example measures to prevent early school leaving and to guarantee that all young people acquire basic skills and are prepared for employment. Section 3 focuses on labour market and employment-related policies and access to benefits, including active labour market policies (ALMPs) which are available to support young people, the provision of social security benefits to young people, tax systems and labour market legislation, as well as measures to promote mobility. The fourth section considers the problematic features of youth employment and Section 5 describes the roles of the different labour market actors in national policies and measures relating to youth employment. Finally, a concluding section sums up the key messages emerging from the national articles.

## 1.1. European context

In 2009, there were close to 100 million young people (aged 15–30) in the European Union (EU), representing around a fifth of the total EU population. In comparison to older generations, these young people face a number of

challenges in making the transition from education and training to the labour market, amongst others their lack of work experience, the mismatch between the skills they have to offer and those required by employers and, for some, their low levels of qualifications.

Thus young people typically find themselves in a disadvantaged position on the labour market. They are much more likely to face unemployment and involuntary part-time employment, and to hold a temporary contract. They also face skills' mismatches and low levels of pay. This is partly due to the fact that many young people encounter difficulties in getting a first (full-time) job, after completing education and training, to match their qualifications and expectations. This can result in some cases in over-qualification, but on the other hand, many young people remain under-qualified and therefore have limited job prospects.

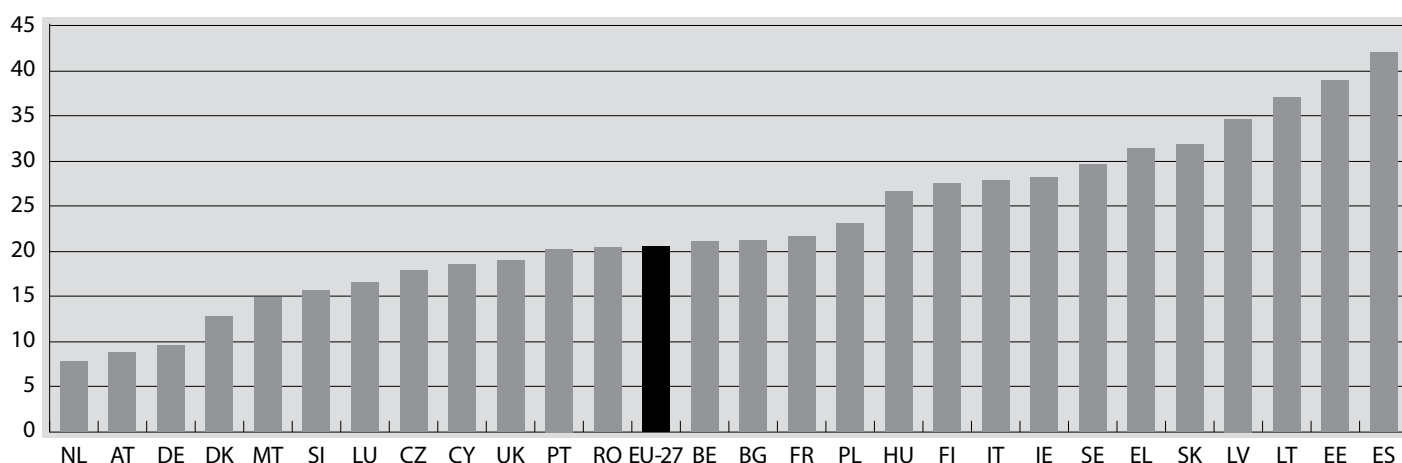
Young people have also been one of the groups hardest hit by the economic downturn <sup>(1)</sup>. Young workers were often amongst the first to lose their jobs during the crisis, as their temporary contracts were not renewed; job prospects for young graduates entering the labour market have also diminished and they are competing with jobseekers with more employment experience in a market with fewer jobs to offer. Thus despite a stabilisation of youth unemployment in the EU between 2005 and 2008, there has been an over-proportionate increase in the number of young people aged 15–24 who are unemployed, reaching a total of 5.2 million by the second quarter of 2010 (equal to 20.4 % of the youth labour force), almost a third higher compared with the low at the beginning of 2008. Unemployment creates long-term consequences — or 'scars' — for the young person; there is evidence that a period of unemployment early in adult life has long-lasting negative effects, both in terms of future employment and wage prospects <sup>(2)</sup>.

Yet the situation in the EU Member States is very diverse, as shown in Figure 1 below. Some possible reasons for this differentiation in youth unemployment across the different countries of Europe are explored in more detail below (Section 1.2).

<sup>(1)</sup> For a more detailed analysis of labour market developments affecting young people, especially since the onset of the crisis, see: <http://ec.europa.eu/social/main.jsp?catId=950&langId=en>

<sup>(2)</sup> *Employment in Europe 2010*, Employment, Social Affairs and Equal Opportunities DG, European Commission, Luxembourg: Publications Office of the European Union, 2010.

**Figure 1:** Youth unemployment rates (15–24 age group), second quarter of 2010

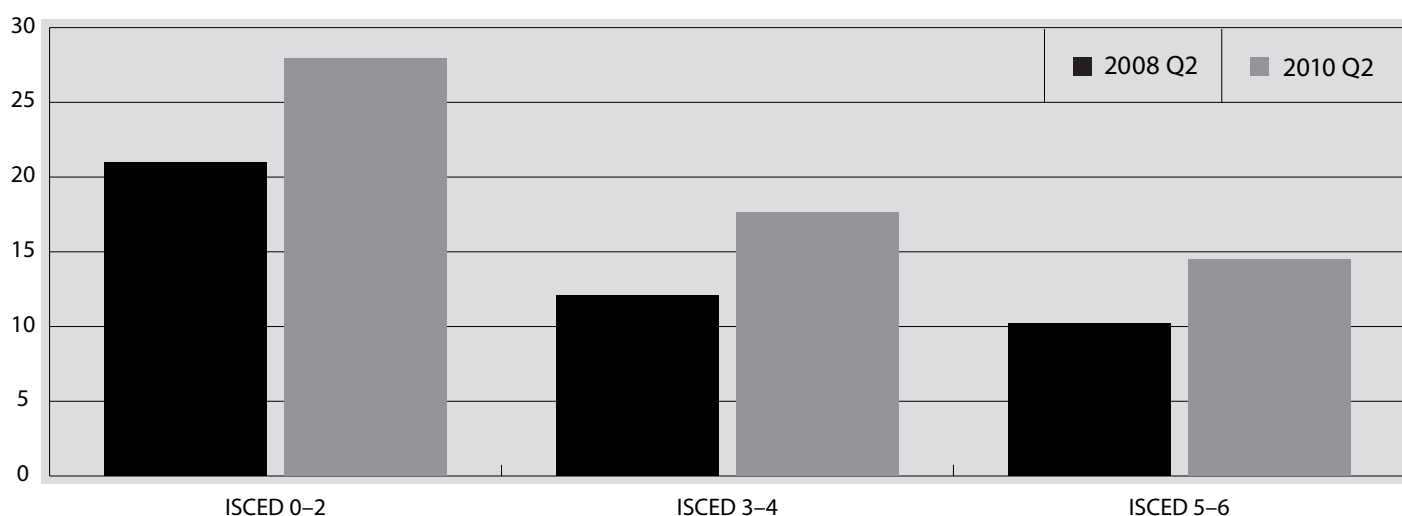


Source: Eurostat.

As Figure 1 illustrates, as a result of the strong deterioration in their labour market situation, the unemployment rate among young people now exceeds 30 % in Estonia, Greece, Latvia, Lithuanian and Slovakia and reaches over 40 % in Spain, but is less than 10 % in Germany, the Netherlands and Austria.

Not all groups were equally affected. As shown in Figure 2, low-skilled young people still show by far the highest unemployment rates. There has, however, also been a marked increase in the unemployment rates for medium- and high-skilled youth since 2008.

**Figure 2:** Youth unemployment rates (15–24 age group) by highest level of education obtained, EU-27



Source: Eurostat.

In 2009, a quarter of unemployed young people was unemployed for at least 12 months and 12.4 % of young people were neither in employment nor in any education or training (so-called 'NEETs'). Amongst those aged 15–19, young men are more likely than women to be NEETs, while the trend is the reverse for the age group 20–24.

Evidence shows that in all countries educational attainment is a determinant of successful integration in the labour market; young people need to achieve their full potential in training and education to improve their career prospects. Yet two thirds of EU Member States have failed to meet the

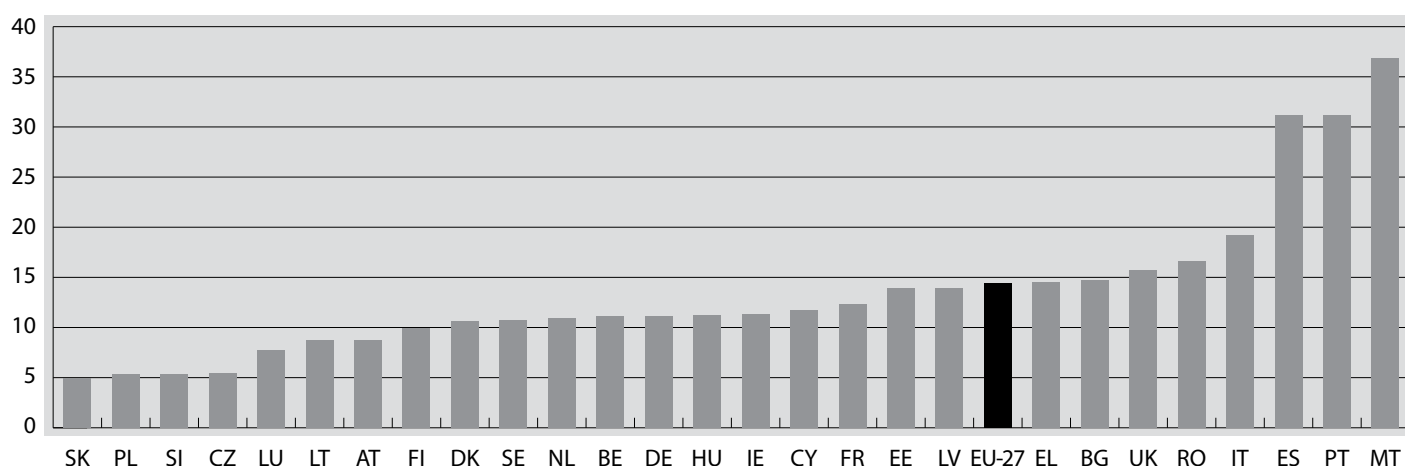
target of 85 % of 22 year-olds having completed at least upper secondary education, as of 2010 <sup>(3)</sup>. More efforts are also required across Europe to tackle early school leaving; in most European countries the early school leaver rate <sup>(4)</sup> is still above 10 %, as shown in Figure 3 below (see Section 2.1.1 for an overview of measures to prevent early school leaving).

<sup>(3)</sup> One of the 2010 benchmarks of the strategic framework for cooperation in education and training.

<sup>(4)</sup> The share of early school leavers is the proportion of the population aged 18–24 with only lower secondary education or less and no longer in education or training.



**Figure 3:** Share of early school leavers from education and training, 2009



Source: Eurostat.

At European level, there is strong recognition of the need to support young people through strategies relating to both education and employment. With the adoption of the 'Europe 2020' strategy, the EU has recognised youth unemployment as a problem at the highest political level. The Council conclusions on 'New skills for new jobs: the way forward' (2010) <sup>(5)</sup> also stress the need to develop links between education and training and the labour market, to improve the transition from education to work and to reduce the number of young people who are not in employment, education or training (NEET).

## 1.2. National contexts

In many European countries young people face higher levels of unemployment than the older generations and have been 'harder hit' by the recession. For example:

- In **Greece**, prior to the economic crisis, employment rates for young people were already low by both European and national standards and unemployment rates fluctuated at levels far above adult unemployment rates. In addition, the process of transition from school to work took longer compared with most other EU Member States. Progress achieved throughout the 2000–08 period has been followed by deteriorating prospects as a result of the economic crisis. Since 2008, the Greek economy has ceased to generate new jobs and this has pushed the unemployment rate of young people to record levels. There is a danger that many young Greeks, discouraged by the lack of employment opportunities may drift into long-term inactivity.
- In **Ireland**, the negative impact of the recession on the labour market was noticeably more severe in the younger

age categories; the employment rate for the youngest persons aged 15–19 years fell from 21 % to 11 %, and for those aged 20–24, it declined from 68 % to 49 %. The decline was somewhat smaller in the 25–29 age category, decreasing from 81 % to just under 70 %.

- In **France**, the unemployment rate for young people increased by more than 4 percentage points between 2008 and 2010. The economic crisis has highlighted the prevailing problems for young people of a lack of fluidity between the transition from school to work, and also difficulties in access to full-time jobs with open-ended contracts (temporary work and short duration contracts have been a common situation for young people for the last 10 years).
- In **Sweden**, in the wake of the global economic crisis the situation of young people in the Swedish labour market has deteriorated rapidly and youth unemployment reached its highest post-war level in 2009.

The **Netherlands** is an exception, as labour market prospects for young Dutch people are relatively favourable compared with many other EU Member States. Although the economic crisis had a significant impact on youth unemployment rates, their employment rates have remained relatively high. Also in **Germany**, the situation for young people has not deteriorated substantially over the course of the crisis — unemployment only slightly increased between 2008 and 2009 and it is suggested that the system of apprenticeship training still works effectively to integrate young people into the labour market.

The extent to which gender and skills levels influence the rate of (un)employment among young people varies from country to country. In some countries, gender appears to be a factor in a young person's situation on the labour market. European level data show that young men have a higher employment

<sup>(5)</sup> Council of the European Union, Council conclusions on 'New skills for new jobs: the way forward'; 3019th Employment, Social Policy, Health and Consumer Affairs Council meeting, Brussels, 7 June 2010 <http://register.consilium.europa.eu/pdf/en/10/st10/st10841.en10.pdf>

rate (35.1 % in the first quarter of 2010) than young women (31.7 % in the same quarter). The reason for this might be that young women have a higher level of inactivity, including higher participation in education and training. Yet young men have been more adversely affected by the economic crisis, accounting for two thirds of the increase in unemployment. However, young women are more likely to belong to the group of young people not in employment, education or training ('NEET') than young men, although with differences across the age groups (the EU-27 NEET average for young women in 2009 was 12.9 %, compared with 11.9 % for young men) and are more likely to be involuntarily employed in part-time work (29.2 % of young women in 2009, compared with 25.4 % of young men). In contrast, early school leaving is higher among men in all but three of the EU Member States (Bulgaria, Austria, Romania) and is the same for males and females in the Czech Republic.

Young men seem to be in a more difficult labour market position than young women in the Czech Republic, Lithuania, Iceland, Serbia and Norway. For instance, according to the **Norwegian** Labour and Welfare Administration, the growth in youth unemployment has been strongest among young men, who typically work in construction and manufacturing, two industries strongly affected by the crisis. Women typically work in the public sector and therefore did not experience the same increase in unemployment. The same applies to the **Czech Republic**, where the crisis affected most those young men educated to lower secondary level, i.e. those educated 'for' manufacturing.

On the other hand, young women are in a more difficult situation than young men in **Belgium**, Greece and France. In Belgium for example, while school attendance and school success rates of young women are higher than for young men, young women remain disadvantaged on the labour market; their employment rates remain significantly lower than those of young men, even if the crisis has had stronger negative effects for young men than for women.

As mentioned above, low-skilled young people still show by far the highest unemployment rates and it seems that they are particularly exposed to unemployment in the current economic climate. This appears to be the case in Belgium, Latvia, Lithuania, Austria, Finland, Sweden, Croatia, Iceland, Serbia and Norway. For example, in **Finland**, the unemployment rate was low at around 4–6 % for high-skilled young Finnish jobseekers during the period 2008–10, whereas the respective figures for low-skilled young jobseekers increased sharply from 19.0 % to 34.0 % during 2008–10, and from 10.5 % to 20.4 % for medium-skilled young jobseekers in the different age groups (15–24, 20–24 and 25–29).

In contrast, in **Cyprus** the crisis appears to have had a greater impact on skilled young people than on the low skilled.

This could be attributed to the tendency of young people to follow tertiary education and the fact that some foreign unskilled workers returned home as the recession arrived in Cyprus, releasing pressure on Cypriot low-skilled workers.

Some contextual reasons for the negative situation of young people on the labour market include the mismatch skills offered by education and training and those needed by employers, the impact of the economic downturn on sectors which previously offered low-skilled work to young people and also demographic trends. Other reasons associated with the problematic features of youth employment, such as the fact that young people are often on temporary and fixed-term contracts, are discussed in more detail below, under Section 2.4.

Reasons for youth unemployment in **Lithuania** include an inadequate match between the qualifications of young people and labour market demands, their lack of practical experience, and the low wages offered in the labour market. Employers see the mismatch between education and labour market demands as one of the main reasons for the country's labour market situation, as explained in Box 1 below.

#### **Box 1: Youth (un)employment in Lithuania — the employers' view**

The Lithuanian Confederation of Industrialists (LCI), the largest employers' organisation in Lithuania, sees the mismatch between education and labour market demands as one of the main reasons for the existing youth labour market situation in the country. First of all, employers are not satisfied with the distribution of young people across different levels and types of education, i.e. too many young people seek higher education in Lithuania and too few graduate from vocational schools. In addition, employers are dissatisfied with the concentration of graduates in a limited number of subjects. According to the LCI, employers, even during the crisis, complained of facing difficulties in finding skilled professionals in the field of techniques and technologies, while the number of graduates in management and law exceeds the labour market demand.

In **Latvia**, the youth unemployment rate rose sharply in 2008 and 2009. The increase was most significant for the younger, less qualified groups of young people: 15–19 year-olds and 20–24 year-olds. This could be attributed to the collapse of many sectors which in the boom years offered relatively high salaries to young people for low-skilled work — notably, in construction and retail.

In **Estonia**, the unemployment trends rose sharply during the recession with youth unemployment increasing rapidly up to 21 % in 2009. In addition to the worsening economic situation, this is also attributed to demographic trends, with

the large cohort of the baby boom that took place at the end of the 1980s beginning to reach working age.

Demographic issues are also particularly relevant for the Czech Republic, Lithuania, Slovenia, the former Yugoslav Republic of Macedonia and Serbia. In **Lithuania**, there has been a rapid decrease in the total number of youth aged 15–19 since 2007 (266 000 in 2007, 261 000 in 2008, 254 000 in 2009 and 241 000 in 2010) and in the **Czech Republic** too, the size of the youth cohort is reported to be decreasing. In **Serbia**, it is suggested that it is very important to support the timely entry of young people into the labour market, because the working age population (15–64 years old) is according to demographic projections expected to shrink by some 8 % (over 400 000 people) during the next decade, this time because the exiting baby-boomers cohort will be much larger than the cohorts entering the working age population.

## 2. Measures taken to promote youth employment

As noted above, the EU and its Member States have acknowledged the difficulties faced by young people in achieving their full potential in education and training and accessing employment, especially in the context of the 'Europe 2020' strategy <sup>(6)</sup>, the EU's growth strategy for the coming decade. To reach the goals set out in the 'Europe 2020' strategy, Europe needs more young people who are highly skilled, knowledgeable and innovative.

The 'Europe 2020' flagship initiative 'Youth on the move' was launched by the European Commission on 15 September 2010 <sup>(7)</sup>. Its aim is to enhance the performance of the education systems and to facilitate the entry of young people into the labour market. 'Youth on the move' will contribute to achieving the headline targets set out in the 'Europe 2020' strategy, by stimulating mutual learning and offering support at EU level to help Member States tackle the problems they face in this area.

The 'Youth on the move' communication proposes a framework for youth employment, based on a number of priorities for reducing youth unemployment and improving youth job prospects:

- (1) help to get a first job and start a career;
- (2) support for youth at risk;
- (3) the provision of adequate social safety nets for young people; and
- (4) support for young entrepreneurs and self-employment.

Evidence shows that robust policy coordination at European level within the common principles for flexicurity can make a real difference for young people. Together with stakeholders, including public employment services (PES), social partners and NGOs, specific EU and national endeavours are anticipated within this framework for youth employment, aligned with the four priorities listed above.

The 'Europe 2020' flagship initiative 'Agenda for new skills and jobs' <sup>(8)</sup>, presented in November 2010, sets out the agenda for employment policies in the EU. The policy pillars of this initiative (flexicurity, skills, quality of work and job creation) are also highly relevant for the labour market integration of young people.

The following sections describe existing youth employment policies and measures in the 33 countries covered by the European Employment Observatory Review. First, school education and training policies are considered, followed by labour market and employment-related policies and access to benefits.

A number of countries have specific policies or programmes in place to address youth (un)employment, which include a range of measures and actions to support this particular target group. In others, youth (un)employment may be addressed within a wider policy framework.

In the field of **school education and training** the most common measures are those to prevent early school leaving and to link education with work experience, particularly apprenticeships. Examples of specific measures include catch-up classes, second-chance schools, training schemes to bridge the gap between school education and the labour market and special training programmes for the young unemployed. Broader initiatives include overall reforms to the school and vocational training systems, in particular offering more practical (shorter) courses, extending the length of compulsory education, increasing the number of vocational training places and introducing new vocational training programmes. Policies in several countries cluster around attracting more young people to vocational courses. It is expected that this will address early school leaving and help meet labour market needs. A few countries focus on specific sectors, on specific subjects (e.g. the science, technology, engineering and mathematics (STEM) subjects), on certain professions and skills required by the labour market, or on occupations where there is no relevant apprenticeship scheme. In over a third of the countries there is a system for the recognition of non-formal learning in place (or it is being developed), which although it is often seen as a tool to support adult learners, increasingly offers opportunities to young people to acquire professional certificates recognising their skills.

<sup>(6)</sup> COM(2010) 2020.

<sup>(7)</sup> COM(2010) 477 final.

<sup>(8)</sup> COM(2010) 682 final.

In a number of countries, there are no specific **active labour market policies** (ALMPs) for young people, although they may be identified as a specific (priority) target group within broader measures. In other countries specific labour market programmes for young people are in place, which include for example the provision of information, advice and guidance, the introduction of new types of contract, employer incentives to hire young people, matching young jobseekers with job opportunities, setting up regional agreements or 'covenants' on youth employment, providing young people with work experience and establishing a 'job guarantee' for the young unemployed. Some measures are targeted particularly at young people who have been unemployed for a certain length of time, or who have a low level of qualifications, while others address young people as a whole group. Others target specific groups, such as school leavers or graduates who have been unable to find a job, or young disabled people, through measures which are applied at both national and regional level.

In terms of **social security**, few countries make special allowances for young people and they are entitled to unemployment benefits under the same terms as older age groups. Some countries provide other forms of financial support, including support for those who participate in education/training opportunities.

A number of countries have introduced incentives such as hiring subsidies and reductions in the non-wage costs of labour, in order to **encourage companies to recruit young people** and/or to create additional jobs for young people. Hiring subsidies seem to be particularly common as a means of encouraging employers to take on the young unemployed.

Some countries have implemented measures to promote and support **self-employment** which are specific to young people, or target young people through a broader scheme. These measures include, among others, financial support and loans to set up a business and entrepreneurship education/training.

**Mobility** — both national and transnational — is also encouraged in some countries and again, while some of the measures target young people specifically, others have a broader scope but young people are eligible to take part or are included as one of the target groups.

## 2.1. School education and training policies

### 2.1.1 Measures to prevent early school leaving and to guarantee that all young people acquire basic skills

The 'Europe 2020' strategy has five headline targets, one of which is to reduce the rate of early school leaving to less than 10%. Early school leavers are defined as those aged 18–24 with at most lower secondary level education who have not progressed to any further education or training, including unemployed, inactive and also employed persons. The situation of early school leavers is diverse across Europe, as illustrated in Figure 3 above, and only eight EU Member States had met the benchmark of not more than 10% early school leavers that was fixed under the Lisbon strategy for 2010 (the Czech Republic, Lithuania, Luxembourg, Austria, Poland, Slovenia, Slovakia and Finland). Early school leaving is particularly worrying in Spain, Malta and Portugal, where the rate is above 30%.

In order to guarantee that all young people acquire basic skills, a number of countries provide extra support classes and carry out close monitoring of pupils' achievements. For example in **Latvia** the Ministry of Education introduced stricter controls on primary and secondary education programmes in 2008. These include a rule that pupils who have failed to obtain a pass grade in a subject must take obligatory end-of-term exams and consultations <sup>(9)</sup> in that subject; there are now also limits to the number of subjects that pupils may fail before they have to retake a school year. By providing incentives for young people to maintain some constant level of performance during primary and secondary education, it is expected that these changes will ensure that a greater number of young people obtain basic skills for further studies or for participation in the labour market. In **Greece**, teaching support classes have been introduced in all primary and secondary schools (both general and technical) to help students to improve their school performance. This extra coaching is free to the student and available in various school subjects. In **France**, under the 'Hope for suburbs' plan, which targets young people from underprivileged areas, 200 schools are piloting an academic success programme that involves intensive training and individual support for pupils lagging behind.

Early school leaving is also found to be related to financial reasons and household poverty in some countries, such as Bulgaria, Romania and the **former Yugoslav Republic of Macedonia**. In the former Yugoslav Republic of Macedonia, starting from 2009/10, free textbooks are allocated to all pupils in primary and secondary schools. In addition, the 'Computer for every pupil (with Internet access)' project was

<sup>(9)</sup> Consultations typically entail performing additional tasks and exercises, and attending question and answer sessions. Consultations are given by the same teacher who taught the particular course throughout the school year.

implemented in primary and secondary education. School social assistance programmes continue to run in **Bulgaria**. These programmes traditionally include the provision of breakfast for children in primary grades, free textbooks and other benefits in kind for poor families.

Also in **Estonia** the focus of policy in the past was on the financial causes of early school leaving. For the period of the Estonian 'Action plan for growth and jobs 2008–11', the focus is now more on educational measures to support young people in continuing their studies (e.g. through more efficient support systems). Some of the new measures include language teaching to non-nationals already in pre-school education, developing counselling systems and introducing customised measures for children with special educational needs.

In several countries, compulsory education is regarded as important in guaranteeing that young people can acquire basic skills and in preventing early school leaving (e.g. France, Romania and the former Yugoslav Republic of Macedonia). In **France**, the 'Acting for youth' plan, announced in September 2009, includes a 'right to prepare for working life' extending compulsory education from 16 to 18 years of age, with the right to benefit from training or to take up a job just after leaving school. It is meant to ensure that all young people have adult supervision until at least the age of 18. Another measure in this area is the CIVIS (contract of insertion in social and civil life), which also works towards access to training or a job at the age of 16. In **Romania**, the number of years of compulsory schooling was increased from 8 years at the beginning of the decade to 11 (10 mandatory years in school and one mandatory year of pre-schooling).

The issue of absenteeism is of concern in relation to early school leaving in Estonia and Spain. In **Estonia** in September 2010 a new Basic Schools and Upper Secondary Schools Act was introduced which places more attention on meeting the obligation of attending school. With the new act, teachers have an obligation to contact parents in each case of absenteeism or truancy and the roles and responsibility of different parties involved are defined (i.e. student, parent, school, local municipality). In some **Spanish** cities and towns, the local police contribute to preventing early school leaving through the identification of persons under the age of 16 whom they see out of school during school hours.

There have been reforms to the school systems in a number of European countries (Italy, Portugal, Croatia and Iceland) which will support students at risk of dropping out. For example, in **Iceland** recent reforms have established that it is the duty of the government and school authorities to offer each and every young person a suitable form of education. Secondary schools will be given more room to develop more flexible courses and paths, and to increase the number of options for students. Counselling and support for students will also be increased

and every effort made to divert students into programmes that best suit their needs and interests. Those not interested in the typical four-year programmes currently offered will be able to obtain an upper secondary school leaving certificate after studies of one-and-a-half to two years. It is further hoped that the reforms will increase the relative weight and status of industrial and vocational studies.

Several countries have tried to motivate young people to stay in secondary education by increasing the number of vocational training places and creating new vocational training programmes (e.g. Belgium, Spain, Latvia, Portugal and Finland). At secondary school level in **Belgium** policies have been introduced to improve the image of, and attract more pupils into, technical and professional studies, as part of the fight against early school leaving. There have been significant investments in the technical equipment of schools, often in collaboration with specialised sector-level centres and the employment services and with the support of European Structural Funds.

In **Latvia**, since 2008 additional funding has been made available to increase the recognition and quality of vocational education and training (VET) qualifications and institutions. Notably, LVL 6 million (EUR 9 million) has been allocated in the 2008–12 period for measures to encourage young people to enter VET.

In **Portugal**, the national 'New opportunities initiative' (NOI) has been in place since 2005 and aims to reduce the failure rate in basic and secondary education and to place half of all secondary education students onto vocational and technological courses until the age of 18. Several measures were taken to that end, including the diversification of the training offer, in particular: vocational training, and an increase of places available in dual certification courses; more emphasis on practical training and on adjusting technical qualifications to specific occupations; and the extension of social support to secondary education.

In line with this approach a number of countries have established second-chance schools (e.g. France, Greece, Luxembourg and Austria) which emphasise practical skills and work experience. In **Luxembourg** the legal framework for second chance schools, which are for young people aged 16–24 years old, was put in place in 2009. Assessments and orientation decisions by the school are taken on the basis of a portfolio which is prepared for each student.

In **Spain**, initial vocational qualification programmes (PCPI) offer early school leavers the chance to enrol in training courses to gain professional skills for one or two years, entitling them to a degree equivalent to secondary education. This allows them to later enrol in a regular VET course. Thus, the programmes are a mechanism for



facilitating the entry of early school leavers into the labour market. These PCPI programmes are often complemented by other programmes, such as the DUO programme, recently designed in response to the economic crisis in the Andalusia region, which offers certified training to unskilled persons aged 18–22 within a personal inclusion plan.

In several countries, there are guidance measures for early school leavers (e.g. Estonia, Spain, Finland and Iceland). For example, in **Finland** the ‘search team’ (*Työpari*) is an important project for the target group of early school leavers. It was piloted at municipality level from 2008 to 2009. Early school leavers were appointed a hands-on personal advisor, who provided all the advice and support needed to either get the young person back into education or find employment. The two formed a ‘search team’. The pilot was so successful that this service is now included in the Finnish legal framework and the assignment of personal advisors to early school leavers is now mainstream policy across Finland. The recognition of non-formal and informal learning is another way that countries address early school leaving, for example by developing new certificates for skills and knowledge acquired through informal learning (Spain) and setting targets of how many early school leavers should be engaged in validation processes (the Netherlands). This is discussed in more detail below (Section 2.1.3)

### 2.1.2 Measures to ensure that the vocational training system enables young people with only basic education to enter the labour market

At European level, cooperation in the area of vocational education and training (VET) has been relaunched with Member States and the social partners through the ‘Bruges communiqué on enhanced European cooperation in vocational education and training’ <sup>(10)</sup> which presents common objectives for the VET sector for the period 2011–20. The priorities include facilitating pathways and permeability between VET and higher education, including through the development of national qualifications frameworks, and maintaining close partnerships with the business sector. Improving the attractiveness, provision and quality of VET can contribute to reducing early school leaving and to the employability of young people.

In order to ensure that the vocational training system enables young people with only basic education to enter the labour market, several countries have reformed the structure of their vocational training systems. Some examples are provided below.

- In **Hungary** competence-based reforms have not yet taken place, but the government identified the structure of vocational education to be a serious problem. A

programme to create a network of regionally integrated vocational education centres (RIVEC) was launched to improve the technical quality of the training provided and also the facilities available. A recent evaluation found that, while the added value of this high-cost programme remains to be seen, a positive unintended effect of the programme is the provision of career guidance facilities for students. A further structural reform in Hungary is the recent introduction of early vocational education, which makes it possible to offer specialised and workshop-based education straight after primary education (in grade 9), as opposed to the previous rule of grade 10 for lower and grades 12–13 for higher secondary vocational education.

- In the **former Yugoslav Republic of Macedonia**, the VET centre was established in 2006, and is preparing the biggest reforms in secondary level VET in the past 20 years. Reforms have already started to the four-year secondary VET course. The concepts for two- and three-year secondary and post-secondary VET courses are being drafted and will be adopted in the near future, with the expectation that the VET strategy and reforms will contribute to reducing youth unemployment.
- In **Germany** an extensive system for ‘vocational preparation’ has been created which provides an entry-level qualification for apprenticeship training. This system reaches out to significant numbers of young people who otherwise would find it difficult to enter apprenticeship training and two out of three young people start apprenticeship training after their participation. Other programmes for vocational preparation include the vocational preparation year, which is a one-year school-based preparation programme for apprenticeship training, and the vocational basic education year, which is a one-year occupational-based preparation (for example, in electrical engineering).

A number of countries have recently placed greater emphasis on links with the private sector (e.g. Estonia, Hungary, Slovakia and Croatia). In **Estonia** for example the development plan for the Estonian vocational education and training system 2009–13 aims to tighten the links between vocational training and the labour market. The **Croatian** Agency for Vocational Education promotes stronger links of vocational schools with labour market needs by ensuring that approximately 50 % of all professional training courses of teachers are implemented directly in relevant companies.

Other measures taken include raising the skills of teachers in the sector and changing teaching approaches towards the flexible skills demanded by the labour market (e.g. Latvia, Lithuania and Serbia), and supporting the transition from school to apprenticeship training through entry-level vocational preparation programmes (Germany and Spain).

<sup>(10)</sup> See [http://ec.europa.eu/education/lifelong-learning-policy/doc/vocational/bruges\\_en.pdf](http://ec.europa.eu/education/lifelong-learning-policy/doc/vocational/bruges_en.pdf)

### 2.1.3 Measures to promote the recognition of non-formal and informal learning

The recognition of non-formal and informal learning is seen as an important tool in the pursuit of economic and social goals at European level. In 2009, European guidelines on the validation of non-formal and informal learning <sup>(11)</sup> were published, which aim to encourage and harmonise Member State action in this field. To step up developments, as part of 'Youth on the move', the Commission will also propose a draft Council recommendation on the promotion and validation of non-formal and informal learning in 2011.

Although validation is often recognised as a measure to support adults who have accumulated knowledge and skills, in particular through work experience, it also presents an opportunity for young people to acquire formal recognition of their skills and competences, or to simply improve their self-awareness and self-esteem. Young people who are still engaged in education and training can be a target for the recognition of non-formal and informal learning, as they pick up skills in a wide variety of activities that take place outside the classroom (e.g. voluntary activities or summer jobs). Young people at risk of leaving school without any type of qualification can also be supported through recognition of prior learning, which for some might present a more accessible alternative to formal education and training.

In over a third of the countries, there is already a system for the recognition of non-formal and informal learning in place (e.g. Estonia, Luxembourg, the Netherlands, Portugal, Romania and Slovakia) or a system is being developed (e.g. Greece, Latvia, Lithuania, Hungary, Finland and Croatia).

For example, as mentioned above, in the **Netherlands** there are national targets for the number of people to undergo validation. In particular, the Ministry of Education aims to recognise the informal learning of 20 000 early school leavers aged 18–23. **Finland** has developed a competence-based exam system over the last 15 years and is currently moving towards a personalised curriculum that recognises non-formal and informal learning. Currently, however, there are more opportunities to use validation of prior learning to support young people who have already gained a secondary level degree or who are over 25 in adult education. In **Romania**, a system of recognition of informally acquired skills and knowledge has been put into place under the aegis of the country's National Adult Training Board — NATB, Romania's national authority for qualifications. The system is modular, allowing individuals to obtain a certificate for part of the skills and knowledge needed to obtain a certain qualification and to go on a formal training course in order to obtain the remaining part, if this is deemed necessary. It is

also possible to grant a full formal qualification on the basis of informal learning alone.

In some countries the validation system focuses on specific sectors of education and training (e.g. vocational education and apprenticeships). For example, in **Spain** professional certificates can be acquired through recognition of prior learning and in **Norway** it is possible to achieve a certificate of completed apprenticeship through validation of prior learning.

### 2.1.4 Measures to encourage the young unemployed to follow special training programmes aimed at facilitating insertion in the labour market

As noted above, the transition to employment can be particularly difficult for young people. Furthermore, long-term unemployment is a risk for young people who are unable to find a job, in particular since the economic crisis. In 2009, a quarter of unemployed young people was unemployed for 12 months or longer. Measures to encourage the young unemployed to improve their chances of accessing the labour market are therefore important.

Several countries have special training programmes combined with internships, with financial support for starting an economic activity and with job placements to support the young unemployed to enter the labour market. Some examples are listed below.

- In **Austria** several existing projects on managing the transition from education to work were extended during the crisis under the special government programme *Aktion Zukunft Jugend* ('Campaign for the future of young people'). This programme was launched in 2009 and addresses young people aged 19–24. It is designed to ensure that unemployed young people will receive job placements as early as possible via skills training, employment subsidies or other projects. In 2009 a total of 131 191 unemployed young people took up jobs and 83 108 persons under the age of 24 were enrolled in training courses under this programme. The funding was EUR 120 million in 2009 with the same amount intended for 2010.
- In **Ireland** the National Training and Employment Authority (FÁS) traineeship programmes combine working towards an industry-recognised certificate or qualification with on-the-job training with a specific employer, as described in Box 2 below.

#### Box 2: Traineeship programmes, Ireland

In Ireland, the FÁS traineeship programmes are occupational-specific and industry-endorsed training programmes for unemployed jobseekers which combine centre-based training and on-the-job components with a specific

<sup>(11)</sup> Cedefop, *European guidelines for validating non-formal and informal learning*, Luxembourg: Publications Office of the European Union, 2009 (<http://www.cedefop.europa.eu/EN/publications/5059.aspx>).

employer. The programmes commenced in the 1990s. The duration of courses varies but is generally between 20 and 43 weeks. They are designed to lead to National Framework of Qualifications (NFQ) awards mostly at levels 5 and 6, as well as industry-recognised certification providing access to specific occupations in designated sectors. The programmes are targeted at occupations which are not designated as apprenticeships. They cover activities such as childcare practitioner, leisure facility instructor, software developer, forestry operative, medical secretary, etc.

The 2010 DETE/Forfas Review considered traineeships to be a good alternative to apprenticeships, providing on-the-job training for specialist skills, but over a shorter period of time and in a more cost-effective manner. Nearly 2 950 training places were made available in 2008, at a total exchequer cost of more than EUR 38.2 million. Some 43 % of participants were less than 25 years old and 65 % were women. Virtually all were previously unemployed for less than one year.

Given the direct involvement of employers, it is not surprising that the post-programme experience of participants is favourable. The 2007 FÁS follow-up survey indicated that over 70 % were in employment 18 months following completion, and 10 % were in training.

- In **Greece**, the 'One start — One opportunity' programme, introduced in 2008, targets young persons aged between 16–25 who have either dropped out of school or have completed only secondary education and who have never worked or taken part in some form of training. Beneficiaries may choose one or more of three options, namely to: obtain work experience; attain a training certificate in information technology; or receive guidance and counselling services. Those choosing the first option (professional experience) are placed in jobs in the public or private sector for five months, during which they receive a wage equal to the minimum wage. The second choice concerns young people who are not able to secure a job because they lack the ability to work with a computer. Those taking this option participate in a 100-hour training programme. Finally, those taking the third choice receive personal coaching and participate in a special guidance programme designed to enhance job-search skills. In addition they participate in a separate training course for entrepreneurship. This programme is intended to benefit approximately 40 000 young persons at a cost of EUR 160 million.

A few countries focus their special training programmes on specific sectors (e.g. tourism, 'green jobs', construction and ICT in Greece), on certain professions and skills currently required by the labour market (e.g. the former Yugoslav Republic of Macedonia) or on occupations where there is no relevant apprenticeship scheme (e.g. Ireland).

## 2.1.5 Measures to link education with work experience

The European Commission is seeking to promote workplace learning experiences, such as apprenticeship-type vocational training and high-quality traineeships, as a tool for integrating young people gradually into the labour market. Under 'Youth on the move', it will propose a quality framework for traineeships, addressing in particular the legal and administrative obstacles to transnational placements, in order to support better access and participation in high-quality traineeships.

Regarding apprenticeships, the Commission is encouraging the involvement of social partners in their organisation and funding, in order to improve their labour market relevance.

A number of countries are facing difficulties with apprenticeships due to the economic crisis with less apprenticeship places offered by employers or apprentices being made redundant by their sponsoring employer (e.g. in Denmark, Ireland, France and Romania). This has prompted the introduction of special measures to support apprenticeships and unemployed apprentices in a number of countries (Denmark, Ireland, France, Italy, Luxembourg, Sweden, the United Kingdom and Norway). Some examples are provided below.

- In **France**, the 2009 'Emergency plan for youth employment' consists of a series of measures addressing apprenticeships, training programmes and subsidised contracts. It set ambitious targets for apprenticeship contracts and professionalisation contracts (see also below in Section 2.2.1). In addition, to prevent and mitigate the breakdown of apprenticeships, a programme called 'No apprentice without an employer' has been implemented. It involves training centres, the public employment services and consular chambers, and includes an additional budget of EUR 100 million to reinforce the apprenticeship training offer.
- In the **United Kingdom**, there has been an expansion in the number of apprenticeship places on offer, facilitated by the development of a new National Apprenticeship Service (NAS) that has streamlined the routes and application process, all with the aim of increasing the reach of this form of training so that by 2020 around one in five of all 16 and 17 year-olds will be in an apprenticeship. This, it is hoped, will be achieved by raising the profile of apprenticeships so that more employers become involved and more young people see it as a viable route. However, the concern is that currently apprenticeships are too much associated with being an option for low achievers and particularly NEETs, and so the aim is to make it an attractive route for those with



good academic achievements. Towards this aim, from October 2010 a national minimum wage for apprentices is being introduced, set at GBP 2.50 (EUR 2.84) per hour for work and training time.

- In **Ireland**, a short-term measure introduced in autumn 2009 to support apprenticeships during the economic crisis is an annual 11-week certified training programme for up to 700 redundant apprentices. This scheme is for apprentices already on track, but in need of a new place in a company. The apprentices would have completed phase 4 of the apprenticeship programme in an institute of technology, but no longer have an employer-based training place available to them. The programme will facilitate the progression of its participants to higher education/training phases with a view to completing their apprenticeship at a later stage, if on-the-job placements cannot be found for them.
- In **Germany** a successful apprenticeship training system has been in place for decades. The system has been continuously adjusted; new apprenticeship occupations have been created and curricula for existing training occupations have been revised. An apprenticeship bonus is paid to employers who offer training to young people. In addition to the apprenticeship scheme, the programme 'Perspective for vocational qualification' targets migrant youth and supports the graduation and post-qualification of these young people, while the 'Jobstarter connect' programme improves the transition of young people from school to work. These measures are closely linked to the skills shortages on the German labour market and the efforts to expand the supply of adequately trained young people.

The importance of training schemes to reinforce skills and to bridge the gap between school education and the labour market is prominent in a few countries (Belgium, Luxembourg, Slovenia and Sweden). For young people yet to graduate, the Slovenian training programme *Absolvent - aktiviraj in Zaposli se!* 'Graduate — Activate yourself and get the job!' is a way to gain practical training, mentorship and line up a job for after graduation. The programme is described in Box 3 below.

#### Box 3: Linking final year students with employers through training, Slovenia

In 2009, a new programme was specially designed to support young graduates called 'Graduate — Activate yourself and get the job!'. The Student Organisation of Slovenia proposed the project to improve the employment opportunities for young graduates and the Ministry of Labour, Family and Social Affairs included the proposal in its programme and provided resources. It has earmarked EUR 2.7 million (85 % financed by European Social Funds) for 2009–11 to support 600 graduates (141 in the first year, 459 in the next year) to find employment and training.

The Student Organisation of Slovenia connects registered students with employers who are looking for new graduates via a list. The employer provides six months of practical training (with mentorship) to the student before they graduate. Graduates then have six months to graduate before returning to the same employer. The employer receives a grant of EUR 2 000 for six months to subsidise the wages of the graduate. Employers should cover the cost of a medical examination, the cost of a mentor up to EUR 100 per month, as well as provide a student allowance to cover costs of EUR 3 per hour spent training (up to 100 hours in total).

In Luxembourg vocational education and training (VET) has been restructured into three different competence-based diplomas, as described in Box 4.

#### Box 4: Reform of professional training, Luxembourg

Under the reform of VET in Luxembourg, a total of 118 tailor-made training schemes were reviewed, adapted and reformed, so that students now can obtain three types of competence-based diplomas: the *certificat de capacité professionnelle*, CCP (certificate of professional competence), the *diplôme d'aptitude professionnelle*, DAP (professional qualification diploma) and the *diplôme de technicien*, DT (technician diploma). The design of the diplomas is in line with the strategy to combine a new form of skills acquisition, based on competences, with a focus on practical training so as to increase the employability of students, while similarly forging contacts with the business community insofar as teaching schemes are modelled in close partnership with businesses of the involved sectors. The link is further reinforced through the partnership with the Chamber of Craft Workers, whose expertise is invaluable. Additional pillars of the reform include: the introduction of semesters, a new modular system, a competence-based approach, a new evaluation approach and project work. The reform contributes to the adaptation process to a more skills-focused business environment, as skilled workers enhance their chances to be recruited. It also constitutes a response to an increase of demand in the craft sector. Furthermore, the flexibility of the modular system means that candidates who fail in a particular module of their training scheme only need to re-sit that particular module again.

Several countries have work experience and internship schemes for graduate students (e.g. in Spain and the former Yugoslav Republic of Macedonia) and unemployed youth (e.g. in Spain, Malta, Poland, Portugal, Slovenia, Finland and Norway). For example in some regions of **Spain** there are programmes promoting internships for VET and university graduates in research departments of universities and other institutes.

**Malta's** PES, the Employment and Training Corporation, offers a variety of schemes to facilitate the school-to-work

transition of young people such as the 'Job experience scheme', which provides young persons with 13 weeks of job experience while being paid an allowance. Over 830 persons benefited from this scheme between its introduction in 2003 and 2008. Another offer is the 'Active youth scheme', which provides the opportunity for young people who have been registered unemployed for six months or more to work for a maximum of six months with an NGO. This scheme was used by over 220 persons between its introduction in 2006 and 2008.

In **Poland** internships of up to 12 months are offered by the local labour office to young unemployed persons up to 25 years old and to unemployed university graduates up to 27 years old. The beneficiary receives the equivalent of 120% of unemployment benefit during the internship.

In **Spain**, the 'School workshop and craft training' (*Escuelas Taller y Casas de Oficios*) programme offers training for the young unemployed under 25 years of age, followed by a work placement stage. The programme lasts between one and two years and involves a labour contract for the work placement. The number of participants in 2009 was 3 253 (2 358 men and 895 women).

### 2.1.6 Measures to ensure that education systems meet the qualification demands of the labour market

In a few countries, there is a shift in the focus of education and training systems to STEM subjects (science, technology, engineering and mathematics) in order to meet the qualification demands of the labour market. Some examples are listed below.

- There has been a major policy push in **Latvia** to shift the focus of the education system from humanities to natural sciences, mathematics and engineering, which are perceived as skills that can promote sustainable economic growth in the country. A total of LVL 22 million (EUR 31 million) has been allocated to developing new educational standards which focus on individual research activities and experimentation in the study process, and involve modern technologies in learning and building links between primary and secondary education institutions, universities, research institutes, entrepreneurs and established businesses in shaping the content of education, and informing young people about — and motivating them to pursue — career paths in the natural sciences, mathematics and engineering. The implementation period of this measure is from 2008 until 2011.
- In **Poland**, the 'Commissioned education' programme within the framework of the 'Human capital operational' programme aims to increase the number of graduates of specialisations that are key for the knowledge-based

economy. Such subjects (including medical engineering, environmental engineering, ICT, electronics, robotics, mathematics and biotechnology) are unpopular because students believe they can be more demanding. Both the universities and the students themselves receive financial support under the programme for studying these subjects.

- The **Icelandic** Directorate of Labour, in cooperation with the Federation of Icelandic Industries, universities and IT firms, recently launched a drive aimed at increasing the number of individuals with tertiary education in technology and sciences. The Directorate will pay tuition and school fees for one academic year for the individuals selected for the programme.
- The **Norwegian** Ministry of Education and Research has for several years emphasised the need for mathematical and scientific expertise in the labour market. In 2009, the government launched the third action plan to strengthen the focus on mathematical and scientific studies from 'kindergarten to working life' and introduced an entry-level engineering degree for technical skilled workers who do not fulfil the standard entry requirements.

Other measures taken by countries include the involvement of the private sector in the delivery of training (e.g. in the **former Yugoslav Republic of Macedonia** 20% of university classes should be delivered by experts from the private and public sector), tri-partite involvement in setting the curricula for vocational exams (e.g. in Finland) and tri-partite cooperation and commitments such as the German 'National pact for training and junior skilled workers' initiated by the federal government and employers in 2004 (since prolonged for a further three years, 2007–10) to ensure the supply of skilled workers. The pact includes targets, for example, by employers to create 60 000 new apprenticeship places per year, by the federal government to promote 40 000 entry-level vocational qualifications and by the Federal Labour Agency to finance an additional 7 500 apprenticeships for migrants. A continuation of the pact is planned and new actions will be published in autumn 2010.

### 2.1.7 Measures relating to higher education (HE) and lifelong learning

A number of countries have introduced measures relating to the higher education sector, including increasing the number of places on offer (Ireland), providing students with financial support or access to loans (Bulgaria, Germany and Poland) or providing funding to the sector (Cyprus, Malta and Poland). In **Bulgaria**, for example, access to bank loans was introduced in 2010 for university and PhD students. This was a positive (and innovative) step for Bulgaria to ensure access to higher education during the economic crisis.

In Germany and Luxembourg, lifelong learning is identified as a means of enabling young people to acquire skills for the labour market. In **Luxembourg**, young people can further improve skills and reinforce their employability by benefiting from the large number of vocational training courses in the context of the general **lifelong learning strategies** offered for example by the National Institute of Languages, the various professional chambers and sector-specific associations or the National Institute for the Development of Continuous Vocational Training (INFPC). Moreover, as part of the government's measures to provide individual training 'leaves', a youth leave was created within the law to support the participation of young people in courses or apprenticeships.

The **German** federal government introduced the qualification initiative 'Promotion through education' (*Aufstieg durch Bildung*) in January 2008, in order to increase the educational opportunities on offer. The initiative comprises several measures for the promotion and support of lifelong learning, beginning with early childhood education and up to vocational training at work. There are a number of key target areas: more and better education opportunities for children younger than six years old (increase supply of childcare to 35 % by 2013); pathways towards graduation (increase the number of training place offers); financial assistance for students (increase the *BAföG* (the main education and training allowance)); facilitating the transition from school to university (establishment of a service agency for the placement of students); greater focus on technical and natural sciences (increase the attractiveness of these sectors to junior staff); improving chances for women (particularly in STEM occupations and to become professors); and the promotion of continuing vocational training (through an education grant).

### 2.1.8 Youth guarantees

Some countries have introduced guarantees, either to ensure that all young people are in a job, education or in activation, or to guarantee that a place will be available in certain types of education or training provision. Others give young people the right to a place in education or other types of support, or impose a duty on providers to meet the needs of young people.

A youth guarantee scheme has been in effect in **Finland** since 2005. New implementing guidelines by the Ministry of Employment and the Economy emphasise early intervention as well as the importance of creating a more efficient service. According to the guidelines, the local employment agency must produce, in collaboration with the young jobseeker, a joint individual employment plan. The plan should, with effect from May 2010, be produced within two weeks of the young jobseeker registering with the employment agency. The individual employment plan contains goals, services and measures needed to support the jobseeker to secure employment or access education.

In the **UK**, there is a 'September guarantee' for 16 and 17 year-olds and a 'Young person's guarantee' for the young unemployed, as described in Box 5 below.

#### Box 5: The 'September guarantee' and the 'Young person's guarantee', UK

In the UK, local authorities have responsibility for meeting the 'September guarantee', whereby all 16 and 17 year-olds must be offered an appropriate education or training route with support where needed. The idea is that 14–19 year-olds will achieve a qualification through one of four routes:

- apprenticeships;
- foundation learning tier;
- general qualifications — the most common route;
- diplomas.

In addition, the Future Jobs Fund, which was launched in the recession to tackle growing long-term unemployment, particularly among young people, includes a 'Young person's guarantee', which requires all those reaching 10 months of unemployment to take up an option from:

- a work placement,
- community task force,
- routes into work (such as pre-employment training), or
- care first careers or work-focused training.

Initial figures for the first five months show take-up of the various options reaching over 58 000 with the majority (around 70%) made up of placements from the Future Jobs Fund.

In **Austria**, the Vocational Training Act (*Berufsausbildungsgesetz*) guarantees vocational training for all young people up until the age of 18. The act, which was reformed in 2008, includes an 'apprenticeship guarantee' (*Ausbildungsgarantie*), which is for young people up to the age of 18 who want to start an apprenticeship but cannot find one at a company.

In **Norway** young people are a prioritised group through different guarantees. The youth guarantee states that since 2009 all registered unemployed in the age group 16–20 shall be offered labour market measures after six months. The follow-up guarantee states that the situation of unemployed people in the age group 20–24 shall be followed up after three months' continuous unemployment. Furthermore, 'Reform 1994' gives young people who have completed secondary compulsory education a legal right to three years' upper secondary education (either vocational training or higher education programmes). Those who do not apply for upper secondary education, drop out or do not accept their school place and are not in work have a right to get help from a follow-up service administered by the county administration.

in close collaboration with the Norwegian Labour and Welfare Administration. The purpose of the follow-up service is to offer training, education, work or other forms of employment which result in increased competence.

**Sweden** has a job guarantee scheme for young people, introduced in 2009, which aims to help young people to find a job more quickly, or enrol in the regular education system. The job guarantee for young people is restricted to unemployed young people who have been registered with the Public Employment Service continuously for three months. The focus is on job-search activities, since research and experience from other countries shows that this is an effective way of getting young people into work. These activities can then be combined with work experience placements and education. In 2010, further measures within the framework of the job guarantee for young people were introduced. New initiatives include the new activation measure, 'Boost' (*Lyft*), support for starting a business, and also vocational rehabilitation. Participants in the job guarantee also now have the opportunity to participate in the guarantee part time so that they can use the remaining time to study in the municipal adult education system. Supplementing the training offered within the job guarantee, a further initiative has also been introduced making it possible for unemployed young people who have not completed compulsory or upper secondary school to complete their studies.

## 2.2. Labour market and employment-related policies and access to benefits

One of the five headline targets set out in the 'Europe 2020' strategy is to bring the employment rate for women and men to 75 % by 2020, including through the greater participation of youth, older workers and low-skilled workers and the better integration of legal migrants. In order to increase labour market participation, Guideline 7 of the 'Europe 2020' integrated guidelines for Member States recommends that active labour market policies should be introduced, in combination with flexible and reliable employment contracts, effective lifelong learning, policies to promote labour mobility, and adequate social security systems to secure professional transitions accompanied by clear rights and responsibilities for the unemployed to actively seek work. This section will describe measures in some of the 33 European Employment Observatory (EEO) countries in relation to a number of these areas: active labour market policies; social security benefits; tax systems and labour market legislation; and mobility.

### 2.2.1 Active labour market policies (ALMPs)

In a number of countries, there are no specific ALMPs for young people, although they may be identified as a specific (priority) target group within broader measures. This is the case for example in the Czech Republic, Estonia, Lithuania,

Slovenia, the former Yugoslav Republic of Macedonia and Norway. For instance in **Belgium**, the 'Marshall plan' has been approved, at a regional level, in Wallonia. The plan includes a series of measures relating to youth training and employment. The various priority themes highlighted in the plan are: promoting motivation and access to employment for those population groups affected by the crisis, especially young people; giving young people who wish to do so the opportunity to obtain their qualifications via sandwich courses or internships; boosting the effectiveness of the 'language' scheme and refocusing it on people with good prospects of employment; and developing, as part of the Walloon 'Entrepreneurship' (*Esprit d'Entreprendre*) programme conducted by the Economic Stimulation Agency (ASE), initiatives aimed at young people.

In the **UK**, the 'New deal' programme, which is currently the main measure aimed at tackling long-term unemployment, has been tailored to the needs of young people. The programme was introduced in the late 1990s and developed into a range of programmes targeted at particular subgroups such as lone parents, people aged over 50 and young people. From October 2009, 'Flexible new deal' (FND) was introduced into parts of England, Scotland and Wales which covered all groups and offered a customised approach to those claiming 'Jobseeker's allowance'; in the case of young people aged 18–24, involvement is mandatory after six months of claiming benefit (for those aged 25 and over participation is compulsory after 18 months). 'New deal' is delivered through providers contracted by Jobcentre Plus, the national public employment service, and involves a series of activities including personal advice and guidance, the development of an action plan and work experience.

Some countries have developed specific active labour market measures for young people. These span from the provision of information, advice and guidance (e.g. France, Malta and Iceland), to new types of contract (Luxembourg), employer incentives to hire or train young people (Luxembourg, Serbia), matching young jobseekers with job opportunities (the Netherlands), setting up regional agreements or 'covenants' on youth employment (the Netherlands), providing young people with work experience (Slovakia, Sweden, as well as those countries mentioned above in Section 2.1.5) and establishing a 'job guarantee' for the young unemployed (Sweden, as well as those countries mentioned in Section 2.1.8). In some cases, young people cannot claim benefits if they do not participate in the programmes on offer to them (the Netherlands, Iceland).

In **Malta**, the Employment and Training Corporation (ETC) launched the 'Youth employment' programme (YES) in 2010. The programme, which is partially funded by the European Social Fund, consists of several initiatives promoting the integration of young persons aged between 16 and 24 in the labour market. The ETC has developed a website



(<http://www.youth.org.mt/>) to provide employment-related information, resources and tools to young people in Malta. Youth Days have also been organised, to include, amongst others, entertainment, workshops and the promotion of employment opportunities through exhibitions by employers. A television programme will also be produced discussing themes relating to the labour market. Besides such activities meant to reach the general (youth) public, YES also provides young jobseekers with personal consultancy services through a multidisciplinary team consisting of a career guidance practitioner, a psychologist, an occupational therapist and two youth workers.

Within the **Slovakian** ALMP scheme, there is one special programme for young jobseekers entitled 'Work experience for school leavers' (referred to as 'graduate practice') that aims to provide young people aged up to 25 with the opportunity to acquire and improve professional skills and practical experience with a specific employer. In 2008, the monthly sum granted to participants in graduate practice was raised from EUR 63 to minimum subsistence level (currently EUR 185). Available assessments show that about 8% of persons involved in graduate practice eventually find a regular job.

The **Icelandic** 'Activating the young' (*Ungt fólk til athafna*) programme, introduced in late 2009, has introduced new measures to target youth unemployment, as described in Box 6 below.

#### Box 6: 'Activating the young' programme, Iceland

The 'Activating the young' (*Ungt fólk til athafna*) programme, introduced in late 2009, has introduced new measures to target youth unemployment. Measures include: private counselling; courses intended to increase self-esteem and provide psychological support; volunteer work; various courses and study paths at selected secondary schools — with a strong emphasis on industrial-vocational training and creative arts; and also the provision of a range of courses in IT and arts, etc. Upon registration at the Directory of Labour, each individual receives counselling and thereafter chooses a set of three measures or programmes that interest him or her the most. The aim is to find a suitable measure for all young people within two months of their registration. The programme first addressed the needs of 16–25 year-olds without a job, who in 2009 numbered 3 200. All of this group were personally contacted by 1 June 2009 and offered some kind of measures and as of mid-October 46% of these were no longer registered unemployed. About half were then in employment and a considerable number at school, while many of the foreign national participants had moved back to their home countries. In the last few months, attention has focused on the older group of 25–29 year-olds. The programme includes the sanction that individuals who have been registered unemployed for more than four weeks and decline to take

part in these measures cannot claim benefits for the next two months. A second refusal entails a loss of benefits for three months and a third refusal revokes the benefit entitlement completely. Benefits can then not be claimed until the individual has worked for at least eight weeks.

In **Latvia** an initiative was approved in March 2010 to offer practical training with an employer to unemployed 18–24 year-olds who have finished primary, secondary or higher education, but have been unable to find a job or whose total accumulated work experience is less than six months. The length of the training may be from 6 to 12 months and participants receive a monthly stipend of LVL 120 (EUR 170). As of September 2010, nearly 2 500 young people had applied for this training and more than 1 000 had already begun practical training in a range of diverse, but generally low-skilled professions involving more than 500 participating enterprises. For example, many participants have received training as farmers, interviewers, cashiers, assistant accountants and office administrators. In **Serbia**, a programme of the National Employment Service to subsidise apprenticeships proved particularly popular with employers in 2009, as described in Box 7 below.

#### Box 7: Subsidised youth employment, Serbia

The 'First chance' programme, implemented by the National Employment Service (NES) gives young jobseekers (below the age of 30) without significant prior work experience the chance to enter subsidised employment with private employers for a period of 6 to 12 months at a pre-set wage (the training duration and wage depend on the level of educational attainment).

The scheme was attractive for private employers, as they received a subsidy which was set to cover almost all the labour costs of the apprentices, but they were not required to keep the apprentices for a certain period after the end of the subsidy. The only requirements were not to replace existing workers with the subsidised apprentices and to provide workplace training based on a specially designed training programme. The programme employed over 17 000 young people in 2009. At one point, the programme's intensity was strong enough to visibly contribute to the break in the upward trend in overall registered unemployment, and more directly to a drop in youth unemployment.

In 2010 slightly different rules were introduced because of limited funds. According to the new design, there is a three-month no-strings trial period, during which the trainees have the status of 'volunteers'. After this trial period, if an employer wants to keep them as trainees in subsidised employment for the remaining period, the employer needs to agree to keep them on after the subsidy has ended for a period at least as long as the subsidised one.

Under these new rules in the first half of 2010 there were 7 009 newly engaged persons within the programme, which represents some 44 % of planned programme participants for 2010. Although it is unlikely that the plan of supporting 16 000 trainees will be fulfilled because of the lack of funds, 'First chance' is still the measure with the largest coverage and impact in Serbia.

In the **Netherlands**, in addition to the Investment in Youth Act (*Wet investeren in jongeren*), the largest ALMP measure for young people in the country (described below), the government introduced in September 2009 the 'Action plan on youth unemployment' (*Actieplan Jeugdwerkloosheid*). In total, the Dutch government will spend EUR 250 million to combat youth unemployment between 2009 and 2011. Two programmes within the action plan aim to bring young people to work. One of these encompasses a series of 30 covenants with regions on youth unemployment. Actors that want to create participation opportunities for young people can turn to their regional authorities for support. A second programme matches young jobseekers with opportunities, including apprenticeships and volunteering opportunities as well as jobs. Municipalities and the PES execute this matching exercise.

In a number of countries, there are measures at national, regional and local level which are targeted to specific groups of young people. These include early school leavers, the rather broad category of 'disadvantaged' young people, school leavers or graduates who have been unable to find a job, gender-specific approaches and measures targeting young disabled people. The extent to which youth unemployment is characterised by marginalised groups/young people at risk and how countries are tackling this is discussed in more detail in Section 2.4 below. Here target-group oriented labour market policies are described.

In **Ireland** for example, there are 41 community training centres (CTCs) which are supported and funded by the National Training and Employment Authority (FÁS) to deliver services to early school leavers aged 16–21. CTCs have a national capacity of 2 300 places and are a key community resource support mechanism for early school leavers in providing additional training/education and assisting labour market integration. The delivery of training and related services within CTCs focuses on supporting the learner to achieve an award within the National Framework of Qualifications (NFQ). Training provision is determined on the basis of an individual learning plan and there is no specific duration for programmes as these are adapted to meet the needs of a variety of individual learners with different levels of competence — the programme duration can vary from six months to two years. Although there is a high level of drop-out from CTCs, the 2007 FÁS follow-up survey indicated that, amongst those who completed the programmes, some

41 % were at work 18 months after leaving, 18 % were in training and over 30 % were unemployed.

Taking into consideration the great importance of the apprenticeship system in **Austria**, one focus of the youth employment strategy is the relatively new supra-company training programme (*überbetriebliche Lehrausbildung*), which is now legally recognised as being equivalent to regular apprenticeships. In line with the aforementioned Vocational Training Act (*Berufsausbildungsgesetz*) (see Section 2.1.8), which guarantees vocational training for all young people up until the age of 18, young people who are unable to find an apprenticeship place with a company are now entitled to complete a supra-company training programme as a regular and equally valued component of the dual system. Although initially designed to lead young people into regular apprenticeships after one year, more and more young people stay at the programme centres for the entire period of training. The target groups of the programme are not only socially disadvantaged youths and learners who may require longer or additional support to complete a qualification, but increasingly also drop-outs. By the end of 2009, nearly 8 600 young people were participants in a supra-company training programme, which is an increase of 22 % compared with 2008. According to an agreement concluded between the federal government and the social partners, training capacities should be gradually extended over the following years if required.

'Project learning for young adults' (PUM) is a **Slovenian** programme aimed at unemployed school drop-outs under the age of 26. The programme tries to encourage young people who have no qualifications, occupation or employment to overcome social isolation and return to education or, where this is not possible, to promote the acquisition of skills that make the transition to work easier. With the help of mentors, young people address the problems that contributed to their dropping out of school. In 2009 there were 297 young persons involved in this programme, which is considered to be relatively successful.

In **Germany**, the Federal Labour Agency assists disadvantaged young people through two main initiatives: *Ausbildungskampagne 2010* ('Education campaign 2010') — the labour offices advise and support young people and employers in the context of apprenticeship training; and the *Hauptschulabschluss* ('Catch up on secondary school qualification') — since 2009 the legal right exists to catch up on the secondary school qualification and this is implemented by the labour offices in combination with continuing vocational training.

In terms of school leavers or graduates who have been unable to find a job, in **Slovakia** access to certain employment services (contribution to self-employment, graduate practice and job-creation subsidy) was made temporarily (from

1 December 2009 until the end of 2010) easier for young jobseekers classified as school leavers. These young people can apply for support immediately after registering with the labour office, instead of having to wait for three months in inactivity.

In the **Czech Republic**, a European Social Fund (ESF) project introduced in 2009 in the region Ústí nad Labem provides subsidies to employers who employ a recent school graduate, as well as offering language and IT courses and other types of retraining. The goal of the project is to support around 1300 low-skilled young people to establish good work habits and to find suitable employment in the region.

In **Croatia**, the Centre for Education, Counselling and Research has implemented a number of programmes and projects at the local level, such as 'Creating new opportunities in the labour market', which targets unemployed female first-time jobseekers, women without formal education and single mothers. The project objective was to improve the position of women, particularly young women, in the labour market by providing and enhancing their skills and knowledge in order to increase their employability, competitiveness and facilitate integration into the labour market. The project also empowers women in the process of seeking, selecting and obtaining employment. Furthermore, it increases the availability of information about employment and labour rights; informs employers about the practice of socially responsible business operations; and raises awareness and informs the public and key stakeholders about the unequal position of women in the labour market and problems of poverty and social exclusion of women.

**Austrian** youth employment policy has a strong focus on young people with disabilities. One reason for this is that there is a special institution responsible for the support of disabled people, the Bundessozialamt (the Federal Social Office). The Federal Social Office launches different employment programmes for disabled people and has a very strong focus on young people with disabilities. One important and rather new initiative is the 'Integrated vocational training scheme' (*Integrative Berufsausbildung*). This scheme allows participants to complete a regular apprenticeship over a longer period or to obtain a partial qualification.

Finally in **France**, the national-level large-scale emergency plan for youth employment, described in Box 8 below, includes a number of measures to support young people from disadvantaged groups, including school leavers and young people from disadvantaged areas.

and also measures aimed at youth insertion into the labour market.

With co-funding from the European Social Fund (ESF), the plan sought the creation of 7 000 places in 'second-chance' schools. However, in the first year only 925 places have been created so far at an overall cost of EUR 4.4 million. The second-chance schools have been implemented in 20 training centres and deliver a specific training programme for young people (aged 18–22) in great difficulties (e.g. school leavers, and mainly youth coming from disadvantaged areas). The programme is meant to support their social and professional integration; initial results are very encouraging.

The emergency plan also includes measures aimed at youth insertion into the labour market through funded apprenticeships, training contracts and subsidised contracts. In relation to apprenticeships and school-work programmes, the emergency plan foresees that 320 000 apprenticeship contracts and 170 000 professionalisation contracts would be signed between 1 June 2009 and 1 June 2010 (35 000 and 30 000 more than in 2008 respectively). In order to fulfil these objectives, significant financial help such as the reduction of non-wage labour costs or exceptional subsidies for hiring a young person aged under 26 have been proposed. Moreover, a 'zero contribution' measure has also been implemented for companies hiring apprentices.

As part of the emergency plan for youth employment a new type of training contract has also been introduced, the 'contract of accompaniment-training', which offers a status, social protection and remuneration to 50 000 young people engaged in vocational training programmes.

## 2.2.2 Access to social security benefits

Within the youth employment framework of the 'Youth on the move' initiative, the European Commission recommends that the modernisation of social security systems should address the precarious situation of young people. Access to social benefits should be ensured where appropriate and expanded if necessary to provide income security, while activation measures and conditionality should ensure that benefits are only awarded if the young person is engaged in active job search or in further education or training.

In terms of unemployment benefits, in many countries (e.g. Spain, Latvia, Hungary, Slovakia, Sweden, Croatia, Turkey and Norway), there are no special allowances for young people and they are entitled to unemployment benefit on the same terms as older age groups. This means that many young people are not able to claim unemployment benefit because they do not meet the requirement to have worked (and thus made contributions) for a certain period of time.

Some countries apply specific conditions regarding unemployment benefits for young people. In **Austria** the

### Box 8: The emergency plan for youth employment, France

The emergency plan for youth employment was announced as a crisis recovery measure in April 2009. It encompasses a broad range of measures targeting early school leavers

requirement of a certain period of employment in order to receive unemployment benefits is shorter for people who are under 25 (26 weeks instead of one year). Furthermore, unemployed people who participate in longer training schemes receive subsistence benefits (*Deckung des Lebensunterhalts*), regardless of whether they have work experience or not — this is particularly important for young people who often do not have work experience. In **Ireland**, until recently there was little difference between young and older persons with regard to eligibility for unemployment payments. However, as from May 2009 ‘Jobseeker allowance’ (JA) payments for persons aged between 18–24 years old have been substantially reduced. The decreases, which apply to new jobseekers, are of the order of 50% for those aged 18–21 and somewhat less than this for young people aged 22–24. However, these reductions do not apply to those who avail of training/education programmes.

**Finland** and the **UK** seem to be exceptions. In **Finland** at the age of 17 jobseekers are entitled to unemployment benefits if participating in labour market measures such as work experience, labour market training or rehabilitation organised by the employment authorities. Jobseekers aged 18–24 are eligible for labour market support if they have not refused to participate in activation measures and providing that they have applied for vocational training. Young jobseekers who are over 25 years old are also allowed to study while still receiving unemployment benefit for up to two years. In the **UK**, although young people under the age of 18 are not entitled to ‘Jobseeker’s allowance’ (JSA), for those aged between 18–24 a flat rate is payable of GBP 51.85 (EUR 58.89) per week, rising to GBP 65.45 (EUR 74.33) for those aged 25 and over.

In some countries young people are entitled to other forms of financial support. In **Slovakia** for instance, although young people are not entitled to unemployment benefit unless they have a minimum of two years of unemployment insurance in the last three years, they may instead apply for a means-tested benefit from the social assistance scheme. In **Croatia**, while many young people are not entitled to unemployment benefit, they may be eligible for support from the social welfare system, mostly on a means-tested basis.

In **Ireland** there are two streams of social support. One is based on weekly contributions paid by employees and employers into the state social insurance system (PRSI). The other stream involves ‘assistance’ based supports for those without PRSI contributions or whose contribution levels are insufficient to qualify for insurance-based benefits. Regarding unemployment payments, there are two types of support: ‘Jobseeker benefit’ (JB) for persons with adequate PRSI contributions, and ‘Jobseeker allowance’ (JA), which is assistance based and means tested. With regard to

unemployed young people, in the cases of the youngest (i.e. in the immediate post-education phase) most would be receiving JA, as they would not have accumulated sufficient PRSI contributions to qualify for JB.

Some countries provide young people who are participating in education and training opportunities with financial support. For instance:

- In **Belgium**, the start-up bonus, introduced in 2008, is a premium paid to young people who, during their period of compulsory education, commence hands-on training or obtain work experience with an employer as part of a sandwich course.
- The ‘Education maintenance allowance’ (EMA) <sup>(12)</sup> was intended to encourage young people in the **UK** from poorer households to stay in learning after school. The EMA paid out up to GBP 30 (EUR 34) per week, subject to household income and was paid in addition to other benefits the young person might be eligible for such as help with the costs of childcare, transport and discretionary support, for example help to buy books and equipment for the training being undertaken.

The payment of benefits is linked to activation measures and conditions in a number of countries, including Latvia, the Netherlands, Slovakia and Finland (see above). In the **Netherlands** for example, the largest ALMP measure is the Investment in Youth Act (*Wet investeren in jongeren, WIJ*) which came into force on 1 October 2009. The act aims at supporting sustainable labour market entrance for young people and preventing them from becoming dependent on welfare through strong conditionality. In principle, young people aged 18–27 are no longer entitled to social assistance. Instead, they are offered work, education or a combination of the two. Young people who refuse to accept such an offer are denied benefits. If they accept a job, they are paid a salary from their employer. If they accept education, they receive, if deemed necessary, an income which equals social assistance.

### 2.2.3 Tax systems and labour market legislation

In order to encourage companies to recruit young people and/or to create additional jobs for young people, a number of countries have introduced incentives such as hiring subsidies and reductions in the non-wage costs of labour.

Hiring subsidies seem to be particularly common and can be found for example in Belgium, Bulgaria, the Czech Republic, Estonia, Greece, Spain, Luxembourg, Hungary, Austria, Romania, Slovenia, Finland and Croatia. Some examples are described below.

<sup>(12)</sup> It was announced in 2010 that the EMA would be abolished as part of the government spending review.



- In **Bulgaria**, the 'Youth work experience' programme offers a grant to employers to hire young people with secondary and higher education who have not found employment after graduation. The period of probation is six months or less. The grant is paid for trainees' salaries (BGN 300/ EUR 150 per month) and for additional remuneration of the coaches involved (a sum equal to half of the minimum wage).
- In **Estonia**, a wage subsidy scheme supports employers hiring young unemployed people (aged 16–24) after three months of unemployment (for other groups the unemployment period must be minimum six months). Employers can apply for a wage subsidy of 50% of the employee's salary but not more than the minimum wage (in 2010, this was around EUR 278). In the case of fixed-term contracts, the wage subsidy is paid for half a year at most, while it is extended to a year in the case of open-ended contracts. There is not yet an impact assessment of the measure and it has been stressed that monitoring tools to avoid any misuse by employers or any adverse impact on participants need to be introduced.
- The Employment Service of **Slovenia** subsidises the wages of first-time jobseekers who have finished studying in the last two years and are offered at least a one-year full-time contract.
- A new measure recently adopted in **Finland** is a voucher for subsidised work. The *Sanssi-kortti* ('chance card') is a voucher available to young jobseekers who have recently graduated from vocational education. Employers of young people with a chance card are entitled to wage subsidies up to EUR 550 per month for a maximum of 10 months. By the end of August 2010, 13 500 vouchers had been given to jobseekers leading to 1 800 subsidised job placements.

Another common measure appears to be the reduction of non-wage labour costs to encourage employers to hire young people. There are examples of such measures in Belgium, Greece, Lithuania, Hungary, Slovakia, Sweden, Croatia, Serbia and Turkey.

For example in **Lithuania**, a new measure was introduced in the first quarter of 2010 to exempt employers partly from social insurance contributions (around 80% of the established rate) when offering a young person their first job. This tax privilege is expected to continue until July 2012. It is intended to contribute to better tackling youth unemployment problems, promoting the employment of new graduates without the necessary work experience and, at the same time, reducing emigration and 'brain drain'. However, the measure has not been received favourably by stakeholders. Employers' organisations think this measure may seem attractive, but not under the conditions of the economic downturn when there is very low demand for

labour. Organisations representing people with disabilities and people at pre-retirement age expressed their concern that better conditions for youth employment might reduce their competitive labour market opportunities, encourage substitution effects and reduce contributions to the social insurance fund without increasing overall employment.

In **Hungary**, the START programme provides a subsidy on social security contributions to employers of young labour market entrants. As opposed to the regular 27%, employers pay 10 and 20% contributions in the first and the second period of the subsidy, respectively. The scheme is differentiated according to the education level of the beneficiary; the first and the second period each last one year for those with below-higher education, while the same periods are nine and three months' long for higher educated persons, respectively.

In **Luxembourg**, a new practical-based contract for young people provides companies with both an allowance and an exemption from social contributions, as described in Box 9 below.

#### Box 9: New employment contracts, Luxembourg

The most fundamental employment measure in Luxembourg to combat youth unemployment which also helped to cushion the effects of the economic crisis has been the modification of the labour market policies for young people implemented in 2006. Through a rapidly introduced and to some extent controversial bill, a new practical-based contract has been added to the already existing temporary employment initiation contracts: the *contrat d'appui-emploi*, CAE (employment support contract), the *contrat d'initiation à l'emploi*, CIE (employment initiation contract) and the new *contrat d'initiation à l'emploi — expérience pratique*, CIE-EP (employment initiation contract — practical experience) for young people with an academic degree. Contracts cover a 24-month period and income is up to between 120 and 150% of the minimum wage, depending on the qualification (CAE and CIE contracts, 80 to 120% of the minimum wage; CIE-EP, 120 to 150%). Through the three contracts, companies are also incited to recruit young people by receiving an allowance of 30% through the Employment Fund if they meet certain conditions (i.e. providing an open-ended contract without a trial run). Another incentive for companies and related to the new CIE is the fact that employers' social contributions are covered by the fund. Although constituting a recent measure of the anti-crisis package, the CIE-EP had a promising impact in July 2010 with 100 contracts out of the 753 general CIE contracts.

Some countries have introduced measures to increase flexibility for employers, through for example fixed-term contracts, as in **Italy**, the Netherlands and Norway. In Italy, a job insertion contract (*contratto di inserimento*) targeted at disadvantaged

workers, including young workers aged between 18 and 29 and the unemployed aged between 29 and 32, was introduced in 2003. This type of contract, with a duration ranging between 9 and 18 months, can be adopted only if at least 60% of previous contracts of the same kind have been transformed into permanent ones within the firm. It is characterised by lower social contributions and the possibility for the employer to offer a lower salary with respect to *sottoinquadramento* (collective agreements). These incentives notwithstanding, this contract is not widely used, regarding only 0.6% of total employment in 2008, but the percentage increases to 1.6% among young people aged 18–29. In **Norway**, young workers have probably benefited from changes in 2009 to the rules regarding temporary lay-offs. Before the changes the employer had to pay unemployment compensation to the temporary laid-off worker for the first 10 days (after 10 days the government paid unemployment compensation). After the changes in 2009, the period of time the employer has to pay for unemployment compensation was reduced to five days. This gives companies the possibility of holding on to needed skilled workers in a period of low activity and is particularly relevant to youth, as when downsizing it is usually the employees that joined the most recently that are laid off first. In the **Netherlands**, since July 2010 employers are allowed to keep young workers (aged under 27) on a fixed-term employment contract for longer. Currently, employers are obliged to give an open-ended contract after an employee has had three consecutive fixed-term contracts. For young workers this has been extended to four consecutive fixed-term contracts. Moreover, currently consecutive fixed-term contracts that exceed 36 months automatically convert into an open-ended contract. For young people this has become 48 months. This new act is temporary and runs until 2012, with the option of extension until 2014. The government states that the act is a response to the economic crisis, as it offers employers the possibility to keep their younger staff without having to offer them an open-ended contract. It will be interesting to observe in the longer term whether these measures have the desired positive effects on the labour market integration of young people, given that increasing flexibility for young people has in some countries also shown negative effects <sup>(13)</sup>.

#### 2.2.4 Promoting self-employment among young people

Another priority defined by the 'Youth on the move' initiative is to promote self-employment as an opportunity for young people, via the development of appropriate support and guidance on business plans, access to start-up capital, etc.

Some countries have introduced new measures to promote and support self-employment which are specific to young people (e.g. Belgium, Greece, Romania, Serbia) while in other countries young people are eligible for or included as one of

several specific target groups within a more general scheme (e.g. Bulgaria, Latvia, Lithuania, Slovenia, Slovakia). These measures include, among others, financial support and loans to set up a business (e.g. Belgium, Greece, Latvia, Lithuania, Romania, Slovakia) and entrepreneurship education/ training (e.g. Bulgaria, Serbia).

For example in **Romania**, the government has recently devised a scheme to encourage entrepreneurship among young people. The scheme will target so-called 'start-up enterprises' created by individuals aged under 35 and will give these entities several exemptions from taxation for some years after establishment as well as subsidies for recruiting employees, in the form of exemptions from the mandatory social security contributions, for a limited duration. Profits reinvested by those companies will also be considered as tax-free. Several other advantages will include a state-backed credit guarantee up to a certain ceiling which will allow new entrepreneurs to tap into cheaper, easier financing.

In **Portugal**, the 'Support programme for entrepreneurship' was launched to mitigate the consequences of the economic crisis by fostering entrepreneurship. This programme provided aid for the start-up of small, for-profit companies that create jobs and contribute to stimulating local economies. Two credit lines with low interest rates were launched to support the approved initiatives. First-time jobseekers (aged 18–35) with at least secondary education and those who have not had an open-ended work contract or never exercised a professional activity can apply to this programme. In addition, in order to promote youth entrepreneurship, the *Finicia Jovem* programme, launched in 2008, aims to offer financing solutions and technical consultancy for new projects for young entrepreneurs with secondary education aged between 18 and 35.

#### 2.2.5 Promoting mobility of young people

Mobility is at the core of the European Commission's 'Youth on the move' flagship initiative, which aims to increase young Europeans' chances of finding a job by enhancing student and trainee mobility and improving the quality and attractiveness of education and training in Europe. A Council recommendation aimed at removing obstacles to mobility is proposed as part of the 'Youth on the move' package, accompanied by a mobility scoreboard to measure Member States' progress in this regard.

There are already a number of programmes at European level to provide mobility opportunities for young people, including for example Erasmus, 'Erasmus for youth entrepreneurs', Leonardo da Vinci and 'Youth in action' programmes. In addition, a number of instruments have already been developed to facilitate the mobility of learners, such as the European Credit Transfer and Accumulation System (ECTS), the European qualifications framework for

<sup>(13)</sup> See Chapter 3 of *Employment in Europe 2010*, Employment, Social Affairs and Equal Opportunities DG, European Commission, Luxembourg: Publications Office of the European Union, 2010.

lifelong learning (EQF) and Europass. The Commission has also announced that it will seek to develop a 'Youth on the move' card to speed up the integration process for mobile learners and provide other advantages in line with national youth or student cards.

In some countries, there are examples of initiatives to promote the mobility of young people. These included both measures to promote national mobility, as in for example Belgium, the Czech Republic, Lithuania, Portugal, Slovakia and Finland, and measures to promote transnational mobility, which could be found in Spain, Italy, Malta, the Netherlands, Portugal, Slovakia and Finland. Again, while some of the measures target young people specifically, others have a broader scope but young people are eligible to take part or are included as one of the target groups.

In **Belgium**, initiatives have been taken by the regional governments and employment agencies which aim to increase mobility between regions and to encourage jobseekers, among them young jobseekers, to 'cross the linguistic border', both geographically by searching for a job in another region and also by increasing their language skills. For example, the Brussels region has broadened access to language vouchers to include young jobseekers, to prepare them for recruitment interviews.

The **Dutch** government has tried to promote the international exchange of students, for instance by allowing students (not only at universities but at various levels of education) to keep their scholarships when they study abroad. This has increased the number of students who (partly) study abroad. The government also stimulates internships abroad, for instance via exchange programmes such as 'Regional attention and action for knowledge circulation' (RAAK), facilitating international internships for various education types and levels. Moreover, a range of arrangements has been made and are being made to make international experience part of the curriculum of students, such as a recently introduced law that enables a joint degree to be obtained at bachelor, master and PhD level.

In **Malta**, in a bid to continue encouraging education beyond compulsory schooling, the government extended the 'Youth specialisation studies scheme' for a further three years and is considering investing more funds in the scheme to maintain its momentum when the current EU funding for it ends in 2011. The scheme is meant to help young people who choose to study abroad in subjects that are unavailable in local education institutions through subsidised loans.

In **Spain**, ARGO GLOBAL is a programme funded by the Spanish Ministry of Education, intended for young university graduates from public and private Spanish universities. This programme gives them the opportunity to take part in an internship in international companies. Between 2009 and 2012, the distribution of 1 100 grants will allow the funding of internships of between 3 and 12 months in companies in Europe, the United States, Canada and in Spanish companies with offices in Asia.

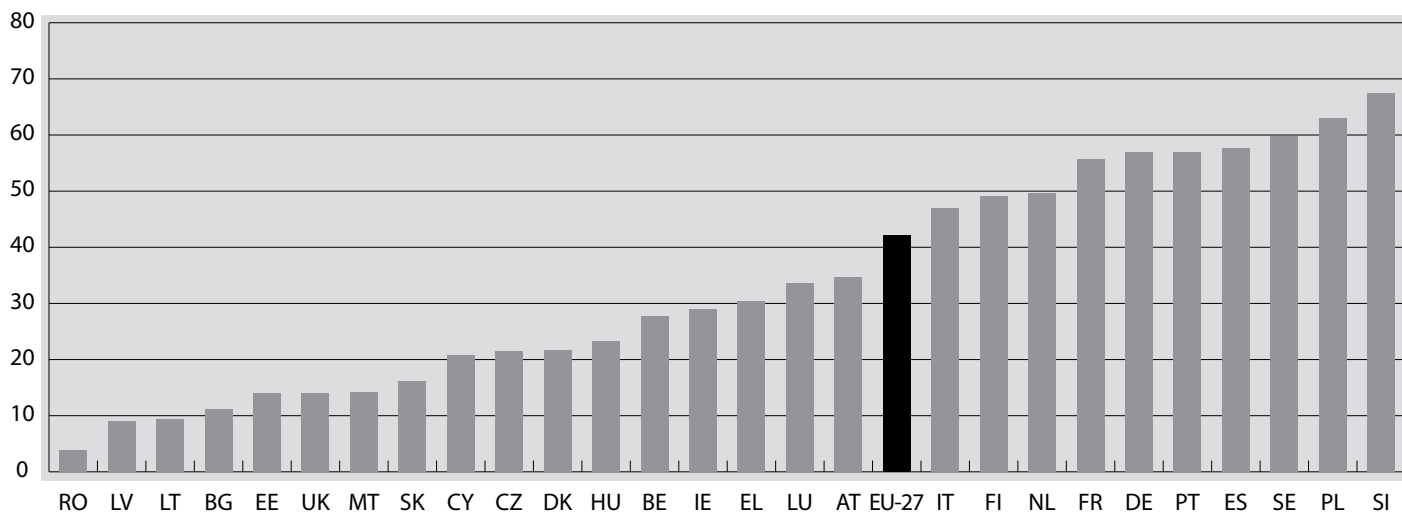
## 2.3. Measures to address problematic features of youth employment

### 2.3.1 Problematic features of youth employment

Young people across Europe often find themselves in a vulnerable position on the labour market, with low rates of pay and higher rates of temporary and part-time employment.

For example in 2009, 40.2 % of young employees under 25 held a temporary contract, compared with only 10.3 % of adult workers. However, due to different policy measures and labour market structures, the situation varies greatly across countries. As Figure 4 shows, in the second quarter of 2010, the rate of youth employed on fixed-term contracts was over 60 % in Slovenia and Poland, over 50 % in France, Germany, Portugal, Spain and Sweden, and over 40 % in Italy, Finland and the Netherlands. Temporary employment may also be of a different nature; while in some countries it is often students that combine study with work, in other countries temporary contracts are more often used for young full-time employees.

**Figure 4:** Share of young employees (15–24 age group) with a temporary contract, second quarter of 2010



Source: Eurostat.

Involuntary part-time employment is also a problem, at 27.6 % of young part-time workers. Although, in 2009, 57 % of young people were in part-time employment because they were also in education, 27.6 % declared that they had been unable to find a full-time job — this is equal to the share of those declaring themselves as involuntarily part-time employed.

The prevalence of temporary contracts is a problem for young people in the majority of the 33 countries concerned. Thus in Greece, Spain, France, Lithuania, Luxembourg, Malta, Hungary, the Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Sweden, Croatia, Iceland and Norway temporary contracts are identified as a feature of youth employment. In **Poland** for example, according to Eurostat data for 2009, as much as 71.6 % of employed in the 15–19 age group work on a temporary contract basis, as well as 52.3 % of the employed in the 20–24 age group. Only those aged 25–29 appear to be in a slightly more favourable situation, as ‘only’ 31.1 % of this group work on the basis of temporary contracts.

Part-time hours are also reported to be common among young people in Greece, Spain, France, Malta, the Netherlands, Slovakia, Sweden, Iceland, Norway and Serbia. Here again, the underlying reasons may be different from one country to another. In **Slovakia** for example it is observed that part-time jobs seem to be a sought-after rather than an involuntary alternative of employment for young people (presumably due to harmonisation with family, education or leisure activities).

Low wages are reported to be common for the young employed in **Spain**, France, Lithuania and Portugal. In Spain for example, compared with the average wage, the 16–19 age group earns 45.5 %, the 20–24 group 60.7 % and the 25–29 group 79.7 % <sup>(14)</sup>. The European Commission’s 2010 *Employment in Europe* report <sup>(15)</sup> notes that low pay is a common feature of many jobs held by young people in Europe and that, in particular, young people who have limited or no previous work experience are more likely to receive low wages. Nevertheless a study conducted between 1995 and 2001 (Quintini and Martin, 2006) found that there is a decrease over time in the incidence of low pay among young workers and that exit rates from low pay are relatively high — higher than exit rates from non-employment — which supports the argument that young people working in a low-paid job are better off in the long term than those who do not have a job at all <sup>(16)</sup>.

Other countries identify young people’s lack of skills, or the poor link between the skills they have to offer and labour market demand, as a problematic feature of youth employment (Estonia, Germany, Hungary, Croatia, the former Yugoslav Republic of Macedonia for example). In **Croatia** for instance, it is suggested that the biggest problem relating to youth (un)employment is the low adjustment of education outcomes and labour market needs. Skilled workers, in particular skilled manual workers, are very difficult to hire, reflecting a shortage of high and specialised skills and a surplus of low and general skills. Specifically, there is a deficit of workers with secondary and tertiary technical education and at the same time a surplus of workers with less than secondary (including vocational) and general secondary education. In **Germany**, around 15 % of young adults between the ages of 20 and 29 do not hold a vocational qualification and as a result are often affected by unemployment.

Undeclared or informal work is also identified as being a possible problem among young people in Bulgaria, Greece, Spain, Lithuania, Poland, Croatia, the former Yugoslav Republic of Macedonia and Serbia.

In **France**, the national SYSDÉM expert suggests that the multiplication of subsidised contracts and of policies consisting of reduced charges or provision of subsidies for hiring a young worker in work-school contracts presents the risk of a substitution effect and could maintain young people both in such atypical and subsidised labour contracts and low wages. Subsidised contracts are most of the time also part-time contracts, paid on the basis of minimum wage. Most reductions in social charges are also directed at wages around the minimum wage. Together, such measures thus tend to compress the wage scale at the bottom.

In **Italy** too, recent labour market reforms are cited as one of the causes of the problematic features of youth employment. The increased flexibility introduced by the recent reforms translated into a significant share of young people holding atypical labour contracts, facing lower job security, lower contributions and lower expected pension benefits. The SYSDÉM expert thus suggests that, even though the recent introduction of significant measures should be praised (such as the job insertion contracts, apprenticeships, the increase of the ordinary unemployment benefits to apprentices and the lump-sum allowance for coordinated collaborators), younger workers continue to represent a significant part of the ‘dark’ side of the Italian dual labour market.

In **Spain**, in view of the difficult situation facing Spanish young men and women, it is suggested that there is a temptation to further reduce the quality of the jobs offered to them in order to help them to enter the labour market. Indeed, the possibility of creating special labour contracts for young people (fixed-term, with lower wages and firing costs, etc.) is currently being discussed. Yet Spain has

<sup>(14)</sup> Source: Spanish Statistical Institute (INE), Wage Structure Survey, 2009.

<sup>(15)</sup> *Employment in Europe 2010*, Employment, Social Affairs and Equal Opportunities DG, European Commission, Luxembourg: Publications Office of the European Union, 2010.

<sup>(16)</sup> Quintini G. and Martin, S., (2006), ‘Starting well or losing their way? The position of youth in the labour market in OECD countries’, OECD, Social, Employment and Migration Working Papers No 39, cited in *Employment in Europe 2010*, Employment, Social Affairs and Equal Opportunities DG, European Commission, Luxembourg: Publications Office of the European Union, 2010.



already resorted to such flexible contracts in order to create employment in the past, resulting in a polarised labour market. Some countries have taken action to address these problematic features of youth employment. For instance in **Austria**, temporary agency work is more common among young people. Whereas the rate of temporary workers among all employees was at 1.8% in 2009, the rate was 2.9% among young people aged 15–24 years. As temporary workers were severely affected by the crisis, a special ‘youth foundation’ was implemented. This measure also addresses young unemployed people (19–24 years) who before the crisis had been employed as temporary workers. In **Spain**, the problem of temporality among young people is presented as one of the main reasons for the recently approved labour market reform, which limits the duration of fixed-term contracts to three years. ALMPs aim to reduce the problems of part-time work and low wages through better training for young workers. Additionally, other responses to these problems come from the NGOs, from trade unions and from civil society organisations. For example, the Spanish Youth Council has led a campaign against precarious employment. In **Portugal**, the latest reform of the Labour Code (February 2009) has limited the use of fixed-term contracts, by reducing their maximum duration to three (from six) years and by preventing the use of ‘repeated’ fixed-term contracts with the same employee. In 2011, new provisions are expected to come into force in the Contributory Code that will increase the social security contributions paid by firms for workers with fixed-term contracts and will decrease the employer social security contributions for employees on open-ended contracts.

Part-time and temporary contracts are sometimes seen as a sign of flexibility and a way of encouraging employers to take on young workers, on a kind of ‘trial’ basis. However, the consequence can be job insecurity for young people. For instance in **Estonia**, as a result of the new Employment Contracts Act introduced in 2009, labour market regulations are more flexible and are intended to improve the initial access of young people to the labour market, but it will have to be seen whether these changes will have positive effects. In **Slovenia**, flexible forms of employment, particularly temporary employment, are said to constitute a form of probation, after which the employer can decide whether the young person has met the criteria for a particular job and whether he/she should be offered an open-ended contract. This ‘probationary period’ is frequently abused by employers substituting fixed-term employed staff for another temporary contract person in order to keep the labour costs at low levels. In response to this problem, the Ministry of Labour, Family and Social Affairs drafted and adopted a new Mini Jobs Act for regulating student work and all other occasional and temporary forms of work in 2010. In **Greece**, prompted by the expansion of part-time and temporary work, the government has introduced legislation targeting those working in the so-called flexible forms of employment

(home workers, temporary workers and part-timers) and aimed at securing their employment rights by guaranteeing job security <sup>(17)</sup>.

### 2.3.2 Marginalised and at-risk groups

Certain groups of young people are more at risk of unemployment or find themselves at a disadvantage on the labour market. As noted previously, in response to this a number of countries have introduced policies and measures which focus on vulnerable groups of young people. Measures to tackle early school leaving have been discussed above; this section therefore focuses on other marginalised and at-risk groups.

In Belgium, Germany, Austria and Iceland young people from a migration background are identified as being at a specific disadvantage.

- In **Belgium**, the 28.1% unemployment rate for young immigrant communities is three times higher than for non-immigrant communities.
- In **Austria** young migrants are more likely to be unemployed (with an unemployment rate of 5.8%, nearly twice as high as for young people with Austrian parents at 3.1%) and there is a higher drop-out rate amongst this particular group. In addition the proportion of young people starting an apprenticeship is lower among migrants than among young people who are native to Austria.
- In **Germany** it is also suggested that educational outcomes are lower for young people with a migration background than for others. A lower proportion of young people with a migration background hold university entrance qualifications and also proportionally more hold a secondary school qualification or have no graduation certificates at all. The participation rate of young people with a migration background in dual apprenticeship training was 32.2% in 2009 compared with 68.2% for those without a migration background.

Measures have been taken in **Germany** to address this issue. The Federal Ministry of Families, Pensioners, Women and Youth (BMFSFJ) provides a direct assistance programme for young people with a migration background through the local branches of around 400 youth migration services

<sup>(17)</sup> The most important provisions of the law are: (a) a redefinition of economically dependent work; the burden of proof for economically dependent work is now shifted on to employers, provided that the employee works for the same employer for at least nine months; (b) subsidised short-term employment can only last for six months within a year; (c) various restrictions are placed on temporary agency work; (d) a person working on a temporary basis for a company for 12 months is now entitled to an open-ended contract of dependent employment; (e) employees can be laid off for only three months within a year; (f) employees working for six days are to be paid an extra 30% for their time on the sixth day.

(*Jugendmigrationsdienste*) supporting the school-to-work transition of young migrants between the ages of 12 and 27.

In **Austria**, one great challenge is the early division of pupils' education pathways into either *Gymnasium* or *Hauptschule* (lower secondary school) at the age of 10. There is much evidence that such a system concentrates disadvantaged students, such as students with a migrant background, on lower level educational pathways and also encourages early school leaving. Thus, in 2010, reforms were initiated to merge all 10–14 year-olds into a new comprehensive school: *Neue Mittelschulen* (new secondary schools).

In the **Icelandic** 'Activating the young' programme (see Box 6 above), special attention is paid to the needs of young immigrants, and they can attend courses that aim to improve their command of the Icelandic language, as well as their overall social skills.

In **France**, young people from disadvantaged areas are over-represented in unemployment and subsidised labour contracts and low wages. According to the annual report of the National Observatory of Urban Zones in Difficulty (ONZUS<sup>(18)</sup>), 41.7 % of 15–24-year-old males in ZUS are unemployed, against 19.1 % of 15–24-year-old males in non-ZUS quarters in the same urban units. The aforementioned 'Hope for suburbs' plan has been implemented as a key measure to address unemployment and subsidised labour contracts and low wages that are prevalent in disadvantaged urban areas.

The Roma are highlighted as being a vulnerable group in the Czech Republic, Hungary and Slovakia. In **Slovakia**, although data on the ethnic structure of unemployment have not been collected since 2001, all existing evidence points to a very high rate of joblessness in the Roma population. Their weak position on the labour market is not only an outcome of poor education, but rather a demonstration of social exclusion of a multidimensional nature that is passed on to next generations. Many policy initiatives from the public and private sectors have attempted to mitigate the worrying situation, yet with minimal effects. There is a general consensus that key elements of a productive strategy include education starting at the youngest age, social housing, a strengthened role for Roma assistants — particularly in finding a way to employment — and the involvement of Roma themselves in the strategy. In the **Czech Republic**, a proposal in the Czech strategy of Roma inclusion for 2010 to tie the provision of family welfare benefits to school attendance of children with the aim of increasing the educational attainment of Roma is currently being discussed.

## 2.4. Roles of the labour market actors

As has been explained above, most countries have specific policies or programmes in place to address youth (un)employment. In a number of countries, governments have initiated major strategic policy initiatives in response to the crisis, as in Denmark, France, Hungary, Finland, Sweden, Iceland and Serbia.

- In **Denmark**, from the first quarter of 2007 to the first quarter of 2009 youth unemployment doubled. This development put youth unemployment at the top of the political agenda and the 2010 budget contained a number of initiatives to promote growth and to combat unemployment especially among young people — the so-called 'youth package', which was agreed between a large majority in the Danish parliament.
- A series of policy measures have been implemented in **France** in order to tackle the surge in youth unemployment. The government's strategy relies on the activation of youth labour market policies, notably with the use of financial incentives to boost the demand and supply of youth labour. There are three plans which make up the framework of youth employment policies: the 'Hope for suburbs' plan, which targets young people from underprivileged areas, the 'Emergency plan for youth employment', a recovery measure which contains a series of measures addressing apprenticeships, training programmes and subsidised contracts, and the 'Acting for youth' plan, which focuses on the problem of early school leavers.
- In **Malta**, acknowledging the increasingly challenging transitions of young people into adult life, the government recently adopted the revised national youth policy 2010–13. The document aims to set a vision for youth outcomes and outlines a list of key policy objectives that need to be pursued by the government and other stakeholders in the youth field. The policy covers various key areas which are directly linked to the wellbeing of young people, namely: family, education, employment, health, culture, community, sport, leisure, volunteering, youth justice, environment, information society, transitions and vulnerability, youth information, social inclusion and mobility.
- In **Finland** there are several different youth measures taken by, in particular, ministries responsible for employment and education. The economic crisis acted as a catalyst for various reforms aimed at removing employment obstacles for youth, enhancing transition from basic education to vocational education and transition from vocational education to the labour market. In 2010 the supplementary budget for youth measures of the Ministry of Employment and the Economy and the Ministry of Education and Culture was altogether

<sup>(18)</sup> ONZUS, Annual Report, 2009 (<http://www.ville.gouv.fr>).

EUR 50 million, including increases in youth guidance, coaching, apprenticeships, youth workshops and measures to integrate young immigrants.

- There are several youth strategies in **Serbia**. The Ministry of Youth and Sports prepared a national youth strategy in 2008, which is a comprehensive guiding document. In an operational sense, the youth employment policy and action plan (YEP), prepared for the mid-term period 2009–11 by the Ministry of Economy and Regional Development, with the technical assistance of the International Labour Organization (ILO), is considered to be more important. The YEP defines specific youth employment objectives and quantitative targets.

In other countries, youth (un)employment may be addressed within a wider policy. This is the case for example in **Ireland**, where issues relating to youth employment tend to be addressed in the context of labour market policy as a whole. However, as there are a number of measures in place to support young people (a number of which are described above), this does not imply that youth matters receive less than adequate attention.

Employers and the social partners are involved in the design and delivery of policies and programmes to support young people, or in advocating for greater support for young people in a number of countries, including France, Germany, Luxembourg, Malta and Finland.

- In **Luxembourg**, it is thought that social partnership, as well as networking between labour market actors, ranging from ministries to professional associations, has been vital in the implementation of reforms and the creation of new work incentives.
- In **France** too, one of the main improvements recently has been the increasing involvement of employers in youth employment schemes. For a long time the Public Employment Service (PES) in charge of young people has had few links with employers and professional branches, but the PES and employers are now increasingly working together.
- In **Germany**, the Federal Association of German Employers (BDA) supports the existing education policy and reforms for the improvement of the education system. Companies and employers are aware of their responsibility for education and some of them contribute by providing training. They also act as cooperative partners for schools and universities. In addition, the *Industrie- und Handelskammer* (IHK) (Chambers of Industry and Commerce) have carried out many activities for the acquisition and the placement of apprenticeship training places.

- One project implemented by employers' organisations and trade unions in **Lithuania** is 'Friday social dialogue school'. It is a cycle of lectures for students from various universities, colleges and other education/training establishments concerning employment opportunities (how to get ready for a job interview, how to fill in a CV, what specific features are characteristic in labour relations, etc.), entrepreneurship opportunities (available business alternatives, how to start a business, how to set up your own company, etc.) and other issues. The lectures are delivered not only by visiting lecturers but also by representatives from employer and trade union organisations.
- The largest trade unions in **Malta** have youth sections through which they carry out their initiatives directed at helping young people in the labour market. For example, 'GWU Youths', forming part of the General Workers' Union, Malta's largest trade union, actively promotes young workers' rights.

A research project which is currently being implemented by the Research DG, entitled Younex <sup>(19)</sup> ('Youth, unemployment and exclusion in Europe'), looks at policy, institutional and societal factors which may affect the integration/exclusion of young people. One of the tentative conclusions reached so far (the project will continue until April 2011) is that the integration of youth can be best achieved through a multi-layer governance, encompassing national and EU levels and also local institutional actors. The role of civil society organisations is also identified as being important and the study calls for a closer involvement of such organisations in both the design and implementation of youth policies <sup>(20)</sup>.

In some countries, committees or similar have been formed to ensure policy is coordinated by a range of stakeholders. In **Hungary** for example, the intergovernmental Ifjúsági Koordinációs Bizottság, IKB (Youth Coordination Committee), was formed in order to enable the steps described in the action plan of the national youth strategy (adopted in January 2010) to be carried out. Consulting members include representatives of specialised governmental institutions, such as the PES and the Institute for Social Affairs and Labour, among others. In **Denmark**, a special national task force has been created, which will assist individual job centres in improving the quality of their offer to the young unemployed. In **Lithuania**, institutions of local authorities are assisted in the formation and implementation of youth policy by a coordinator for youth affairs, who acts as an intermediary between politicians and local authorities and

<sup>(19)</sup> <http://www.younex.unige.ch/index.html>

<sup>(20)</sup> *Employment in Europe 2010*, Employment, Social Affairs and Equal Opportunities DG, European Commission, Luxembourg: Publications Office of the European Union, 2010.

local/national youth organisations. A municipal council of youth affairs is formed by the resolution of the municipal council equally from representatives of local authorities, agencies and youth organisations. The new **Finnish** Youth Law stipulates that every municipality has to have a multi-sectoral and multi-professional coordinating body in place to ensure that coordinated measures are taken to secure young people's transitions to education and training and to prevent social exclusion.

Other countries have committed to greater cooperation and collaboration in policy documents, agreements or 'pacts' at national or regional level. In the **Netherlands**, measures to enhance the cooperation of various labour market actors are incorporated in the action plan for youth unemployment. The actors mentioned are the government, the social partners, regions, schools and employers. In **Slovakia**, a coordinated cross-sectoral approach to pursuing youth policies has been agreed with the adoption of the 'State policy concerning children and youth in Slovakia for the years 2008–13'. In **Austria**, at regional level the main tools for the implementation of an integrated policy approach to youth employment are the territorial employment pacts in all nine *Länder* (federal states). Members of the pacts are the provincial governments, the PES, the Federal Social Office and the social partners.

In **Belgium**, France and Serbia the SYSDem experts suggest that coordination between the different stakeholders needs to be improved. In Belgium for instance, teaching-related matters are the domain of the communities, while employment and vocational training-related matters are the domain of the regions. The federal authorities, for their part, are responsible for employment legislation, collective labour agreements and social security benefits. The SPE (Public Employment Service) finds it difficult to function effectively because unemployment benefit is controlled by the ONEM (National Employment Office), while job placement and active measures are the responsibility of the three regional SPEs (VDAB in the Flemish region, FOREM in the Walloon region and ACTIRIS [previously ORBEM] in the Brussels region). It might be that the multitude of institutions linked to education, training and youth employment constitutes a hindrance to the transition from school to employment in Belgium. The **Serbian** national article also recommends that employers' organisations and trade unions need to be more closely involved in the design, monitoring and evaluation of ALMPs.

Reforms of (the roles of) labour market institutions have been introduced or are planned in a small number of countries. In **Greece**, the Public Employment Service (OAED) has committed to ensure that all registered young jobseekers benefit from activation measures. In this framework, efforts are being made to upgrade the network of centres

for employment promotion (KPA). Recent initiatives have focused on the full implementation of a pre-crisis law (Law 3518/2006), envisaging the conversion of the PES into one-stop-shops, the linking of the PES with the service centres for citizens (KEP), structures commonly associated with cutting red tape and time-saving efficiency, advances in various ICT applications which will result in improved monitoring of OAED's activities and also in more efficient assistance to clients, the setting-up of a EURES-type portal enabling the efficient matching of the demand and supply of labour, the further development of vocational guidance and counselling services, and the linking of OAED's training centres with the PES. The **Czech** Minister for Labour and Social Affairs Jaromír Drábek announced in July 2010 a major change in the organisation of district labour offices, which are currently separately managed independent legal units, but which are soon to be merged into one centrally managed organisation. The Minister argues that this should allow for better reaction to local employment service needs. In the **former Yugoslav Republic of Macedonia**, the reform of the Employment Service Agency (ESA) is said to have been quite dynamic since 2008. The reform activities include, for example: the creation of a new service model with a customer-oriented approach; 11 local action plans for employment; the introduction of skill needs assessment analysis; the design of a model for monitoring the implementation of ALMPs and measures. An integrated software solution was also launched in the first quarter of 2010, which will help jobseekers access information on what jobs are available as well as what types of employees are currently in demand in the labour market. In **Finland** the government seems to have set out a goal to promote a more coherent strategy in terms of educational, employment and social policy approaches. By implication, the Finnish approach to youth unemployment is now multi-agency, multi-professional and emphasises networking as a main method.

### 3. Conclusions

Young people in Europe face a number of challenges in making the transition from education and training to the labour market. They also show higher rates of unemployment than older generations and often find themselves in a vulnerable position on the labour market, with low rates of pay and higher rates of temporary and part-time employment. Young people have also been one of the groups hardest hit by the economic downturn and were often amongst the first to lose their jobs as a result of the crisis. Certain groups are more affected and, for example, low-skilled youth show the highest unemployment rates and seem to be particularly exposed to unemployment in the current economic climate.

The situation in the 33 countries covered by this review is very diverse. Some reasons for the difficulties young people



face on the labour market include, for example, the mismatch between skills offered by education and training and those needed by employers, the impact of the economic downturn on sectors which previously offered low-skilled work to young people, and also demographic trends.

Across the countries, there is a range of policies and measures in place to support young people to gain the skills and competences they need to access the labour market, to prevent youth unemployment, and to support young people financially through social security benefits. Some policies and initiatives are targeted specifically at young people, while others have a broader scope but young people are eligible to take part or are included as one of the target groups.

In terms of school education and training policies, countries have taken both specific measures and broader initiatives. Examples of specific measures include training schemes to bridge the gap between school education and the labour market, special training programmes for the young unemployed and second-chance schools. Broader initiatives include overall reforms to the school or vocational training systems, increasing the number of vocational training places and introducing new vocational training programmes. A few countries are focusing on specific sectors, on specific subjects (e.g. the STEM subjects), on certain professions and skills required by the labour market, or on occupations where there is no relevant apprenticeship scheme.

A number of countries are facing difficulties with apprenticeships due to the economic crisis with less apprenticeship places offered by employers or apprentices being made redundant by their sponsoring employer. This has prompted the introduction of special measures to support apprenticeships and unemployed apprentices.

Youth guarantees, either to ensure that all young people are in a job, in education or in activation, or to guarantee that a place will be available in certain types of education or training provision, are in place in a number of countries. Others give young people the right to a place in education or other types of support, or impose a duty on providers to meet the needs of young people.

Specific ALMPs for young people span from the provision of information, advice and guidance, to new types of contract, employer incentives to hire young people, matching young jobseekers with job opportunities, setting up regional agreements or 'covenants' on youth employment and providing young people with work experience.

In terms of unemployment benefits, in many countries there are no special allowances for young people and they

are entitled to unemployment benefit on the same terms as older age groups. This means that often young people are not able to claim unemployment benefit because they do not meet the requirement to have worked (and thus made contributions) for a certain period of time. In some countries young people are entitled to other forms of financial support, for instance if they are participating in education and training opportunities.

In order to encourage companies to recruit young people and to create additional jobs for young people, a number of countries have introduced incentives such as hiring subsidies and reductions in the non-wage costs of labour. Hiring subsidies seem to be particularly common, as well as the reduction of non-wage labour costs to encourage employers to hire young people. Greater flexibility for employers, through for example fixed-term contracts, was also mentioned as a means of encouraging employers to take on young recruits.

Some countries have focused on the problematic features of youth employment, or target specific disadvantaged groups of young people in their policies and programmes. Steps have also been taken to improve coordination between the different stakeholders in certain countries, for example through the formation of committees or other similar bodies, or a commitment to greater cooperation and collaboration in policy documents, agreements or 'pacts' at national or regional level.

For the future, it is clear that evaluations of interventions are important to inform investment and the design of policies. Introducing regular evaluations of the efficiency of ALMP programmes and improving the flexibility and efficiency of resource allocation within the public employment services (PES) ought to lead to major improvements. The strategy for investing in youth employment should ideally be based upon the outcome of evaluations of interventions in the youth labour market. However, evaluation of the measures in place is often not available yet since measures have been introduced only recently, making it difficult to draw any reliable conclusions on the impact that they have on youth employment. Furthermore, it is important to bear in mind that the impact of measures to address (youth) employment depends greatly on the state of the economy and, more particularly, on the ability of the labour market to create jobs.

As the data show, it seems that there is more work to be done to support young people in the labour market. Through 'Europe 2020' — in particular the flagship initiative 'Youth on the move' — the European Commission will support mutual learning and offering support to EU Member States to tackle the problems they face in this area.



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Young people have been hit hard by the economic downturn with the EU youth unemployment rate reaching 20%. This review summarises messages from 33 national articles on this theme, linking them to policy developments, studies and data. It details the European and national contexts before examining measures to promote youth employment. These cover education, training, labour market and benefit policies, as well as measures to address problematic aspects and labour market actors' roles. Following this, final conclusions are drawn.

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