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Discussion paper

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Introduction

The Youth Guarantee (YG) has reached and helped over 24 million young people in the European Union over the last five years, and Public Employment Services have played a vital role in the success of the YG, in a co-ordinating role, by designing and providing youth tailor-made (or novel) active measures and services. There are two major issues that need to be addressed however. First, the COVID-19 pandemic has struck the employment prospects of young people particularly hard, and preventing that the scars of this recession become long-lasting is the prime objective of PES. Indeed, according to latest estimates by Eurostat, the labour income losses due to the pandemic among young people was about 11 percent (on average across all Member States). This was primarily due to job-loss (as opposed to reduced working time), which was particularly pronounced for young people with medium level of education.¹ Second, it has become evident that (despite the success of the YG) there are large groups of young persons who could not benefit from its boons. To address these issues, the EU Council adopted a Recommendation on '[A Bridge to Jobs – Reinforcing the Youth Guarantee](#)' on October 30th 2020, which contains suggestions for several ambitious goals. The Thematic Review Workshop (TRW) is devoted to an initial discussion of how the PES of the EU PES Network need to adapt their offer to young people in order to be able to accommodate these goals. This discussion paper first briefly reviews the main points of the 'Reinforcing the Youth Guarantee' Recommendation, and then highlights some areas where PES will need to adapt, mentioning some of the issues, and highlighting some existing promising practices.

The new Recommendation puts forward a number of key modifications in the priorities of youth interventions. First of all, it highlights that NEETs from the 25-29 age group need to be included, and acknowledges that one of the major groups are inactive women who are out of the labour force due to caring duties (for young children). Second, the Recommendation emphasises that more effort needs to be put on including (identifying, reaching out to) youth from a vulnerable background in the Youth Guarantee. Third, in line with the above points, the Recommendation points out the need to more precisely identify the needs of different groups and tailor-make services and measures accordingly. This includes the possibility that youth from a vulnerable background receive individualised skills training, psychosocial support etc. during a four-month intensive preparatory phase, before entering a longer-term active measure. A particularly important additional skill to be acquired in this phase is digital literacy.

Fourth, the Recommendation acknowledges that this more inclusive approach (which puts a large emphasis on vulnerable groups) cannot be successful without effective co-operation between PES, education institutions, social service providers, and the providers of other supportive services (including psychological and health care). The Recommendation also underscores the necessity to build (formalised) partnerships that include timely data exchange in order to identify vulnerable NEETs, signposting of young people such that they receive adequate services and do not 'get lost' between service providers.

¹ Worryingly, the employment rate of young people over the last two quarters of 2020 seems to be rebounding slower than for older workers.

1. The mapping phase

In order to be able to reach out to young people from a vulnerable background, and to understand their needs, a first step is to collect information on them. This can be done either through analysing (often already existing) statistical data about them, or through setting up co-operations which lead to information and data exchange with relevant stakeholders.

1.1 Data-driven approaches to the identification of NEETs

There already exist a number of approaches to identifying and categorising NEETs based on their main obstacles to entering the labour market. A basic understanding of the number and main groups can be gleaned from Labour Force Surveys (based on the work of Mascherini-Ledermaier (2016)), that has the advantage that it can be estimated in a timely manner and using a common methodology. A more intricate picture about the needs and main barriers of NEETs can be painted based on the methodology of the OECD-WB 'Faces of Joblessness Project' (see Fernandez et al (2016)), which uses the Survey of Income and Living Conditions. This approach is capable of taking into account more points of view (in particular, household incomes), and hence is ground breaking in identifying multiple barriers. However, all of these approaches are limited in the sense that they can identify regional patterns (at the NUTS2 level), but cannot be directly used by PES offices, who typically work in local labour market and co-ordinate activities in smaller geographical units (thus information and data would be needed at least the NUTS3 level).

The use of linked administrative datasets and the use of big data analysis techniques could also bring a step forward in the identification of NEETs and their needs. In many countries, the legislation exists to link data from various sources including PES registers, social security, education and health care in an *anonymised* manner. This means that those seeking to identify the target groups of services can take into account a host of indicators of NEETs' needs and this information can be disaggregated to very small geographical units. This approach can be even more fruitful in countries where the same institution already collects information from a variety of fields (such as in Norway) and especially where e-governance is advanced (such as in Estonia).² However, in countries with less favourable conditions, this approach also has its limits since linking of administrative datasets can be an involved process, thus limiting the timeliness of the information. Furthermore, information that could be especially important in disentangling needs, such as from social service providers, is typically collected in a decentralised manner.

Finally, there is some potential in using data from Censuses (or similar large sample surveys which contain 10% of the population), which typically also collect basic information about labour market status and barriers and are available at the district level (which is often the administrative level at which local labour offices and social services operate). It is worth considering in some countries, where none of the above-mentioned approaches might work to either conduct a specific youth-oriented large-sample survey (or a Census of NEETs, such as in Malta), or to add a few additional questions specific to young persons to existing large-sample surveys.

² It needs to be noted that even in these countries the data cannot be used for identifying individual NEETs.

1.2 Partnerships and early warnings systems

Clearly, starting from the local level and signing local (regional) data exchange and signposting agreement can be a very useful complement to the data collection approaches described above.

Data exchange between secondary education institutions and PES is a procedure which has been tried and tested in a handful of countries or PES (e.g. the Netherlands, and the Flemish Region of Belgium). Furthermore, the legal ramifications around such procedures are in place in a number of other countries. In principle, by getting a signal about that fact that a young person has dropped out of secondary education can form the basis of approaching her or him with offers from the PES. Even in absence of precise knowledge of who has found a job after finishing secondary education, data sharing is a first step towards identifying potential NEETs. Furthermore, data sharing needs to be established with providers of social services (or child protection services). Often these providers are not fully cogent about the opportunities within the YG, hence currently are sceptical about co-operation and data sharing with PES. However, these data sharing agreements might pose substantial effort, since social service providers (typically) operate semi-independently at the local level.

It needs to be noted that PES not only need to be informed about NEETs, but data collection efforts need to be devoted to mapping the availability of service providers at the local level, particularly in terms of social services and counselling. This will be essential for planning adequate supportive services for young people of vulnerable backgrounds. While in all countries PES have established contacts with local services providers during the implementation of the YG, they might not be fully cogent about the capacity of these service providers to address all the needs of vulnerable young people (especially since service providers are often capacity constrained). In case a national (or regional) register of all social services exists, this will prove useful not only in identifying young persons as potential beneficiaries, but also for having an up-to date picture about the variety and the volume of service provided at the local level.

2. The outreach phase

This is one of the key areas where the implementation of the YG needs to progress, especially when it comes to young people from a vulnerable background. Reviews of the YG implementation have concluded that identification, and especially outreach to young people from a vulnerable background has been a challenge for a number of Member States. Without attracting those most in need of help in finding their way back to the labour market, the YG risks spending resources inefficiently.

2.1 Communication online and the ease of registration

A number of PES currently have rather limited online presence, and they rarely use social media to advertise their activities. Recent experience has shown that fine-tuning communication to specific target groups and tailor-making messages for them, such that potential clients receive information relevant for them are key elements of successful communication campaigns. For young people, extensive use of social media, having co-creation events and involving role models seems a useful avenue. Furthermore, PES youth counsellors might also have to communicate in a personalised way. The Flemish PES VDAB for instance have found that for NEETs it is useful to have personalised cards (brochures including some information about the counsellor's hobbies etc.) with counsellors' direct contact telephone and email details.

PES also need to take into account that a number of young people use online platforms every day, and for them, the priority is to transfer (and streamline) procedures which do not need face-to-face interaction online. Thus, it would be essential to make as much of the registration as possible (in line with current regulation) available online – an area where PES have made large strides over the last year. Furthermore, young people of vulnerable background may find it difficult to understand and navigate formalised and bureaucratic language (traditionally used for claiming jobseeker benefits), hence PES need to make an effort to make the procedure as clear and simple as possible. Moreover, PES need to take into account the variety of language usage capabilities among vulnerable young people, and hence the language of communications needs to be adapted (to include a variety of languages spoken by young people). Finally, individualised treatment personalisation is not only important during online communication, but young people often are also put at ease by more relaxed face-to-face contact.

2.2 Outreach activities

A key question with respect to young people (especially of vulnerable background) is the role of PES in contacting and convincing them to participate in the YG. In particular, many young people might not have trust in large public institutions such as the PES. They often need face-to-face personal contact, a person who can speak in a more informal language. This is why co-operation with other service providers is a must.

The most obvious choices to promote the YG are co-operation with youth centres (or similar organisations, where they exist), and with secondary education institutions, which is a widely used (but perhaps not regular enough) practice. Second, given that mentoring vulnerable youth was already part of the YG framework, and these mentors have likely built trust among the target group, and can communicate well with youngsters, they can also be involved in outreach activities. Third, in countries, where there already exist a number of active youth helping services (such as the Youth Welfare Offices 'Jugendamt' in DE, or the Voluntary Labour Corps in PL), co-operation with them is an obvious choice.

However, for more vulnerable young persons, more innovative or informal methods might be needed to be tested. These start from asking former YG participants to promote the programme in their own peer groups. Furthermore, building ties to influential figures in local communities (which can range from sport clubs to religious groups) can prove beneficial. Clearly, these methods require a decentralised approach, and a large amount of street-level knowledge.

Given that the expansion of the target group to 25-29 olds will include many mothers of young children from a vulnerable background, outreach to this group will need to be addressed. The groups of mothers (based on the age of their children, their geographic location etc.) who can be accessed will depend on the national circumstances, for instance the duration of childcare benefits, the availability of nurseries (and culture) – it seems less effective to address those mothers who might not be willing/able to join the labour force for either of these factors. Furthermore, national institutional setups will also influence which potential partners are relevant for co-operation. For instance, in countries where young children get regular check-ups from home-visiting nurses, they might be helpful in promoting the YG. In countries where mothers of vulnerable background regularly receive services from family care centres (or similar institutions), they are also prime candidates for co-operation.

In all of these activities there are two overarching and interrelated questions which will need to be addressed. First, to what extent will other (social) service providers need to be formally linked to PES (or more broadly, the providers of employment services). Second,

how will these activities be financed, and monitored. We will discuss both of these topics in the next sub-section.

3. The preparatory phase

The Reinforcing the Youth Guarantee Recommendation places a large emphasis on preparing young persons from a vulnerable background to go on to participate in more 'traditional' ALMPs, while also pointing out that for other NEETs the procedure can be substantially shortened.

3.1 Diagnosis

While approaches to the profiling of jobseekers varies largely across PES, some important lessons can be drawn from the research on this topic. First, that next to the usual objective characteristics, a number of softer factors are relevant for re-employment chances, such as job search motivation, subjective assessment of the availability of jobs, and of health conditions. Second, there has been a recent shift away from having many specific profiling categories (based on statistical profiling) and towards giving more leeway to employment counsellors. Broadly speaking, (statistical) profiling is useful for delineating two to three groups of jobseekers based on their distance from the labour market, and more specifically delineating those who do not need intensive support.

In line with the 'Reinforcing the Youth Guarantee' Recommendation, more vulnerable groups will need a more holistic diagnosis. This will necessitate, in some cases, the concerted effort of career counselling specialists, persons specialised in psycho-social issues. This is an area where PES have varying amount of prior experience. For instance, the German PES (Bundesagentur für Arbeit) already has the possibility of having more in-depth diagnosis (by calling on specialised personnel). Indeed, diagnosing the multiplicity of barriers to entering the labour market often requires that teams of counsellors (including PES, social workers; such as in some instances in Slovenia) have joint case meetings. Furthermore, and in line what is already being done in a number of countries, vulnerable jobseekers might need more meetings to establish adequate diagnosis.

3.2 Skills development in the preparatory phase

While PES have ample experience in the structuring of active measures, much less is known about how to formulate complex skills development plans and services for vulnerable youths. More precisely, a number of PES have a long-standing tradition of formulating professional development plans, such as at the French PES Pôle Emploi, where this is a separate service. This is also intimately tied to the recognition of informal learning and competences. At the same time, the courses which develop transversal and language skills are regularly used.

It is also clear that lack of IT skills might be a serious obstacle for youth from a vulnerable background, which is emphasised by the 'Reinforcing the Youth Guarantee' Recommendation. In response to the COVID-19 pandemic, a number of PES have moved towards diagnosing these skills more extensively and providing for short courses. While these courses can have significant effects on re-integration chances, the issue remains to examine whether these courses cover all the basic skills needed in the labour market today, and to evaluate whether vulnerable youth receive an adequate level and number of training opportunities (which will enable them to later enter an ALMP or the labour market).

The 'Reinforcing the Youth Guarantee' Recommendation also suggests that those youth closer to the labour market might need a lighter touch approach, which might mean that they only need training in a few specific skills. Thus, a proper diagnosis is also important

for this client group. In particular, the results of competence-based job matching procedures can be used to discern the particular skills needed. In line with this, a potential step forward is the modularisation of longer training courses, which is currently an area that VDAB is working on. However, this will require a much more flexible approach from both training providers and PES.

Furthermore, previous experience and experiments have shown that in many cases, there are substantial unmet health needs among vulnerable young persons, which might prevent them from participating more substantive active measures. In particular, psychological problems (depression) is a widespread phenomenon, and helping youth to find adequate counselling will also lead to higher take-up of ALMPs (skills formation programmes). The availability of psychological (and health) services at the Finnish one-stop-shop youth centres, for instance, was one important element of their success. However, it remains an open question whether health impaired (including those with psychosocial issues) young persons need a lengthy 'preparatory phase', or as the more recent approach in Norway suggests, it is more effective to try to re-integrate them into workplaces as soon as possible. At the same time, it is clear that psychological support might be needed for a longer time, even after having entered a workplace.

3.3 Service integration

It is clear that with the new approaches outlined, there is a need to co-operate and co-ordinate many more partners than before. This raises several questions. First, to what extent is service integration necessary? A second, related question, is which services are particularly important to keep in-house? Third, given that this approach will need a concerted approach, how to deal with financing, monitoring and accountability issues that arise?

A couple of recent studies on service integration for long-term unemployed (European Commission (2018a); European Commission (2020)) have shown that more integrated services and partnerships between the providers of employment and social services lead to quicker re-employment. While institutional setups can vary (from formal partnership to mergers), having these services 'under the same roof' does not necessarily guarantee effective referrals. By the same token, regular case management meetings can be sufficient (such as in Slovenia). While it is beneficial if the co-operating institutions are at the same level of territorial governance, but this is not a must.

It seems to be important that for youth these 'one-stop-shops' need to provide a low-threshold entry and be available at the local level for youth, and in many cases, they are not formally part of the PES (such as the Missions Locales in France, the UngKOMP in Sweden, the CISOK in Croatia). It needs to be tested which service areas (besides career and employment counselling, social counselling) have to be integrated in order to achieve the best results for youth of vulnerable background. Ideally, the establishment of one-stop-shops or other models of service integration does not necessarily mean a large increase in staff, rather, bringing together services which are already available in a fragmented manner together. Thus, each co-operating institution might delegate staff, expertise and budget. It is also worth keeping in mind that having a separate visual identity (different from PES) is part of the success of the one-stop-shop model – this is the case for the Ohjaamo in Finland or the Cité des Métiers/Beroepenpunt in Brussels.

It needs to be emphasised that without a harmonisation of goals, and agreement on what headline indicators ought to be, co-operation is difficult to achieve.³ Furthermore, clear incentives, responsibilities and mechanisms for monitoring results need to be put in place to guarantee co-operation. It is important to emphasise that this does not preclude variation at the regional/local level in the implementation of co-operations, but in that case, strong accountability or transparent benchmarking is needed. In absence of such incentives and clear concepts, there is a risk that different agencies shift clients and costs to other institutions. When thinking about partnerships and co-operation, it is necessary to consider which services need to be outsourced. Broadly speaking, past research has shown that there seems to be no additional benefit to outsourcing employment counselling, especially given the difficulty of designing proper incentives. However, it is clear that many of the tasks relating to outreach as well as mentoring might be done by grass-roots NGOs.

Part of the task that will need to be done is to set criteria for success in the preparatory phase, which adequately take into account the situation of young people from a vulnerable background. On the one hand, this has to be flexible enough such that the goals for young people with the greatest difficulties (those with health issues or those who are semiliterate) are different. On the other hand, the formulation of indicators needs to be focussed on the ultimate goal of the YG: the re-integration of young people into the labour market. It is clear that this will need consensus across PES (and a discussion with EU DG EMPL), since the current YG monitoring system might not fully be suited to produce breakdowns which might be able to distinguish between vulnerable youth and those closer to the labour market. In line with the above, a further issue to settle is the extent to which flexibility can be built into how funds are used, as it stems from the objective of reaching out to more vulnerable NEETs and having a holistic diagnosis that (at least initially) the planning of service needs will be more uncertain than in the previous period of the YG.

4. The offer

While the core of the Youth Guarantee is likely to remain unchanged, it is worth discussing some of the issues relating to providing measures for youth with a vulnerable background.

4.1 Co-operation with employers and work experience programmes

It is clear that if PES are to be successful in placing vulnerable young jobseekers, granting hiring incentives for employers might not be enough. Closer co-operation with employers, in particular employee-oriented vacancy acquisition, has been tested in several countries, and seems relatively successful (for long-term unemployed in France and Germany, and for health-impaired workers in Norway). The use of this kind of approach is threefold. First, to build a longer-term relationship with employers, such that PES counsellors understand employers' skills needs better. Second, to provide a pre-screening service to employers, which is effective in convincing them to hire otherwise hard-to-place jobseekers. Third, to build mutual trust between PES and employers, which is a prerequisite for post-placement co-operation. Broadly speaking, this approach can be conducive to generating more job offers for more disadvantaged jobseekers, but less is known about its effectiveness for young jobseekers. However, it is clear that it is useful for orienting upskilling efforts towards competences which are in demand in the local labour market, and in steering young jobseekers towards bottleneck professions. The recent experience of the COVID-19

³ For more on these issues, see European Commission (2018b).

pandemic, when a large number of jobseekers had to be re-oriented very quickly towards jobs in demand, might have convinced employers that co-operating with PES is very useful.

Co-operation with employers might also be needed for work experience programmes, which in general are relatively short, and very highly subsidised work placement programmes (primarily in the private sector).⁴ These programmes might be particularly advantageous for the recruitment and skills development of youth from a vulnerable background. These programmes encourage employers to overcome their uncertainties about recruiting youth (and potentially alleviating negative stereotypes), and to allow young people to get a feel for whether the given line of work interests them. The short duration of the job and the high wage subsidy mean that the risk of participating in the programme is relatively low for both the employer and the young participant, as there is no need for a long-term commitment on either side. However, these programmes, run the risk that employers might 'game' the system by rotating young jobseekers. Hence, they require oversight by employment counsellors, and a good working relationship between PES local offices and employers.

Finally, including more vulnerable NEETs into the YG will mean that more effort will need to be devoted to those with mental health issues. There is growing evidence from the Nordic countries (primarily from Norway) that 'place and train' type of programmes for persons with common mental health disorders (anxiety or depression) is effective. This approach requires not only some help from a psychologist (work-focused cognitive-behavioural therapy) for the client, but also the mediation of the PES counsellor. This is primarily because employers might have a lack of understanding of mental health conditions, and hence have a fear that they will not be up to the job.

4.2 Post-placement support

Previous experience on long-term unemployed and persons with health issues shows that post-placement support is needed in order to achieve sustainable re-integration into the labour market. It is likely that that similar approaches will be necessary for placing youth from a vulnerable background. Several questions need to be addressed in this respect.

First, the main issue is whether the same person (employment counsellor, psychologist) needs to support the young person after getting back to work as in the preparatory phase. In some cases, this might not be the most cost-effective approach and it might put a lot of strain on service providers' capacities. Furthermore, job coaching after placement might be difficult to organise, as it might be disruptive for the employer.

If the alternative route of having colleagues as mentors is used, there are different issues to solve. First of all, that the counselling time of this person will need to be subsidised. Second, since these colleagues are crucial for re-integration, they will need to receive some training (about mental health issues in the workplace, in inclusive attitudes etc.). It has been found that the mentoring provided by (older) colleagues is particularly important for jobseekers with relatively little work experience who might initially get the 'wrong impression' of a workplace. Therefore, the mentor is there to serve as a good role model with the right attitudes from the very beginning of the work placement, and who can also serve as a social interpreter in the new work environment.

⁴ There is much less consensus about the effectiveness of jobs which are 'supplementary' in nature, and are in the secondary labour market.

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