



PES to PES Dialogue
The European Commission Mutual Learning
Programme
for Public Employment Services

DG Employment, Social Affairs and Inclusion

“PES Approaches for Sustainable
Activation of Low Skilled Adults and
Youths: Work-first or Train-first?”

Analytical Paper

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Executive Summary

Public employment services (**PES**) have a **central role in increasing labour market participation and developing a skilled workforce**. Activation policies with sustainable outcomes are central to achieving this. The relative contributions of 'work-first' and 'train-first' approaches to activation of the low-skilled are reviewed in this paper with examples of some innovative PES measures, supports and services in Member States.

One quarter of the working age population in **Europe, almost 80 million people have low or basic skills**, and demand for these skills is falling. Low-skilled, particularly the **young**, have been severely impacted by the current global economic crisis through high unemployment. The highest **long-term unemployment** rates are found in the least educated section of the population in every Member State. Throughout Europe just over half of the adults with low education levels are in employment and only one in five of those aged 18-24 with low education are employed. Low-skilled are also at higher **risk of social exclusion** and poverty. At the same time **skill shortages** and vacancy bottlenecks exist in some occupational sectors.

Work-first activation policies, in open labour market or subsidised employment, have been prominent in Europe since the mid-nineties. Work-first activation is most suitable for low-skilled who are **job ready**, primarily **unemployed adults with previous work-experience**. Work first can also be appropriate for some categories of low-skilled young people if it is combined with additional supports. **PES job-search assistance, guidance and counseling** are essential elements of work-first; monitoring and sanctions are increasingly integral to effectiveness of work-first activation. PES outsourcing of work-first activation to special providers is increasing. **Case management, mentoring and in-work support for clients and incentives** to employers can improve sustainability of work-first job placements for the low-skilled. Work-first activation is **less effective** in achieving sustainable labour market integration for **disadvantaged low-skilled** with more complex needs.

Train-first activation (second-chance education and VET) focused on skill development prior to employment, is an option for **early school-leavers and can have sustainable outcomes**. **Shorter duration specific skills training is also an option for low-skilled adults** redundant from traditional sectors and occupations. Research evidence indicates that the most effective training for the low-skilled is employer demand-driven, tailored to needs of the low-skilled target group, includes on-the-job experience; combines occupational and generic skills and is certified. **Apprenticeships, traineeships** and **specific skills training** are the most effective types of training for low-skilled youth. Pre-apprenticeship and **preparatory training** may be required for more disadvantaged low-skilled youth with **literacy, numeracy, language and other social supports** integrated as required. PES are more frequently contracting with **external providers** to meet employer and individual skill needs; this includes public education and training agencies and third-sector organisations. Evidence suggests that the sole use of **vouchers** to purchase training may not be effective for low-skilled unemployed; a mix of systems to manage access to training is preferable.

There is **increasing convergence** between welfare to job initiatives and activation approaches. Merging of effective core elements of work-first and train-first activation approaches such as job-search assistance, guidance and counseling, and work-based training would benefit low-skilled clients. **PES** have a strong role in respect of **managing transitions between education and the labour market and in anticipation of skill needs of employers and low-skilled individuals**. This will require higher levels of **PES interaction with stakeholders in the field of education and training, and increased engagement with employers** to promote training for the low-skilled. Within a context of scarce budgets and resources, PES need to **prioritise measures, services and supports for the low-skilled**, and disadvantaged, with increased emphasis on enabling access to initial skills development for youth and the inactive, and on skills up-grading for adults to ensure sustainable integration. **PES staff development** must also be sustained to ensure that the needs of these priority client groups are effectively met.



Additional **longitudinal research, improved monitoring, and increased capacity in skills assessment and forecasting** is also required to ensure demand-driven, effective and cost-efficient PES provision for the low-skilled.

1 Introduction

PES have a central role in the European Employment Strategy

PES are recognised by the Employment Guidelines 2020 as central actors in the improved delivery of the **European Employment Strategy**, particularly in respect of **increasing labour market participation** (guideline 7) and **developing a skilled workforce** (guideline 8). Guideline 7 notes that 'employment services play an important role in activation and matching, and should be strengthened with personalized services and active and preventive labour market measures ... such services and measures should be open to all, including young people, those threatened by unemployment, and those furthest away from the labour market'. The perceived PES role with respect to developing a skilled workforce (Guideline 8) includes **offering incentives for lifelong learning** with efforts focusing on those with low and obsolete skills, improving access to training, strengthening education and career guidance.

Youth unemployment is also recognized as a significant problem in the Europe 2020 strategy with a commitment to support young people both through employment and education. The Council conclusions in 'New Skills for New Jobs: the Way Forward' (2010) 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.

Sustainable activation of low-skilled is a key focus of the PES 2020 Strategy

A PES 2020 strategy recently endorsed by all European Public Employment Services addresses the role of the PES in response to changing environments and labour markets and the operational consequences for PES of the changed role in the EU2020 strategy. An **activation policy with sustainable outcomes** is seen as central to the PES approach to addressing the challenges generated by **transitional labour markets**, along with an increased **focus on the demand side of the labour market**. Activation of **school drop-outs or low-qualified job seekers** is proposed as a primary field of cooperation². Across Europe PES are important stakeholders for ALMP measures, through development of and funding of measures, and assigning of participants to such measures including opportunities for **second chance learning**.

Contractual mutual obligation between job-seekers in receipt of benefits and PES has become more widespread in EU Member States as an integral part of the activation process along with monitoring and sanctions. Key components of sustainable activation strategies include: registration for placement and assessment of work availability as preconditions for benefit payment; regular and intense interventions during the unemployment spell by the PES; explicit regulations regarding job-search requirements; direct referrals to vacant jobs, and referrals to ALMPs with compulsory participation for some jobseekers³. Activation is generally focused on different categories of work-age benefit recipients in social security systems such as unemployment insurance, unemployment assistance, social assistance, and also disability, sickness or incapacity benefits. However, important variations exist between countries as regards the strictness of observing job search requirements, the obligation to accept a job offer or to take part

¹ EEO Review (2010) Youth Unemployment 2010, p.7.

² Public employment Services: Contributions to EU2020: PES Strategy Paper, 2012, pp 1-10.

³ OECD (2007) Employment Outlook, pp.5-6 and Chapter 5. Activating the Unemployed: What Countries Do.

in an ALMP, and the obligation of the PES to provide such job offers or places in active measures⁴.

Work-first and train-first are dominant labour market activation strategies reflected in differing formats and scope of PES services in Member States

The overall aim of activation is to improve economic self-reliance and societal integration via gainful employment instead of joblessness and benefit receipt, which is often associated with social exclusion⁵. Two main types of activation strategies have evolved linked closely to welfare and labour market policy approaches – work first and train first:

- The work-first strategy is characterised as having more demanding elements; it emphasises fast entry into employment with services provided to encourage direct employment and get individuals off the welfare roll.
- The train-first approach is focused on investment in human capital to improve employability of those currently claiming benefits, particularly for people with a weak position in the labour market. It can be characterised as a more enabling strategy in which employability is enhanced through provision of training and education opportunities.

Activation approaches can differ according to the relative importance of demanding or enabling policies and the balance between the two can vary in the context of national policy-making and will be reflected in differing formats and varying scope of PES services, measures and supports within individual Member States.

PES services and measures for low skilled are priority activation instruments

PES in EU Member States currently provide a range of services and measures to support sustainable activation of low-skilled, particularly in response to their higher levels of unemployment due to the economic recession. **PES activation-related services** to individuals include: information, advice, vocational guidance and counselling; individual action plans and case management; job-search assistance, coaching and mentoring. **PES measures** in support of activation include vocational training, subsidised employment schemes, and incentives for employers to offer employment to an unemployed or inactive persons.

This paper draws on reviews of policy documents, previous peer reviews and published reports of empirical research to present an analytical background for assessing effective and sustainable PES approaches for activation of low skilled adults and young people⁶. Key issues in the implementation of '**work-first**' approaches for low-skilled adults and young people are first reviewed, followed by a review of issues in the implementation of '**train-first**' approaches with a specific focus on PES measures, services, roles and practice. Examples of some **innovative services and measures** are presented which may indicate the way forward in respect of what seems to work for low-skilled workers in regard to PES services, measures and supports.

⁴ European Commission (2011a) Analytical Paper – The role of PES in youth integration , PES to PES Dialogue, Author: Duell and Vogler-Ludwig

⁵ Eichorst and Konle-Seidl (2008) Contingent Convergence: A comparative analysis of activation policies.

⁶ A comprehensive literature review was undertaken and a Bibliography is provided in Appendix 3. Additional information was gathered through face-to-face interviews with PES in Ireland, and telephone interviews with PES in Finland, Lithuania and the Netherlands. In this paper low-skilled refers to persons who have less than a Level 3 ISCED qualification (i.e. ISCED 0-2)

Young low-skilled unemployed and inactive groups are increasingly targets for PES activation in many Member States

In many European countries with high and/or worsening levels of youth unemployment, PES policy and activation rules require **earlier activation intervention for younger** people than for adults (e.g. max three months unemployed rather than twelve months). Specific policies and rules are being put in place for activation of unemployed and inactive young people, often within the parameters of a **Youth Guarantee**⁷. Legal frameworks and the organisational policies, structures and resources of individual PES determine the application of such criteria. Common determining **criteria** for PES are: age of job-seeker, length of unemployment, type of benefit claim, education level as well as other factors relating to distance from the labour market. Early intervention is a core element of the approach for young people.

⁷ Following from the European Council Agreement on Youth Guarantees (Feb.2013) that all young people under the age of 25 who are unemployed or inactive after school completion receive an offer of employment, continued education, apprenticeship or traineeship within 4 months, www.ec.europa.eu

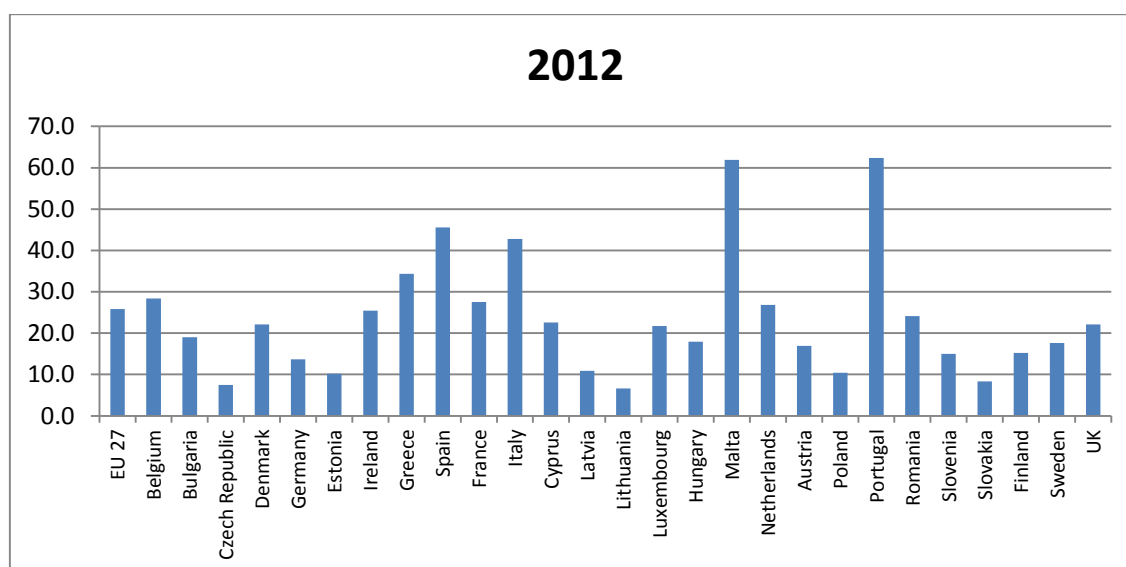
See also European Foundation (2012). Summary Report on Youth Guarantees – Experience from Finland and Sweden; and European Commission (2011) PES to PES Dialogue Youth Guarantees : PES approaches and measures for low-skilled young people, Thematic Synthesis Paper.

2. Low skilled in the labour market

Over a quarter of the population in Member States have low educational qualifications, and there is falling demand for low-skilled workers

The European Strategy for Employment and Growth 2020 estimates that about **80 million** people in Europe have **low or basic skills**, and that the demand for low-skills will fall by 12 million jobs and that 16 million more jobs will require high qualifications by 2020⁸. In the past decade there has been a **collapse in the demand for a low-educated workforce**, by about almost 6.8 million workers between 2001 and 2011⁹. A strong sectoral bias in the global economic crisis, has particularly impacted negatively on low-skilled occupations in construction and in traditional manufacturing. Skill demand forecasts for 2020 indicate that most job opportunities will be in the service sector, with continued demand for some elementary occupations, but increasing requirements for higher level skills e.g. language, IT and communications. Figure 1 shows that in 2012 just over **25% of the population aged 25-64 had low educational attainment in EU27** (i.e. less than ISCED level 3); and over 40% in Portugal, Spain, Italy and Malta.

Figure 1: Persons 25-64 years with low educational attainment (ISCED of 2 or less) 2012 (Eurostat)



Low-skilled have considerably lower levels of employment

Adults and young people with lower education and skills have **lower levels of employment** than those with higher levels of education in all Member States. The **employment rate** in 2012 for all EU27 countries is **considerably lower for both young people and adults with ISCED levels 0-2 only**. Just over half of adults (52%) with levels 0-2 are in employment, compared to almost two-thirds (73%) of those with levels 3 & 4, and over four of every five with tertiary education (83%). Likewise for young people (aged 15-24) just over one-fifth (21%) with levels 0-2 were in employment, compared with 44% of those with levels 3 & 4 and 55% of those with tertiary education. Comparative data for both young people and adults for all EU 27 countries is shown in Appendix 1.

⁸ European Commission (2010). Europe 2020 A Strategy for Employment and Growth (2010), p18.

⁹ European Commission (2012), Employment and Social Developments in Europe, Chapter.6, p357.

Low skilled are disadvantaged in respect of unemployment prospects, regaining employment and experiencing long-term unemployment

Low-skilled workers are more **likely to become unemployed** (either through lay-off or the ending of a contract) than high-skilled workers and have a double disadvantage in that they **are less likely to regain employment**¹⁰. In Germany in 2011, the unemployment rate of those with low educational levels (ISCED 0-2) was 13.4%, five times higher than that of the highly educated (ISCED 5-6) 2.5%¹¹. In France, in 2011, 60% of the almost one million unemployed had low qualifications¹².

The **highest long-term unemployment rates** are found in the least educated segment of the population in every EU Member state. Low skilled workers are also at a **higher risk of becoming and remaining long-term unemployed** once they lose their job in the context of economic re-structuring. At EU level the low skilled ratio in long-term unemployment (LTU) is 2:1. The low-skilled segment accounts for more than 45% of all LTU in France, Belgium and Italy; more than 60% in Spain, Portugal and Malta; and is also very high in Lithuania, Bulgaria, Slovakia and Czech Republic. Migrants and ethnic minorities are over-represented among the LTU, and generally have lower skill levels and less favourable outcomes on the labour market¹³.

The risk of social exclusion is higher for low-skilled

The EC ESDE Report 2012 demonstrates that the low skilled face a much **higher risk of social exclusion** than average¹⁴. Higher rates of long-term unemployment exacerbate the risk. The long-term unemployed have more health problems than the population in general, and without re-integration are more like to drift into disability, poverty and with increased mortality risks¹⁵. Unemployed, inactive, and migrants are identified by ESDE are at greater risk of poverty and social exclusion; with young adults and older working-age adults out of the labour market among those facing high **risk of persistent poverty**.

Low-skilled youth have been particularly severely impacted by the economic recession

Young people (15-24) are one of the groups hardest hit by the economic recession; in EU-27 by January 2013, almost a quarter (23.6 %) of the youth labour force (5.7 million) were unemployed¹⁶. Youth unemployment is related to low educational levels and early school leaving¹⁷. In the third quarter of 2010 the difference between the youth unemployment rates of those with lower secondary education (ISCED level 0-2) and tertiary education (ISCED level 5-6) was 8.5 percentage points in the EU 27.

¹⁰ European Commission (2012), Employment and Social Developments in Europe, Chapter 1. p108.

¹¹ Duell N and T Vetter, EEO Review Long-Term Unemployment: Germany 2012, p 3.

¹² Gineste, S, EEO Review Long-Term Unemployment: France 2012. P.6.

¹³ European Commission (2012), Employment and Social Developments in Europe, p83.

¹⁴ European Commission (2012), Employment and Social Developments in Europe Chapter 2.

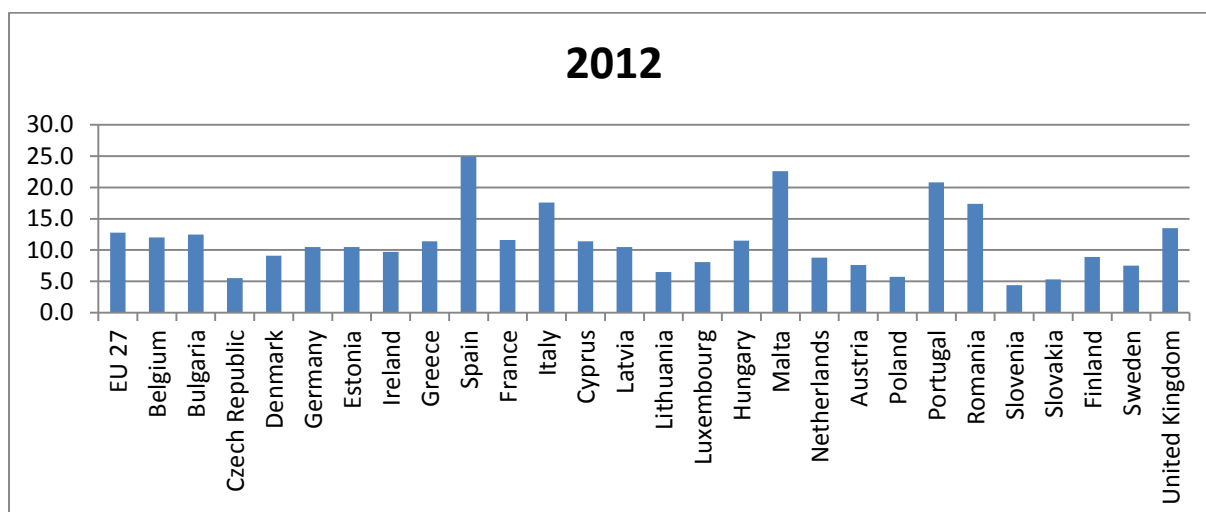
¹⁵ Arnkil, R (2012), EEO Review Long-Term Unemployment: Finland, pp.7-8.

¹⁶ There is considerable diversity in youth unemployment rates between Member States, less than 10% in Germany, Netherlands and Austria in 2011, and in excess of 30% in Greece, Lithuania, Portugal, Slovakia and Spain (Europa – Youth Unemployment 3011Q4). The unemployment rate does not take account of the number of young people who are students. The youth unemployment ratio takes account of this. In 2011 the youth unemployment ratio for EUR-27 was 9.1%, less than half the unemployment rate of 21.4%. The variation between rates for the member states was also much less, ranging from 4.2% for Luxembourg, the lowest, to 19% for Spain (Greece was next highest with 13%), the highest (Europa: Youth Unemployment, 2011Q4).

¹⁷ Two-thirds of Member States had not achieved their target of completion of (at least) upper secondary education by 85% of 22 year olds by 2010. While the early school leaving rate was above 10% in for over half of EU27 Member States in 2012 it was in excess of 20% in Spain, Portugal and Malta, and in excess of 15% in Romania and Italy (see Figure 2).

A high proportion of young people are not currently in employment, or in education or training (NEETS). As shown in Figure 2 over 10% of those in the 18-24 age group have left education or training early; with over 20% in Spain, Portugal and Malta.

Figure 2: Early leavers from education and training: % of the population aged 18-24 with at most lower secondary education and not in further education or training) 2012 (Eurostat)



Young people are also much more likely than older workers to have involuntary part-time employment and to have a temporary employment contract. The proportion of young workers in temporary contracts¹⁸ varies. At least **half have a temporary contract** in Poland, Spain, Sweden, Portugal, France and Germany; falling to 20% or less in Hungary, the Czech Republic, the Slovak Republic and the UK¹⁹. **Qualifications and skills mismatch** is also an issue in the EU; this predominantly affects younger male workers in non-standard contracts. While some may be educationally **qualified or over-qualified** for the jobs available, they **may be under-skilled** and in need of training to **compete**.

¹⁸ It should be noted that temporary contracts can be a stepping stone to more permanent contracts, rather than just a dead end.

¹⁹ OECD (2010b), Rising Youth Unemployment during the Crisis, Scarpetta et al. p17.

3. Categories of low-skilled for which work-first (employment) is deemed appropriate

Introduction

A **work-first** policy approach, linked to a culture of **learning on the job** has been prominent in Europe since the mid-nineties, due in part to research findings which demonstrated its effectiveness as an active labour market approach, and in part due to its cost-efficiency for PES in the light of reduced budgets and increasing numbers of clients. Bruttel and Sol (2006) caution that the term work-first is ill-defined and that work-first programmes vary significantly in the services they offer, the sequences of their activities and in their goals and approach²⁰. European PES work-first approaches have encompassed both employment in the **open labour market and subsidized employment** in the private sector or in a public employment scheme, as part of an ALMP. PES work-first activation services and measures therefore can encompass: **information, advice and counselling, job-search assistance; incentive schemes for private employers** (e.g. wage subsidies and/or start-up grants); and public-sector job-creation programmes for the unemployed. **Monitoring and sanctions** for individual job seekers is also an integral part of work-first activation.

Work first can be appropriate for low-skilled adults who have some previous work-experience and are 'job-ready'

Reviews of the effectiveness of work-first activation and placement approaches are broadly positive for some categories of unemployed with qualifications and work experience²¹. The **evidence for lower-skilled and unqualified is less certain**, with concerns for the quality and sustainability of the jobs obtained, particularly in economic downturns with low demand for labour and high levels of unemployment. Research in the US, Australia and Europe suggests that such work-first focused activation programmes often struggle to reintegrate the highly disadvantaged and long-term unemployed²². For example those who fared least well in terms of employment outcomes from the US GAIN programme were those unemployed over 24, with lower educational attainment, including longer term immigrants with less language ability²³

However, work-first activation approaches can be deemed **appropriate for low-skilled who are most 'job- or market-ready'**. In some countries it is primarily viewed as appropriate for unemployed adults with previous work-experience (e.g. **Lithuania, Ireland**). The appropriateness of the work-first strategy for adults will however also vary however according to supply and demand issues within national labour markets.

The work-first approach can be a **preferred option for low-skilled unemployed adults with previous employment experience who have been made redundant**, or who were in temporary or contract jobs (e.g. former unskilled construction workers in Spain, Greece or Ireland aged 30-45). For this category work-first may be a choice even in situations where up-skilling is required to enable transition into a new occupational

²⁰ Bruttel, O and E. Sol. (2006) Work First as a European Model, Policy and Politics, Vol. 34, No.1.

²¹ Results from early evaluations in the US; Riccio et al (1994) GAIN Evaluation; Brown (2001) Beyond Work First; See also discussion in Bruttel and Sol (2006). Work First as a European Model. P4-6, and Dean et Al (2005) Developing capabilities and rights in welfare to work policies.

²² See: Peck and Theodore (2000), Work First, workfare and the regulation of contingent labour markets, Cambridge Journal of Economics, Vol. 24.No.1; Perkins, D (2007) Making it Work: promoting participation of job seekers with multiple barriers through the PSP programme; Dean et Al (2005) Developing capabilities and rights in welfare to work policies, European Societies, Vol.7, No.1; Van Oorschot and Abrahamson (2003) The Dutch and Danish Miracles Revisited: A critical discussion of Activation Policies, Social Policy and Administration, Vol.37, No. 3.

²³ Flaming et al (1999) On the Edge:Progress Report on Welfare to Work in Los Angeles.

sector, or where the previous job has become obsolete; **up-skilling** through formal traditional routes would represent **a harder challenge for these** than for the already well-educated. For them the route to higher skills may be best achieved through a **job**, ideally one that **incorporates forms of on-the-job training, or day release**.

Work-first can also be appropriate for certain categories of young low-skilled youth, if combined with additional supports

Work-first is in some Member States (e.g. **UK, Netherlands**) also seen as an approach for specific categories of young people with limited or no work experience. This category includes early school leavers who are motivated to enter the labour market and do not wish to return to education or training, lone parents, and young people with a disability. The work opportunity in such circumstances is often part-time and may be implemented through placement in subsidised employment within a third sector agency, a private company or in a public employment scheme. For example in **Ireland** part-time work in a social or public employment scheme has also been a preferred short-term choice for **young lone mothers**, who wish to have a foothold in the labour market combined with child-rearing. **Supported-employment placements** in companies with assistance of designated coaches have been deemed effective to enable **young people with a disability** to access the labour market (**Ireland, Sweden**). Early experience from the US and the UK found that such placements tended to be of short duration or are not sustained. Increasingly it is recognised that **in-work support services, case management, and counseling and guidance** should be integrated into work-first strategies and provided by placement service providers to both the placed employee and the employer to improve job sustainability²⁴. Structured **on-the-job training** and learning supports are also recognised as important to increase and sustain positive labour market outcomes from such placements²⁵.

PES job search assistance services are effective in support of work-first activation for low-skilled adults; but low-skilled youth require more intensive counselling and supports

PES provision of **job search assistance** is a key component of a work-first strategy for low-skilled. **Services** and measures provided by most European PES include: information on job vacancies, **vocational guidance and counselling**, development of **individual action plans**, and direct **referrals** to vacant jobs. Sanctions may be imposed when job seekers do not comply with job search activities required for receipt of unemployment benefits. Early evaluations indicated that job-search assistance (JSA) helped most unemployed, in particular women and lone parents, but was less effective for disadvantaged youths²⁶. A more recent large scale meta-evaluation found that **JSA and related programmes have generally favourable impacts**, especially in the short term and that it is an effective active labour market method overall in supporting the transition from unemployment to work²⁷.

JSA effectiveness can be influenced by a range of factors. Research from Belgium indicates that effectiveness is linked to the threat of monitoring job search activities, but that the positive threat effect may be **less effective for more disadvantaged (lower-**

²⁴ See for example: Yeo, A., (2007) Experience of work and job retention among Lone Parents: an Evidence Review, Working Paper No.37. Dept. of Work and Pensions, UK.

²⁵ See for example: Johnson, A (2001) Job retention and advancement in employment: review of the research evidence. pp 43-44; DWP, (2002) From job-seekers to job keepers: job retention, advancement and the role of in-work support programmes p118; and European Commission (2011) Supported employment for people with disabilities in the EU and EFTA-EEA.p211.

²⁶ Martin J and D Grubb (2001), What Works and for Whom: A Review of OECD Countries' Experiences with Active Labour Market Policies, IFAU –Office of Labour, Working Paper 14.

²⁷ Card, D., Kluve, J and A Weber (2010), Active Labour Market Policy Evaluations: A Meta Analysis. The Economic Journal, p.453

educated) workers²⁸. Concerns were also raised that the threat of increased monitoring may result in workers accepting lower quality jobs, however the researchers conclude that this negative effect can be undone by providing appropriate counselling. Monitoring can have both supportive and controlling functions, however recent review of practice indicates that the trend in PES is towards more frequent and continuous follow-up within a supportive context²⁹. In a European Commission report, Duell and Vogler-Ludwig in reviewing more recent PES experience in youth integration conclude that while JSA has been found to be cost-effective for young people who are assessed as being ready to work, it is **less successful for low-skilled youth**³⁰.

Research in France has shown that JSA effectiveness for low-skilled job-seekers is increased by provision of intensive PES **guidance and counseling services** and can improve success rates in finding employment. Strengthened job-search assistance which involved frequent personal counseling sessions, ongoing email and phone contact, and included support and monitoring of individuals in their new employment was however found to be most effective for those who were short-term unemployed and eligible for unemployment benefits.³¹

PES practice shows that to effectively meet the specific needs **of low-skilled young people** services need to be delivered through a **person-centred and integrated approach** that identifies both individual strengths and barriers. Such services can be more integrated through cooperation and shared commitment between the PES, schools, employers and youth/social work organisations³².

PES work-first activation for the low-skilled is facilitated by policy measures such as wage subsidies, internships and public sector employment schemes.

Wage subsidies are used by PES in many Member States to facilitate integration into the open labour market; an example for Slovenia is shown below. In general research results for wage subsidies schemes for unemployed who are most distant from the labour market in most countries are positive (e.g. in Denmark - Jespersen 2008; Sweden - Sianesi 2008; and Germany - Jaenichen and Stephen 2007)³³; with strongest outcomes for females. However potential deadweight and displacement effects associated with such schemes are not always considered in the evaluations.

²⁸ Cockx, B and M Dejemeppe (2007), Is Notification of Monitoring a Threat to the Unemployed? IZA DP No 2854.

²⁹ European Commission (2012) Activation and integration: working with individual action plans. Toolkit for Public Employment Services, European Commission Mutual Learning Programme for PES, DG Employment, Social Affairs and Inclusion, Author: Helen Tubb.

³⁰ European Commission (2011a) Analytical Paper – The role of PES in youth integration , PES to PES Dialogue , p18, Author: Duell and Vogler-Ludwig

³¹ Behaghel, L., Crepon, B., and Gurgand, M. (2012) Private and Public Provision of Counselling to Job-Seekers; and Crepon et al (2005) Counselling the Unemployed: Does it Lower Unemployment Duration and Recurrence.

³² European Commission (2011a) Analytical Paper – The role of PES in youth integration , PES to PES Dialogue , p16, Author: Duell and Vogler-Ludwig

³³ Jespersen et al (2008), Costs and Benefits of Danish ALMPs: Sianesi, B (2008) Differential Effects of ALMPs for the Unemployed: Jaenichen and Stephen (2007), The Effect of Targeted Wage Subsidies for Hard-to-Place Workers.

Box 1. Wage subsidy scheme for disadvantaged youth – Slovak republic

As part of ALMP policy – aimed to increase job-seekers work experience, includes an allowance for the induction of disadvantaged jobseekers. An employer can test the work skills and suitability of a disadvantaged jobseeker directly in the workplace. The purpose of induction is for the disadvantaged jobseeker to gain the practical experience and working habits required to perform the given work. The maximum duration of induction is 30 hrs per week for three months. The allowance is equal to the amount of the subsistence minimum for one adult for the duration of the induction.

Source: OECD Jobs for Youth 2010, p140

Work-first placement through **Internships** has been increased or initiated in response to the crisis in some EU countries particularly as part of youth activation strategies and to improve employability. (e.g. Denmark, Ireland Sweden). While some internships are specifically designed to provide work experience for recent tertiary education graduates (e.g. Young Potentials Programme, Sweden, START Programme, Romania), some are open to all unemployed (JobBridge, Ireland).

Work-first approaches targeted at disadvantaged and low-skilled individuals are also implemented through direct **employment schemes in the public sector**. Such schemes have been used in some Member States as policy responses in recent years in response to rising unemployment and lack of employment opportunities in the open labour market (e.g. Latvia – Workplace with Stipend scheme; Community Employment in Ireland) and provide subsidised work usually in the social economy. Evidence from the evaluation literature indicates that such measures, for the most part, have not been found to be effective for long-term integration in the open labour market³⁴. However job-creation in the third sector can be a successful way of engaging the more hard-to-reach groups and can have positive effects on motivation and employability³⁵.

Those low-skilled unemployed with complex needs require in depth assessment by professional staff either within the PES or through outsourced specialist providers

Initial job-seeker registration and engagement is generally undertaken directly by PES case officers. The assessment mechanisms and processes to determine the 'job-readiness' of a low-skilled unemployed individual and the appropriateness of 'work-first' for a job seeker varies across Member States; and is influenced by national policies, and the organisational, political and legal framework of the PES concerned. Such assessment may be undertaken **in-house directly by PES, out-sourced to specialist (NGO or private)** service providers or by a combination of them, and may **vary by target group**. For example, some PES staff in-house specialise in services to youth (e.g. Germany, Austria, Italy and Norway).

In countries with a strong tradition of outsourcing general employment service delivery (e.g. United Kingdom and Netherlands) subsequent **more in-depth assessment** may be undertaken by staff in contracted provider agencies. In other countries specialist **'professional' staff** within PES undertake further assessment; for example, PES in Germany and Finland employ professional **psychologists and/or social workers**.

In PES that operate a 'mixed or combined' delivery approach, assessment of those with more complex needs and most distant from the labour market tends to be contracted to **local specialist agencies** (e.g. in the UK specialist end-to-end providers focus on

Card, Kluge et al (2010), Active Labour Market Policy Evaluations : A Meta-Analysis, The Economic Journal, p.453 ; Kelly et al (2011), What can active Labour Market Policies do?

³⁵ Walther, A. and A. Pohl (2005), Thematic Study on Policy Measures concerning Disadvantaged Youth: Final Report., p95

particular groups of Work Programme participants i.e. young people, ethnic minorities³⁶). Assessment may also be either qualitative, quantitative or a mix of both. A European Commission report (2012) concludes that PES should use **external partners** when they need 'more intensive or specialised forms of employment counseling or **wider expertise in the health and social sphere**, particularly in relation to supporting the long-term unemployed or socially disadvantaged. All types of specialised public, private and NGO organisations are potentially suitable as external partners³⁷.

Recent research in the UK confirmed the **importance of staff competences and professionalization** to identify and assess the complex needs of vulnerable young unemployed in particular, whatever the model of service delivery. Review of the new JobCentre Plus Offer³⁸ identified that benefit claimants with **complex needs** were not always having these need identified, and that **diagnosis of claimant needs was quite unstructured**³⁹. Specialist external agencies may be more experienced in addressing the specific needs of the low-skilled. Research in Germany (2008) concluded that assignment by PES to private providers was an effective approach for some hard-to-place groups; e.g. unemployed in East Germany with low qualifications⁴⁰. A potential for 'creaming and parking' in contracted-out placement provision has however also been indicated⁴¹. The UK Work Programme uses a system of differential payments to reduce the risk of such behavior, offering bigger payments for certain participant groups to encourage providers to support (not park) those who are further from the labour market.

Quantitative statistical profiling assists PES identification of those who are job-ready and those most in need of additional PES services and measures

Most PES in Member States use some form of **profiling** to assess individual 'job-readiness', with many using **qualitative (soft profiling)** methods, together with some use of **quantitative (statistical)** methods. Qualitative assessment includes structured interviews or checklists to support caseworkers in their work. There is considerable diversity in the ways in which profiling links with the individual action planning process, that can in turn determine the degree of client segmentation and personalisation⁴². For example, in Germany in-depth profiling is part of the IAP process for all job-seekers, whereas in Bulgaria only those identified by IAPs as having the best chances of employment are subject to profiling, where the process assists in developing a profile for presentation to employers. In Ireland, a statistical model (PEX) is used by the PES to identify those most likely to gain employment without major support and those most likely to need additional PES and other labour market supports (as outlined below).

³⁶ Newton, B., Meager, N., et al (2012) Work Programme evaluation. Research Summary, Dept. of Work and Pensions. <http://research.dwp.govv.uk>

³⁷ European Commission (2012), p38, Author: Helen Tubb.

³⁸ The UK 'Job Centre Plus Offer', launched in 2011, was designed to change the way that the Jobcentre Plus operated by placing an increased focus on outcomes, and with more flexibility provided at local level to provide tailored support which would best move claimants towards paid work.

³⁹ Coulter, A, Day, N., et al (2012) The JobCentre Plus Offer – Research Summary, Dept. of Work and Pensions. <http://research.dwp.govv.uk>

⁴⁰ Bernard, S and J Wolff (2008) Contracting out placement services in Germany. IAB Discussion Paper.

⁴¹ Finn, D., (2011), The design of the Work Programme in International Context. Technical Report, National Audit Office London; and Newton, Meager et al.(2012) Work First Evaluation, Findings from the first phase, Research Summary, DWP.

⁴² European Commission (2011) Use of Profiling for resource allocation, action planning and matching. PES to PES Dialogue, Discussion Paper, Author: Regina Konle-Seidl

Box 2. Use of Statistical profiling in client activation – Ireland

In Ireland as part of a wider Government labour market initiative entitled 'Pathways to Work' a **statistical profiling system (PEX)** was introduced to ensure that activation measures are targeted at those who would benefit most from interventions, with priority given to persons at risk of long-term unemployment.

When registering for welfare entitlements and Employment Services an applicant now completes a profile questionnaire to enable a case worker to apply the model procedure and **assess the applicant's Probability of Exit (PEX) from unemployment** during the subsequent 12 months. Clients with a high (i.e. positive) PEX rating will be encouraged and helped to search for work. Clients with a mid-point PEX rating, and those with a high-PEX but still on the live register after three months, will be invited to participate in Group Advisory Sessions where they will be provided with guidance on how to improve their job-search activities and also on the training and development opportunities available to them to improve their employment prospects. Clients with a low-PEX rating (i.e. those with a particularly high probability of becoming long-term unemployed) and those still on the register after 12 months, will receive intensive one-to-one support from an experienced Employment Services advisor and may be directed to particular work experience and training programmes.

Source: Pathways to Work: Government Policy Statement on Labour Market Activation, p12. [http:// www.dsp.ie](http://www.dsp.ie); and Sexton, G. EEO Review LTU – Ireland, pp9-10.

Integration into low-skilled jobs can be made more sustainable through PES support services and measures such as in-work follow-up, mentoring, and continuous training

Strategies for making integration into low-skilled jobs more sustainable can be directed at the employee and/or at those responsible for placement in the employment and also at the employers. They can include the following services and measures:

- **Mentoring** approaches with more intensive support, between a significant adult person and a young lower-skilled person, have been found to be more effective in assisting groups such as immigrants and early school leavers to integrate into and sustain employment⁴³.
- A **case management** approach is also generally regarded as good practice for the guidance and follow-up of unemployed individuals, with continuity retained between the PES case-officer and the unemployed person. Such on-going follow up should also facilitate partnership/ongoing communication with the employer. In a European Commission report Tubb (2012) emphasised that while current resource constraints may limit the extent to which longer-term monitoring post-placement can be undertaken by PES, it remains an important factor when considering the difficulties of ensuring more sustainable employment versus rapid integration⁴⁴.
- **Incentives to external providers** through remuneration on the basis of the number of difficult-to-place jobseekers they place and the duration of the job; the more permanent the employment, the higher the remuneration (a feature of the UK Work Programme model). In Germany private providers receive the second

⁴³ See: Walther and Pohl (2005), Thematic Study on Policy Measures concerning Disadvantaged Youth: Final Report. Vol. 2-Annexes 11-v1: Examples of Counselling Practice in Denmark and Slovenia. Pp.346-360; and European Commission (2011a) Analytical Paper – The role of PES in youth integration, PES to PES Dialogue, Author: Duell and Vogler-Ludwig, pp.18-19.

⁴⁴ European Commission (2012) Individual Action Plans, Toolkit for PES, PES to PES Dialogue – Activation and Integration, p25. Author: Helen Tubb

half of the incentive payment if they place their clients into jobs that last for at least six months⁴⁵

- **Incentives to employers** to retain the job-seeker in **employment for a fixed period**; either in terms of a grant-payment, or in terms of exemption from payment of PRSI or equivalent. For example in Ireland a new JobPlus scheme will pay a subsidy to employers of €1 for every €4 paid for hiring of a long-term unemployed person for a one-year minimum.

Box 3. UK Work Programme – In-Work Supports to ensure Sustainable employment

In-work support services provided by Prime Providers in the UK Work Programme to facilitate sustainable employment and job progression include regular contact by the service provider with the placed-in-job client to check progress and offer additional support, such as **training** if required. Support is provided through access to Job Coaches or Mentors. Weekly contact may be offered in first weeks of employment, with frequency of contact lessening over time. Support may be available between 8am and 8pm. Support and guidance is provided on personal or practical challenges (e.g. related to the job, transport or childcare, crisis intervention). CV's can be reviewed after six months, and rapid re-connection job-matching service is provided if needed to prevent return to benefits.

Source: www.dwp.gov.uk/provider-minimum-service-delivery.pdf

Recent evaluation of the UK Work Programme identified positive attitudes to in-work support from both participants and providers. However, there was some reluctance among some participants to remain in touch with providers. The research highlighted that **sustainability** was not solely about **ongoing in-work support**; it relied on the **quality of the match** between the participant and the job in the first place. Employment which matched the aspirations and skills of the participant, especially if the participant is well-prepared for it, was much more likely to be sustained⁴⁶. Review of experience of employment retention and advancement (ERA) programmes in UK, US and Australia indicates that such programmes can also play a useful role in improving social inclusion outcomes for disadvantaged job-seekers (e.g. long-term unemployed and lone parents). A combination of long-term case-management, financial supports and training is required⁴⁷.

Continuous training and up-skilling is increasingly important for sustainability of low-skilled in employment in the context of changing technology within workplaces, or in the context of possible redundancies or lay-offs. Up-skilling for employees with low education levels can include up-grading of basic literacy, numeracy, and digital (ICT) competencies; job-related technical competencies linked to specific work-processes and productivity enhancement, as well as up-grading of generic problem solving, social and communication skills. Such training can be of particular value to migrant workers and members of ethnic communities⁴⁸. Continuing training and up-skilling which leads to a new qualification, and/or which results in a demonstrable and visible skills upgrading is of most benefit to low-skilled individuals and can be related to increased employability⁴⁹.

⁴⁵ Bernhard, S and J. Wolff (2008) Contracting-out Placement Services in Germany. IAB Discussion Paper 5. p22.

⁴⁶ Newton, B., N. Meager et al (2012) : Work Programme evaluation: Findings from the First Phase of Qualitative Research on Programme Delivery, Research Summary DSP, <http://research.dwp.gov.uk>

⁴⁷ Perkins and Scutella (2008), Improving employment retention and advancement of low-paid workers; and Perkins and Scutella (2009) Is career advancement important to disadvantaged job-seekers?

⁴⁸ See for example Unesco (2009) The State and Development of Adult Learning in Europe pp.23-27; CEDEFOP (2011) Learning while Working; and ILO (2012) Preliminary Assessment of Training and Re-training in response to the Recession.

⁴⁹ See Field, J (2012) Is Life-Long Learning Making a Difference; Research-based evidence on the Impact of adult learning; and Dorsett, Liu and Weale (2010) Economic Benefits of Life-Long Learning

PES can support companies in providing tailored-made or customized solutions through in-company training or financial support for accessing external training provision.

Partnership is required to ensure quality jobs for low-skilled and improved employment protection

On-going monitoring and follow-up by PES should also be part of a preventive PES strategy to ensure that low skilled workers do not repeatedly fall into unemployment following cessation of temporary jobs. There are substantial differences between countries in the stringency of legislation on **temporary contracts**. Low skilled individuals, particularly youth, may become trapped into **precarious jobs** that do not offer long term career prospects. Reduction of the differences in the provisions associated with different types of contract would have positive effects for many low-skilled workers. PES need to **engage with policy makers and social partners in respect of employment protection regulations**. A **re-balancing** of employment protection is needed to facilitate low skilled workers to move from entry jobs to career employment. In some EU Member States (e.g. Germany) there has been **relaxation of employment protection in small firms**, as part of Government Plan in reducing youth unemployment. Part-time opportunities are increasingly being offered by employers for low-skilled occupations and it is important also that national **social protection systems** are adapted to support unemployed individuals to take on part-time work, in times of tight labour markets, but are constantly reviewed. Partnership with education and training providers is also necessary to facilitate in-work training and up-skilling for low skilled workers.

4. Categories of low-skilled for which train-first is an option and how to make this effective

Train-first approaches are appropriate for both young unemployed and also for some unemployed adults

OECD (2010b) recommended that governments consider a shift from the 'work-first' to a '**learn/train first**' activation approach **for young people** who have had major difficulties in finding a job; including young persons seeking a first job, or long-term unemployed low-skilled persons in need of re-training or up-skilling⁵⁰. Similarly EC⁵¹ identifies that training (up-skilling or re-skilling) may be required for **short-term unemployed adults** who are at high risk of becoming long-term unemployed; particularly for those coming from restructuring sectors.

There is variation across Member States in terms of types of ALMP training provision for low-skill target groups. Main types of training for different categories of young and adult low-skill target groups in a train-first context are shown in the following table.

Table 1. Train first activation – target groups and type of training for low-skilled

Target group	Categories of low-skilled	Type of training
Youth (16-19)	(unqualified) early school leavers ; NEETs	Second-chance education; foundation training; VET courses
Youth (20-25)	Unemployed job seekers who are distant from the labour market;	Specific skills training; apprenticeships, traineeships
	Disadvantaged and inactive groups such as migrants, Roma, lone-parents and people with a disability;	Pre-vocational, foundation training
Adults (26-50)	Short-term unemployed adults including those redundant from jobs in declining industry sectors	Conversion courses; skills up-grading
	Inactive adults not formally registered as unemployed.	Foundation training, VET, low-level specific skills
	Low skilled employees facing redundancy or lay-off.	Short skills up-grading training

Vocational education and training (VET) is an option for young early school-leavers and young unemployed and can have sustainable labour market outcomes

Training is seen as a first option in several countries for young **people who have left school early** within the context of '**second-chance**' policies aiming to provide non-mainstream ways to acquire a normal qualification. Opportunities are provided in more

⁵⁰ OECD (2010b), Rising Youth Unemployment During the Crisis (p.4, and p.23).

⁵¹ European Commission (2012), Economic and Social Development in Europe, Ch.1 p.98.

motivating learning environments, which are practically-oriented and include elements of non-formal learning. In **France**, for example, '**second-chance schools**' offer young people aged 18-25 years training in basic skills for a period of 9-12 months. In **Spain the new Initial Vocational Qualifications Programme** is an option for young people aged 16 and over who left school early to enroll in training courses to gain a professional skills diploma or a compulsory secondary education qualification, after which students can enroll in a regular VET course. In **Ireland** a similar approach is provided in a national network of **YouthReach centres** and a **Vocational Training Opportunity Scheme (VTOS)**.

Similarly, in the **UK** which traditionally has a strong 'work-first' focus, additional training supports are being offered as part of a specific **Youth Guarantee**. Special help is being provided for the most vulnerable 16-17 year olds not in education or training (**NEETS**) through measures focused on 'equipping young people with the skills and opportunities to gain long-term sustainable employment in the private sector; such measures include **back to education, an apprenticeship or a job with training**⁵². Some countries have focused training measures on specific groups such as youth, NEETs and immigrants (e.g. Germany, Austria, Ireland). **General vocational training programmes** (workplace-based or combined with school-based) have been shown to be very effective in facilitating the transition from education to work in that they are based on a more targeted and market-oriented background⁵³. **Apprenticeships** and other **dual education training schemes** (e.g. alternance, traineeships) are generally acknowledged as an efficient tool for fostering employability of young people, through providing relevant work experience and specialized skills needed by the labour market.

Recent research from CEDEFOP identified **positive labour market outcomes for young people from vocational education and training (VET)**, particularly programmes with workplace content.⁵⁴ The research also found that post-VET training jobs were more sustainable. Based on 2009 labour market data, it was found that first jobs and current jobs of those who had undertaken VET last longer than for graduates of general education programmes.

The OECD (2009) suggested long-term training for unemployed and job-seekers as a new or renewed direction for ALMP spending during the economic crisis. However they caution that any move towards a 'train first' strategy must ensure that training quality is not compromised in the process of rapidly increasing the number of training slots. **Upscaling of existing programmes** where feasible, and greater **involvement of private sector providers** is suggested as a possible way around capacity constraints; along with careful monitoring of the quality and pertinence of the publicly funded training⁵⁵.

Disadvantaged low-skilled young people need holistic and integrated training approaches to support their labour market integration or to access to apprenticeships

While the profile of low skilled varies across Member States, research evidence shows that young NEETs, early school leavers and disadvantaged young people require specific training measures with a **holistic approach to support their integration** into the labour market. This group **requires longer-term integrated programmes**, with an emphasis on personal, social skills development, literacy and numeracy support and generic vocational skills; together with work-experience, together with access to specialist trainers and professional guidance and support staff.

⁵² EEO (2012), Quarterly Reports. Executive Summary Jan.2012, p.15.

⁵³ Walter and Pohl (2005) Thematic Study on Policy Measures concerning Disadvantaged Youth; and CEDEFOP (2012) From Education to Working Life: The Labour Market Outcomes of Vocational Education and Training.

⁵⁴ CEDEFOP (2012) From education to Working Life: the labour market outcomes of VET.

⁵⁵ OECD (2009) Tackling the Job Crisis; Theme 2: Maintaining the Activation Stance During the Crisis, p.22.

Box 4. Training for NEETs, ESLs, and disadvantaged youth in Ireland

Youthreach is an integrated programme of education, training and work experience, for young people in the 15-20 age group in Ireland who have left school early without any qualification or vocational training. There are approx 100 Youthreach centres around the country, offered by Vocational Education Committees (VECs). Youthreach features **basic skills training, practical work training and general education, and new technology** application is integrated into all aspects of programme content. There is a strong emphasis on **personal development**, on the core skills of **literacy/numeracy, communications and IT**, along with a choice of vocational options and a work experience programme.

While the availability of apprenticeship places has in some countries been negatively impacted by the economic crisis, there is recognition that a wider range of young people can benefit from the **dual apprenticeship** type approach. However it is recognised that early school leavers and people with a migration background have a lower chance of receiving a dual vocational training. Consequently, **measures to increase access to apprenticeships** for those with less than the normal required second level qualifications have been also provided in some countries with strong apprenticeship traditions (e.g. Germany, Austria) through **pre-apprenticeship or bridging programmes**; with **incentives** provided **to participating employers**.

Such **pre-vocational/preparatory training** measures for low-skilled youth generally include: vocational guidance and orientation; basic skills and key competencies; workplace related experience; and some basic vocational skills. Socio-pedagogical support is also provided if required. Such approaches have been implemented by PES in **Germany** and **Switzerland**.

Box 5. PES support to preparatory and pre-apprenticeship training in Germany

Training measures are the most important form of ALMP in Germany in terms of budget and participants. Training measures have been targeted at disadvantaged participants, within the framework of a National Training Pact. An extensive 'transition system' has been created for young people who do not succeed in accessing regular vocational training, among whom young people from minority backgrounds are largely overrepresented (e.g. JobStart, Vocational Preparation). Incentives to employers to provide in-company training opportunities are provided through grant aid. An intensified **Vocational Guidance and Support Scheme** allows PES services to support poorly performing students from the penultimate year of schooling at lower secondary level until two years after general schooling or up to six months after entering apprenticeship training. The core aims of the initiative are to support these students to obtain at least a basic school leaving qualification and to obtain vocational orientation. Support is provided through 'mentors' who work directly with young people at a ratio of a maximum of 20 mentees per counselor.

The **Pre-apprenticeship Training** initiative is targeted at young people who are unable to obtain an apprenticeship contract in the dual system (even with the help of PES), and young people who do not fulfill the requirements for apprenticeship training. Additional measures are implemented for socially disadvantaged immigrants such as: language courses; specific programmes implemented in deprived areas to integrate young people and long-term unemployed into work and vocational training at the urban level; and up-skilling people with a migrant background and jobseekers with low skill levels.

Sources: Duell and Vetter (July 2012) EEO Review LTU-Germany pp.7-8; and European Commission (2012) Mutual Learning Programme, Summary Report on the Dual Training System: integration of young people into the Labour Market Germany.

Structured **traineeships** can also be a train-first option for low-skilled young people following preparatory training; such traineeships may be of shorter duration than formal apprenticeships and provide structured training and qualifications for lower and middle level jobs particularly in the service sector, as shown in the example for Ireland below.

Box 6. Traineeship Programme – Ireland

The Traineeship Programme in Ireland provides occupation-specific and industry-endorsed training programmes which also involve classroom/training centre and on-the-job modules leading to industry-recognised accreditation. Traineeships provide access to specific occupations in a number of designated sectors including some personal services, technical and operative services, areas of business administration, IT, sales and sport and leisure. Participating employers nominate experienced staff members who as Skills Coaches to provide training in the work-place to enable the Traineeship participant to build on the skills and knowledge learned in the classroom/training centre modules, and supervise an agreed Workplace Training Plan for the programme participant. The scheme has shown to perform well with respect to the employment progression of participants, and also is designed to align with the needs of employers and changing skill requirements within and across sectors. Persons of all ages are eligible.

Source: European Commission (2012) Mutual Learning Programme, Peer Review on the Dual Training System, Peer comments paper Ireland. Author: B. Sheils, p.6.

Shorter duration initial specific skills training and skills upgrading or re-orientation is most appropriate for low-skilled adults and has long-term benefits

While the findings from research studies on the effectiveness of training are somewhat mixed, **specific skills training** has been found to have more positive outcomes for adults than general skills training⁵⁶. Positive effects of participation in training programmes on employment/unemployment were found in empirical research studies in Belgium, Netherlands, Sweden and Ireland⁵⁷. Arellano (2010) found that **occupational training for unskilled workers** in Spain, **reduced the length of unemployment spells**⁵⁸. Recent EU analysis also provides evidence that work opportunities for unemployed persons are improved by participation in lifelong learning (education or training).⁵⁹ Other research in France and Germany did not identify benefits for the unemployed in the short term from participation in training, but found **positive employment effects in the medium and long-term**.⁶⁰ **Re-training programmes** for unemployed workers have positive outcomes, however research has also shown that the

⁵⁶ O'Connell and McGinnity (1997) Working Schemes? ALM Policy in Ireland; and Kelly, McGuinness and O'Connell (2011), What Can Active Labour Market Policies Do, ESRI Renewal Series Paper.

⁵⁷ Cockx, B (2003) Vocational Training of Unemployed Workers in Belgium, IZA; Van der Heul (2006) Assessment and evaluation of activation measures for unemployment beneficiaries; Richardson and Van de Berg (2006) Swedish Labour Market Training and the Duration of Unemployment; O'Connell, P.(2002) Employability: trends in employment and unemployment: the impact of activation measures, Impact evaluation of the EES in Ireland.

⁵⁸ Arellano, F (2010) Do Training Programmes get the Unemployed Back to Work? A look at the Spanish Experience.

⁵⁹ European Commission (2012) Economic and Social Developments, pp. 118-119.

⁶⁰ Crepon et al (2007) Training the Unemployed in France: how does it affect unemployment duration and recurrence?; Fitzenberger et al (2010) The heterogeneous effects of training incidence and duration on labour market transitions; IZA; Lechner et al (2005) Long-run effects of public sector sponsored training in West Germany.

effectiveness of re-training is improved when accompanied by job-search assistance⁶¹.

Research on the differential impact of the duration of training remains inconclusive. However, comparative research in West Germany found that for skills-upgrading training **short duration courses (up to five months)** were found to have a **more positive employment impact for adults** than long-duration (9-12 month) programmes, when lock-in effects were taken into consideration⁶². Similar results were also found in the previously cited evaluations in France and Germany (Crepon, Fitzenberger). Increased use of shorter duration courses such as short-term full-time courses and accelerated courses in areas of labour shortages, as part of activation interventions for unemployed adults was recently recommended by the Dept. of Social Protection in Ireland following review of its Employment Support Schemes⁶³.

Training for low-skilled should be closely linked to the labour market, include on-the-job training and be tailored to meet the needs of specific target groups

A number of broad factors have been consistently identified as important in the effectiveness of ALMP training for young people and adults. These include: **close links to the local labour market; a mix of on-the-job training and academic or theoretical training; recognised certification and pathways for progression; tailoring of training to meet specific needs of different target groups; provision of supports as required (e.g. literacy, numeracy); monitoring of training quality and outcomes⁶⁴**

Based on a review of more recent literature, Meager concludes that **flexible small-scale training interventions**, targeted on specific groups for whom skill deficiency has been identified as a real barrier to work entry, are most likely to be effective, particularly where such interventions **include placement in real work environments⁶⁵**. Madsen (2012) in reviewing training for long-term unemployed adults concluded similarly: 'training efforts are most effective if they are short-term, **targeted** and coupled with traineeships⁶⁶. Training and requalification are ideally linked to a **subsequent job-placement** or risk being unattractive and demotivating for job-seekers and can lead to discouragement, particularly of those who are disadvantaged and far removed from the labour market.

In training design a strong relationship between training and work is essential to ensure an actual increase in skills. Evaluations of training effectiveness show that the **'type' of training** matters and that training with a **close market orientation** is most effective⁶⁷. This was confirmed in an evaluation of the impact of a range of government-sponsored training courses in Ireland. Based on tracking a cohort of unemployed benefit claimants the research indicated that those who participated in training were less likely to be unemployed at the end of the two-year study period; and that the average effect of training varied by the type and duration of training received. Most positive effects were

⁶¹ Ecorys and IZA (2012) Costs and benefits of active and passive labour market measures. Study commissioned by the EU.

⁶² Lechner et al (2011) Long-run effects of Public Sector Sponsored Training in West Germany, Journal of the European Economic Associations, 9 (4).

⁶³ DSP (2012) A Review of Department of Social Protection Employment Support Schemes, www.dsp.ie

⁶⁴ Martin and Grubb (2001) What Works and for Whom, pp.16-19.

⁶⁵ Meager, N., (2009) The Role of Training and Skills Development in Active Labour Market Policies, International Journal of Training and Skills Development, p.15.

⁶⁶ Madsen, P., (2012) Long-Term Unemployment: Denmark, EEO Review, p.6.

⁶⁷ Kelly, McGuinness and O'Connell (2011), What Can Active Labour Market Policies Do? ESRI Renewal Series Paper 1. Pp. 12-15.

found for **job-search skills training and medium level skills courses**, and more modest effects for general vocational skills courses (not strongly linked to the labour market)⁶⁸.

Training that contains work-experience, and **on the job-training**, (e.g. apprenticeship, traineeships) are more effective than class-room or training centre based training. Cooperation between different actors is crucial in the design of training; particularly training needs to be validated by employers.

PES can ensure that training for low-skilled is demand-led and closely linked to skills needs at regional/local level

PES employer-vacancy listings are an important source of information on the current demand for jobs; similarly PES job-seekers registers can indicate the available supply of skilled workers at regional and local levels. Such PES information on supply of and demand for skills is valuable at regional/local level for planning purposes, and as an input to organising active labour market measures including training⁶⁹. For example in Ireland specific training needs identified by the PES are incorporated into the Training Plan of the National Employment and Training Authority (FAS), based on a local needs identification process⁷⁰. In addition to their own data PES currently assess the demand for skills through consultation with employers or employer organisations and consultation with other stakeholders.

Recent research demonstrates ways in which PES in Member States are endeavoring to improve the link between training and employer demand (both implicit and explicit), through national, regional or local initiatives⁷¹. Learning from case studies in Austria, Belgium, Finland, Lithuania and Poland has been documented, (a summary outline of each initiative is provided in Appendix 2). Initiatives included the introduction of new or modified training programmes either with **a direct link to employer needs** (e.g. customised training dependent on concrete job offers) or with an increased focus on **work-based training**, which demands close liaison with employers and offers the most practical, job-oriented experience to trainees. Other initiatives included measures to monitor the quality of training, to **better link training to recognised qualifications** and to improve the quality of trainers.

Key identified **success factors** in such initiatives are: broad **partnerships** with leading employers and other labour market actors; a pro-active role by the PES; and **local level flexibility** in training delivery. **Challenges** relate to the considerable **resources required by PES** to implement tailor-made company-specific training, (e.g. in terms of training design, and trainee recruitment); and to the scale of the training in terms of limited numbers reached in order to meet narrow employer needs for specific customised training.

PES information can also feed into national training responses. For example, the recently introduced Momentum Programme for long-term unemployed in Ireland provides **demand-led training to meet identified sectoral and occupational skill needs** following from identification at regional and local levels. It is targeted at longer term unemployed (over 12 months) and **can be accessed by those with lower levels of education**, as well as unemployed with higher skill and education levels.

⁶⁸ McGuinness et al (2011) Impact of Training Programme Type and Duration on the Employment Chances of the Unemployed in Ireland. ESRI Working Paper, p.1. www.esri.ie

⁶⁹ DTI (2010) Anticipating Skill Needs of the Labour Market and Equipping People for New Jobs; Which role for PES in early identification of skill needs and labour up-skilling? DTI, OSB and Warwick Institute for Employment Research.

⁷⁰ Service Plan for FAS Training Provision 2013 p.75 and p.106. (www.fas.ie).

⁷¹ EC Mobility Lab (2012) Adapting PES training policy to better service demand; <http://www.mobilitypartnership.eu/Documents/EJML.pdf>

Box 7. Momentum – Training – Ireland

Overview: Launched in Dec. 2012, Momentum funds the provision of **free** education and training programmes to allow unemployed job seekers to gain skills and access work opportunities in identified growing sectors. Momentum is an **outcomes-based model** of education and training with courses tailored to both needs of job seekers and employers experiencing skill shortages.

Target groups: The Momentum Programme is designed to meet the needs of both **individuals and employers** within the context of four themes (occupational areas). The occupational clusters were chosen based on evidence that these skills are associated with relatively good employment chances. It is targeted at jobseekers who have been unemployed for 12 months or more. Funding of €20 million will facilitate training for 6,500 persons.

Occupational themes: These include:

- ICT, digital media, gaming, and telecommunications;
- Transportation, distribution & logistics, sales and marketing;
- Health care, and social services; manufacturing process technicians; natural resources energy conservation, food processing & food and beverage services
- Training dedicated to under 25 year olds to provide foundation to gain employment and or to continue into further education or training that will progress them to employment.

Delivery: The programme provides on-the-job training in the form of 'work-experience' modules, as well as the development of workplace skills required to obtain and retain employment. Programme durations will range from 11 to 45 weeks. Training is delivered by a range of public and private education and training providers and is outcomes-based with part-payment reserved for key stages of the programme including challenging **certification, progression and employment** outcomes at the end of the programmes. The programme is administered by the National Training & Employment Authority (FAS), in partnership with the Dept. of Education and Skills, as part of the Government Action Plan on Jobs and is ESF funded through the Labour Market Education and Training Fund. (www.momentumskills.ie).

PES staff have a key role in assisting in longer-term employability of low-skilled through referrals to training

An increasingly **proactive PES role** as coordinator of support for people making transitions in the labour market includes **directing low-skilled people to training**. This can be through **referral** to labour market training programmes managed or coordinated by the PES themselves, by referring people back to the regular education system, or by providing the **financial support** to help people take-up training offered by private providers. PES can also assist by **profiling people** and ensuring better targeting of programmes. The PES process of assignment to training can be determined by a range of factors including: perceived client need for skills development to enhance ability to obtain a job; the availability of ALMP training provision, VET or employer-based training opportunities, and the level of **information and knowledge of the PES staff on training opportunities**; and the dominant orientation of PES activation policy (work-first or train-first).

The scale of PES involvement in training and formal education varies across Europe due to diversity in national PES legal and institutional structures. Some PES are limited in the extent to which they can directly engage in training. There is also considerable variation between Member States in terms of **commitment to ALMP training**; commitment is **highest in Netherlands, Belgium and Denmark** where more than one in five of the potential target population is placed on a training measure, and in general in the northern European countries with a history of active labour market interventions. However, **a third of EU Member states have a very low training reach**; less than

one in a hundred of persons wanting to work currently access training⁷². A stepping up of training efforts would appear to be needed to ensure that a higher proportion of low-skilled unemployed have access to the types of training necessary to give them the skills required in the market. The development of integrated PES one-stop-shops (with benefits, guidance and placement staff located within one agency or local offices) by Member States should facilitate such referrals. Increased linkages and cooperation between schools, VET providers and the PES would also improve effectiveness.

Use of external training providers is effective for low-skilled, but requires PES to develop a sub-contracting infrastructure, and strong monitoring and evaluation

European PES have a variety of processes and procedures for managing training. A few PES directly provide training (e.g. Belgium (FOREM, VDAB), Hungary, and Malta) through a network of vocational training centres. Increasingly however PES contract with external providers, to deliver training measures for the low-skilled. External providers include **public training and education agencies, private trainers, employers, NGO and community-based providers** with specialist expertise and experience in provided such training. Most PES have developed **guidelines or protocols** for sub-contracting delivery of contracted-training.

Research studies have shown that training is costly compared with other ALMPs. The use of external providers can overcome **costs of high capital investment** and provide access to a wider range of provision. An established external training infrastructure can more easily **facilitate 'scaling-up'** of training provision when needed, as has been necessary to respond to increasing demand for training for both young and adult unemployed in recent years. It also has enabled provision of additional public training resources, in situations where there are embargoes on public service recruitment.

Externally contracted training is also favoured due to its **flexibility** in responding more quickly to **changing occupational and sectoral needs**, and the ability to provide training in **smaller urban areas** or more **rural communities**. Care must be taken however that outsourcing of training does not result in 'creaming' by external providers, with a reluctance to engage in training for low-skilled participants or selection of easier-to-train clients with less complex needs. This requires PES to develop a performance-based sub-contracting infrastructure, with differential payment systems for training and placement according to the complexity of client needs, and a **strong monitoring and evaluation** system. Annual indicators and targets should be set for the proportion of more complex or disadvantaged persons to receive training; such indicators are a feature of ESF funded training provision.

External contracting can facilitate **greater employer involvement and partnership** with PES in training provision and increased in-company training. Industry-led training centres and networks have been successful in providing training in Ireland (Skillnets), and Belgium (Walloon Region). There is also evidence of **good practice partnerships**, with public vocational education and third-sector community-based providers, to more effectively meet the complex training needs of the most disadvantaged⁷³:

Low-skilled clients do not benefit significantly from training-voucher systems; PES need a mix of strategies to facilitate access to training.

Some form of **training voucher system** has been used in some Member States (Belgium, Germany, Netherlands), while others do not use training vouchers (e.g. Finland). Vouchers for training can be paid directly to unemployed job-seekers, to employees (for continuing training), or to training providers and employers. Training

⁷² European Commission, (2012) Adapting PES training policy to better service demand, p26-27.

⁷³ European Job Mobility Partnership (2010), The Role of Third Sector Employment Services (TSES) in promoting Inclusion and Employment amongst Vulnerable Groups, Aplica Background Study

voucher systems aim to **increase consumer choice**, while making job-seekers more responsible for the choices made in their path towards employment, and also to **improve competition** amongst providers. Provision of vouchers to unemployed job seekers should **facilitate access** to and provision of a more extensive range of training opportunities, a **more personalised approach, greater flexibility** and increased trainee satisfaction. However its effectiveness is dependent on the availability of a wide range of providers, and also good information on training provision.

Evidence on the use of vouchers showed **under-representation of low-skilled workers** and of older workers (Belgium); **information asymmetries** for the low skilled, temporary decrease of demand and low take-up of the hard to place; and negative impact on competition of training providers (Germany)⁷⁴. However voucher programmes were found to be **less expensive** in the Netherlands. International results are also mixed, with more negative findings for US training voucher systems, and more positive and effective outcomes in Australia⁷⁵. Effective use of voucher systems requires PES provision of a system for **accreditation of trainers, and monitoring and control systems**. Conclusions from the research indicate that PES might best **utilise a mixed system** for management of access to training provision, that includes use of vouchers; and that the use of vouchers should be optional. Improved balance between consumer choice, quality control and government oversight is however required.

⁷⁴ De Gier, E., (2008) Training Vouchers and Active Labour Market Policy in Social Responsibility in Labour Relations: European and Comparative Perspectives. Ch 24.

⁷⁵ Hipp M., and Warner, M., (2007) Market Forces for the Unemployed? Training Vouchers in Germany and the US, Social Policy and Administration, Vol.42. No.1.pp.77-101.

5. Summary findings and conclusions

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

PES in Europe currently face many **challenges** in coping with rapid and massive **labour market change**, and **additional responsibilities** as work-focused gateways to welfare systems. The PES strategy for 2020⁷⁶ includes pursuance of activation strategies with sustainable outcomes and provision of career management services for jobseekers and benefit recipients; together with **increased focus on the demand side** of the labour market, and particular support for the human resource needs of SME's. Current challenges for PES in many Member States include: responding to the high levels of unemployment with **increased client numbers** in a context of lower levels of demand in the job market, while at same time responding to **vacancy bottlenecks and skills mismatches**. At the same time PES are experiencing restricted budgets and, in some countries, reduced staff numbers.

The current fiscal position in many EU member states is also very constraining in terms of new ALMPs that carry a public (or exchequer) cost. The past decade has seen increased regimes of **conditionality in activation policies**. Work-first and train-first are dominant activation strategies, within increasing emphasis on work-first activation in Member States in recent years and less resources for initial training.

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

One quarter of the working age population in **Europe, almost 80 million people have low or basic skills**, and demand for these skills is falling. Low-skilled, particularly the **young**, have been severely impacted by the current global economic crisis through high unemployment. The highest **long-term unemployment** rates are found in the least educated section of the population in every Member States. Throughout Europe just over half of the adults with low education levels are in employment and only one in five of those aged 18-24 with low education are employed. Low-skilled are also at higher **risk of social exclusion** and poverty

With regard to low-skilled, work-first activation in the open labour market is most appropriate for adults; with placement in subsidised and supported work-situations being appropriate for some young people.

The research evidence indicates that **work-first** activation approaches are most appropriate for those who are **job ready or almost job-ready**. Work-first in the open labour market can be appropriate for low-skilled unemployed adults with previous work-experience. Work-first placements in subsidised, third sector and supported part-time employments can also be appropriate for some categories of young people (e.g. lone parents, and people with a disability) and can be cost-effective. International research has however shown that work-first activation has poorer longer term outcomes for low-skilled unemployed and those most distant from the labour market compared with ALMP training. Work-first activation has **less sustainable labour market outcomes**; while it provides workplace-experience the skills gained may be narrow, company-specific and not certified, thereby limiting possibilities for career transitions or progression. The relative balance of approaches between Member States varies reflecting national labour market and social protection policies, and the legal and institutional PES frameworks.

⁷⁶ European Commission (2012) Public Employment Services' Contribution to EU 2020 – Strategy Output Paper.

Train-first activation (VET) is most appropriate for early school leavers and disadvantaged young unemployed; and longer-duration training is effective. Short up-skilling training is appropriate for unemployed low-skilled adults

Train-first (or VET) activation is appropriate for young **early skills leavers, and young unemployed** and those who are **most distant from the labour market; longer-duration integrated and holistic training** approaches are most effective for this target group. Return to a vocational education (VET) is effective for early school leavers. **Dual training approaches** (apprenticeships and traineeships) are effective for young unemployed; low-skilled young people may need **preparatory training** to access these. Short **duration specific skills training and up-skilling or re-orientation training** is also appropriate for unemployed low-skilled adults, particularly those who are redundant from declining occupations or sectors.

Research evidence indicates that training can have sustainable medium-term impacts. **Training** is most effective when it is **targeted, close to the labour market and demand-led**, incorporates practical work-experience, and provides recognised certification. Training for **disadvantaged young people** is most effective when it integrates practical workplace contact, together with educational (literacy, numeracy, IT), personal and social supports together with access to specialist trainers and professional guidance and support staff. Training can be particularly effective at times of high unemployment and economic downturn as the lock-in effect for participants in longer duration programmes is not so significant.

Merging of elements of work-first and train-first activation approaches is beneficial for low-skilled young unemployed

There is evidence of **increasing convergence between welfare to job initiatives, and in the design of activation** approaches. There is shared consensus that **early intervention** is desirable in all activation approaches. It is clear from the literature that the divide between work-first and train-first may not always be precise due to a merging of elements within the two strategies by PES within Member States. For example, job-search training and vocational skills training are sometimes included as part of PES work-first activation strategies to assist and/or support placement in a job. Like-wise work-placement is an integral part of apprenticeship and traineeship training; and work-based training can be more effective if job-search assistance is integrated within the programme. Merging of core elements (e.g. job-search assistance, guidance and counseling), and work-based training into all activation for low-skilled would increase activation effectiveness, by enhancing employability of the low-skilled and sustainability.

Personalised guidance services are a critical component of a PES activation tool-kit for low-skilled with more complex needs; increased partnership with stakeholders will enhance its effectiveness

PES activation and **guidance services** and ALMPs are increasingly designed to offer more comprehensive and **personalised** services to unemployed job seekers (including the low-skilled), within the framework of individual action plans (IAPs). Training is moving from being a component of these plans and is, decreasingly a stand-alone intervention. This **comprehensive approach** has been found to be more successful, particularly with members of disadvantaged groups.

To effectively meet the specific activation and labour market integration needs of **low-skilled young people** services need to be delivered through a **person-centred and holistic approach** that identifies both individual strengths and barriers. Such services

can be more effectively integrated through cooperation and shared commitment between the PES, schools, employers and youth/social work organisations⁷⁷.

PES can have a strong role in anticipation of skill needs and in ensuring access to VET to improve employability of low-skilled through increased cooperation with employers and VET stakeholders

PES have a strong **role in respect of transitions between education and the labour market** and in making a **case for sustainable skills development of those with low educational qualifications**. PES activation roles may include: skills identification, skills orientation, skills profiling, skills verification, skills match and skills training. There is a need for a more proactive PES approach to mapping training pathways for individuals as part of the route to employment. This requires closer **PES interaction with various stakeholders in the field of education and vocational training**. **PES guidance services for low skilled** need to be **strengthened** to assist clients to make informed transitions, and PES case officers must also be sufficiently aware of the education and training options available at both national and local level. A full **inventory of training and education offers** should be available at local level and integral to the PES referral process.

Training of low-skilled needs to be more demand driven. Additional **PES measures, services and supports for employers** are required to facilitate increased employer engagement in training for low-skilled unemployed and upskilling of low-skilled employees. PES need to shift towards **more promotion of work-based or other employer-oriented training**, including provision of information to employers on available incentives and supports for training of low-skilled. More decentralised and regionalised PES structures may facilitate more tailored and flexible training responses. Special measures are needed to engage employers in provision of training for socially disadvantaged, young unemployed. Certification should be provided for such ALMP training programmes, within national qualification frameworks.

PES need to **strengthen systems for anticipating skill needs** and for **monitoring and evaluation of ALMP training** programmes to ensure their effectiveness for the low-skilled and to inform future policy direction.

Increased PES focus on the low-skilled and more disadvantaged clients should be maintained, with additional focus on sustainable integration through training

The lower skilled have been particularly impacted by the global economic recession, this requires increased attention from PES, including reaching-out to **inactive target groups**. Policy may therefore require a shift in ALMP spending and concentration towards low-skilled and disadvantaged job seekers. The medium and highly skilled are less likely to require external interaction with PES counselors to assist them with their job seeking. Training initiatives should be tailored to meet the **multiple and complex needs of disadvantaged** target groups (e.g. young early school leavers, migrants, lone parents). Training must be provided at a variety of levels ranging from **basic or foundation skills to generic and specific skills**.

To address the training needs of disadvantaged job seekers in a **holistic** way PES need to **strengthen structures for linkages** with other social work agencies and their activities; for **partnership** with education services, schools, health services, NGOs and private trainers. To address the wider and complex needs of participants such training should include **literacy, numeracy, personal development and language needs**.

The European Commission in the 2012 Annual Growth Survey invited Member States to maintain, and even reinforce, the coverage and effectiveness of training schemes for the

⁷⁷ For more detail on this approach see: European Commission (2011a) Analytical Paper – The role of PES in Youth Integration, PES to PES Dialogue Author: Duell and Vogler-Ludwig

unemployed. **Training** is one of the most **costly** ALMPs and therefore must be particularly targeted in the light of **current scarce PES financial resources**. The scope to increase provision or enhance vocational training initiatives is currently limited. EC support is available for countries stepping-up training efforts to ensure that a higher proportion of people out of work have access to the training necessary to give them the skills required in the market, particularly through ESF Human Capital Development Programmes. **PES** could increasingly **partner with training agencies** and the VET sector in supporting training and education initiatives for low-skilled. Such training must be focused on **existing and future skill needs in** the workplace, be designed with **inputs from local and regional employers**, and take account of **system demand**.

PES staff development should remain a priority

Ongoing PES staff development is required to ensure effective responses to the complex needs of disadvantaged low-skilled and inactive clients, and to ensure caseworker **competence in needs assessment**. Initiatives to ensure that PES staff are aware of the full range of available vocational education, training and career progression routes available for low skilled unemployed should be prioritized.

Further research required to address knowledge gaps on what services and measures are most effective for low-skilled, differentiating between youth and adults

While considerable research evidence exists on the relative effectiveness of different labour market measures, there are information gaps on what specific measures and services work best for the activation and integration of the low-skilled into the labour market, specifically focused on the separate needs of youth, adults and the inactive. Further research is needed, including **longitudinal evaluations** of training interventions and work-first placement strategies to allow time for longer term impacts on employability to emerge. Further evidence of good practice in accrediting informal and prior learning is also required.

Appendices

Appendix 1.

Table A1. 2012 Employment rates by highest level of education attained for 15-24 age group in EU Member States.

ISCED97	Pre- primary, primary and lower secondary education (levels 0- 2). Total 15-24 years	Upper secondary and post- secondary non-tertiary education (levels 3 and 4). Total 15- 24 years	First and second stage of tertiary education (levels 5 and 6). Total 15-24 years
Year	2012	2012	2012
European Union (27 countries)	19.6	43.5	54.5
Belgium	11.6	32.9	47.6
Bulgaria	5.3	32.2	62.0
Czech Republic	4.1	41.7	37.3
Denmark	46.7	67.3	70.2
Germany	32.1	62.4	76.2
Estonia	14.2	47.0	61.4
Ireland	7.5	39.0	63.0
Greece	7.7	14.7	41.5
Spain	16.8	18.4	38.1
France	13.2	37.4	48.7
Italy	10.2	28.2	23.1
Cyprus	10.8	35.5	56.4
Latvia	10.4	39.9	70.0
Lithuania	4.6	31.7	67.0
Luxembourg	13.3	31.7	45.3
Hungary	5.1	29.3	54.4
Malta	36.2	44.3	74.4
Netherlands	53.8	71.4	77.8
Austria	38.0	69.2	71.6
Poland	6.4	38.9	45.6
Portugal	18.5	28.4	37.4
Romania	16.9	29.4	39.7
Slovenia	9.6	38.2	53.7
Slovakia	2.2	36.1	23.2
Finland	22.4	62.0	74.2
Sweden	18.9	61.3	55.3
United Kingdom	33.3	53.7	71.6

Source: Eurostat. Extracted on 05.05.13.

Table A2. 2012 Employment rates by highest level of education attained for 25-64 age group in EU Member States.

ISCED97	Pre-primary, primary and lower secondary education (levels 0-2). Total 25-64 years	Upper secondary and post-secondary non-tertiary education (levels 3 and 4). Total 25-64 years	First and second stage of tertiary education (levels 5 and 6). Total 25-64 years
Year	2012	2012	2012
European Union (27 countries)	52.9	73.0	83.5
Belgium	47.6	73.5	84.6
Bulgaria	37.4	69.1	81.8
Czech Republic	40.4	75.9	83.6
Denmark	61.4	78.7	86.4
Germany	57.5	78.2	87.9
Estonia	50.6	74.5	82.2
Ireland	44.1	65.4	80.0
Greece	48.6	57.3	71.4
Spain	49.2	65.8	77.1
France	55.5	73.5	84.3
Italy	50.9	71.1	78.7
Cyprus	57.9	73.3	80.8
Latvia	52.2	66.9	86.3
Lithuania	36.6	67.6	88.2
Luxembourg	63.0	71.9	84.8
Hungary	38.8	67.9	79.7
Malta	49.6	80.9	88.4
Netherlands	62.3	80.2	87.6
Austria	56.0	78.2	87.4
Poland	39.8	65.4	84.7
Portugal	63.2	76.0	81.8
Romania	53.1	68.7	84.6
Slovenia	47.2	70.7	85.1
Slovakia	30.7	70.3	80.1
Finland	55.2	74.6	84.4
Sweden	65.4	84.1	88.7
United Kingdom	57.5	77.3	84.1

Source: Eurostat. Extracted on 05.05.13.

Appendix 2.

Case Study Initiatives in Adapting Labour Market Training to meet Demand	
Country and Measure	Outline description
Austria (AMS)- New Skills Programme	Qualification Programmes on New Skills based on analysis from an expert group of the Standing Committee on New Skills established in 2009. Focus on re-skilling of workforce and design of training courses to meet new needs. Case study highlights training targeted at unemployed semi-skilled workers to upgrade skills to facilitate return to the labour market. Strong input from employers/Chamber of Commerce in design of training; PES responsible for management of training delivery. English language and ICT included in all training programmes.
Belgium (FOREM)- Skill Centres	Skills up-grading for unemployed in one of twenty-five 'sectoral industry Skill Centres in the Walloon Region'; training for employed and unemployed persons is provided in these centres linked also to regional economic development policy. The case study focused on a one year skills training programme for unemployed persons in the high-growth motor sport engineering 'Campus Automobile' in one region. Design of courses in Skill Centres is strongly based around a social partnership model (with employers, trade unions, and education/training sector involvement).
Belgium (VDAB)- Talent-Yard	Training partnership approach developed within the scope of the national Employment and Investment Plan, under the 'Talent-Yard' project. Provision of customized training in occupational areas where bottlenecks/skill shortages were notified by employers (within food and construction/renovation sectors). Case study training plan was developed by PES in conjunction with the employers; eleven week training programme provided (primarily on-the-job) provided in Antwerp; mobile training units used for off-the-job component. Good retention in employment post-training reported.
Finland (Ely Centres)- Training Products/Packages	Re-adjustment of funding and packages for training and the introduction of a 'joint-purchasing model'. Three training 'packages' options are provided: for recruitment training, precise training, and change training. Level of funding paid by employer linked to the specificity of the training to the needs of individual employer. Skills development training targeted at SME's; case study focused on engineering and retail sectors. Training can range from 3-9 months with a mix of on-the-job and theoretical training. Recruitment of trainees undertaken by PES. Strong focus on development of IT skills.
Lithuania – New Vocational Training System	Within a new Vocational Training System training is provided by PES within context of tripartite agreement. Training is provided only in response to employer demand (employer guarantees a job post-training for 12 months). Partnership between employers, PES and Local Labour Exchange Offices to meet identified specific skill shortages. Formal training programmes (5 months) and non-formal programmes (one and half months) delivered by third party providers.
Poland (district level PES)	Design and delivery by PES of individually customized training for job-seekers at district/local level; case example in Opole Region.

Tailor-made training demand	on Employer-sponsored training for unemployed, with guarantee of employment for a minimum of three months to a maximum of twelve months post-training. Focus is on provision of individualised tailor made skills updating training, planned and agreed with an employer, as opposed to traditional group-training approaches. Case study example of training for fork-lift truck operators, heavy equipment operators, electro-energetic training, and basic business skills.
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Source: EC Mobility Lab (2012) Adapting PES training policy to better service demand;
<http://www.mobilitypartnership.eu/Documents/EJML.pdf>

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