



ENCOURAGING WORK
EXPERIENCE FOR YOUNG
JOBSEEKERS

Work Support Contract (CAE scheme)

Information review: October 2015

LUXEMBOURG

The practice is part of the government's efforts to increase youth employment rates, in particular – but not exclusively – for those with no or low qualifications. Young jobseekers are given work experience and training (both practical and theoretical) in a public administration, a municipality or a not-for-profit organisation for between 3 months and 12 months. From July 2007 to October 2011, 123 public bodies or NGO's participated in the scheme. 58% of the contracting bodies took 1 or 2 trainees, while 29% took 6 or more trainees.

Name of the PES

Agence pour le développement de l'emploi – ADEM
Employment Development Agency

When was the practice implemented?

2007 – on-going

Which organisation was involved in its implementation?

ADEM (PES)
Promoters (public administration or NGO)

Which social groups were targeted by the practice?

- ▶ Young (under 30) unemployed people registered with ADEM (PES) for at least a month
- ▶ Public administrations and NGOs
- ▶ Not for profit companies

What were the practice's main objectives?

The aim of this practice is to provide young jobseekers with work experience and to improve their skills and competences. The practice replaced a previous scheme called CAT-Public which provided temporary work experience in public administration for young jobseekers.

What activities were carried out?

- Activities include:
- ▶ Signing the personalised contracts between young unemployed people and ADEM. .
 - ▶ Tutoring provided by the employer (be it public administration, a municipality or a not-for-profit organisation) within one month of the job start.
 - ▶ Theoretical and practical training programme – minimum 16 hours/month. The young person and the employer design a training plan within one month of starting the work practice.
 - ▶ Provision of work: 32 work hours/week in a public administration or not-for-profit organisation (for-profits are excluded from this scheme).
 - ▶ Remuneration depends on the level of qualifications - it varies from 80% of the minimum wage and 120% the minimum wage.
 - ▶ ADEM can provide skills assessment for young people who have some work experience.
 - ▶ A premium is given to employers who employ (within six months upon completion of the practice) young people who have benefitted from the CAE scheme.

What resources and other relevant organisational aspects were involved?

The practice is managed by ADEM. ADEM has 9 career advisers, 1 trainer and 4 back office staff to deal with the administration of the three practices targeting youth.

Source(s) of funding

Other sources: Fonds pour l'emploi – Employment Fund

What were the outputs of the practice: people reached and products?

People reached:

Between July 2007 and October 2011, 1 423 participants benefited from a Work Support Contract (CAE). This corresponds to 27 new contracts each month on average. The participants had the following characteristics:

- ▶ 904 young men took part in the practice between 2007 and 2011 (63.5%). They made up 59% of participants in 2008, 61% in 2009, 66% in 2010 and 68% in 2011.
- ▶ 484 participants were under 19 years old (34%). There was an over-representation of young people aged 19-23 but an under-representation of people aged 24-30 years.
- ▶ 53% of the participants have low levels of education, 46% secondary or vocational education, and 1% higher education.
- ▶ 68% of participants (or 968) are Luxembourg nationals.

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Products:

Work-support contract or training plan
Skills assessment tools (bilan de competences)

What outcomes have been identified?

As regards the CAEs signed between July 2007 and May 2010 (618 in total), 235 beneficiaries (38%) found employment in the 6 months following the workplace training scheme in public administration compared to 32% of the control group (not benefitting from any incentive or practice). This implies that the measure has a 6 percentage point positive effect for beneficiaries of the practice in the short term.

In the longer term, the positive effect of employment is still 6 p.p. (56% of beneficiaries are still in employed compared to 50% of the control group). After 18 months, 38% of the beneficiaries are still unemployed.

Regarding remuneration, the results are ambiguous. While 29% of the beneficiaries are paid more, 37% of the former trainees are paid less than they would have been if they had not taken part in a CAE. For 34% of the beneficiaries there is no effect.

What are the lessons learnt and success factors?

The evaluation of the practice found that the practice increases the beneficiaries' chances of obtaining employment in the 6 months following participation in the scheme.

Regarding the 37% who are paid less than they would have been if they had not taken part in a CAE, the evaluation argues that this effect can be explained by two factors:

- ▶ A stigma effect that does not operate at the level of decision to hire but at pay level. The employer decides to hire the young who has followed the CAE scheme but either for a lower salary or for a lower qualified job;
- ▶ The behaviour of the young job seeker who has not been hired at the end of the scheme and who finds him/herself in a situation that leads her/him to revise their pay claim.

Finally, the evaluation underlined that considering that public employers targeted by the practice cannot employ the trainee at the end of the contract period and, second, that the scheme is targeting low-qualified trainees, the CAE should be regarded more as a scheme providing additional qualifications than as a scheme providing employment opportunities.

More information on the practice

http://ec.europa.eu/employment_social/empl_portal/weesp/LU-1.pdf



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