Assessing youth employment policies in 28 European countries

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i. to advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and improving the social situation of young people who face labour market insecurities, and

ii. to engage with relevant communities, stakeholders and practitioners in the research with a view to supporting relevant policies in Europe. Contributions to a dialogue about these results can be made through the project website http://www.except-project.eu/, or by following us on twitter @except_eu.

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The assessment is based on comparative review of the national reports from 28 countries.
Responsibility for all conclusions drawn from the data lies entirely with the authors.
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Executive summary

The purpose of this Working paper is to provide a summative evaluation of youth employment policies in EU and Ukraine. It is organized in three parts, starting with a narrow focus on youth employment interventions and expanding to a comprehensive assessment of the impacts and outcomes (including unintended ones) of youth employment policies.

Part One contains overview of youth employment policies with special focus on selected policy measures and measures selected as good practices. This part discusses also the diffusion of the EU youth policy initiatives and the factors influencing the policy interventions' spreading.

Part Two contains four chapters, organized on the basis of the policy cycle framework: agenda setting; policy formulation; policy implementation (trends in public employment services) and policy evaluations. The framework allows considering public policy as a process and focuses attention on generic features of this process.

Part Three discusses effects of employment policies: the overall impact of employment measures, embedded in the specific economic context, on the labour market performance and its outcomes, as well as the specifics of youth participation in employment. Since young people are not only participants in employment, but holders of human capital and their human capital is important factor of youth employment and social inclusion, attention is paid to the impact of employment measures on the formation of human capital. This part discusses also the way youth employment policies interact with other policies and effects of these interactions.

The Working paper is a comparative report based on national reports (Annex 1) prepared by national experts following 2 variants of a structured common template: a) the extended, basic one (Annex 2) which is used in the 9 EXCEPT partner - countries (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden, Ukraine and the UK); and b) a shorter template for the other EU countries (Annex 3). Additionally EU wide statistical data and results and secondary analyses of other studies in the field are used as well.

The extended basic national reports’ template for the 9 countries consists of 8 parts outlining the structure for an analytical overview, analysis and recommendations in the field of national youth employment policies. The components of the template include: a general overview and assessment of youth employment policies, selection of concrete interventions, incl. good practices, and considering diffusion in EU; assessment of the consistency of youth employment policies with other interconnected policies; assessment of the overall effectiveness and outcomes. The template is structured in line with the stages of the political cycle and focuses on three main and interrelated factors that determine the level and dynamics of (youth) unemployment: a) overall economic situation that is widely recognized as a key to a successful youth employment policy; b) labour markets situation (aggregate labour demand and the degree it corresponds to
labour supply (availability of sufficient vacant jobs, quality of job vacancies that ensures social inclusion of employees, adequacy to the aspirations of young people and may motivate them to go out for taking up these jobs); c) the human capital formation of the young jobseekers and its adequacy to the demand of labour.

A shorter version of this basic template was implemented in the other 19 EU member states where national experts also responded to the questions concerning youth employment policies in their countries focusing on selected interventions.

The period covered by the national reports is 15 - 20 years prior to their preparation. The reason for this choice is the specific economic context (widely recognized as the key to a successful youth employment policy) and the fact that youth unemployment has been identified earlier and therefore the causes of youth unemployment have arisen and have an impact already from several decades.

The comparative report was developed in two stages. In the first stage, detailed national reports from the 9 EXCEPT partner-countries were used to review and analyse the state of youth policies in these countries, to delineate similarities and differences and to assess their social impact on a comparative scale. Quotations from these national reports are widely used to illustrate the basis of the conclusions. In the second stage, the shorter reports of the other 19 EU countries (all other EU countries except Ireland) were reviewed to verify as far as possible if the conclusions and recommendations made are supported or rejected.

Below a summary of the main findings in the different parts of the report are presented.

**Part One: Youth employment policies**

1. **Overview of active labour market policies**

   *Expenditure and participants:* In general, over the 2005-2015 period most of the EU countries increased the public spending on ALMP – both in absolute and relative terms (as a % of GDP). In several countries even a three- or fourfold increase could be seen (Czech Republic, Estonia, Greece, and Hungary). This is combined with a larger share in GDP of the public expenditure on ALMP measures. However, this trend is not uniform across all EU Member States. There are some notable exceptions, where the funding for ALMPs sharply declined. In Bulgaria, for example, public spending on ALMP measures declined by 33% and their share in GDP fell from 0.39% (2005) to 0.14% (2015); in Romania respectively from 0.11% to 0.02%. Decline is present as well in Germany, Netherlands, Latvia, Italy, Spain, Slovenia, Portugal and Slovakia.

   The increase/decrease in public spending is usually accompanied by increase/decrease in the total number of participants in ALMP measures, incl. in the number of participants 15-24 years old. Still there are some specific country variations in which this logic is changed. For example, in Poland, France and Luxembourg the total number of participants has increased, but the number of young participants decreased. On the contrary, in Austria the increase in public spending is parallel to an increase in the number of young participants but to a decrease in the total number of participants. In
Portugal a small decrease in the public spending (by 0.004) is parallel to high increase in the total number of participants in ALMP (by 83%) and a very slight increase in the number of young participants (by 7%). Thus while in 2005 the share of the young participants was around one half of all the ALMP participants in 2015 it is already less than one third. Based on the described trends in expenditures and the number of participants, it can be argued that the country differences depict that especially in some countries the importance of the youth jobseekers as a target group has eroded.

Additionally, it is important to note that if expenditure on ALMP are an indication of political significance the distance between the best performing EU member state (Denmark) and the worst performing (Romania) is growing – 1.46% to 0.02% of GDP.

Youth specific versus universal targeting: In most of the countries the problems of young job-seekers are being addressed through broader ALMP measures covering all labour market groups. Still programs and measures specifically targeted at youth job-seekers seem to increase in number and varieties.

Importance: In all EXCEPT partner countries, youth employment policies are assessed as important, albeit with some nuances between ‘very important’ (Sweden, Greece and the UK) and ‘quite important’ (in the other countries). By type of measure, most often training with certificates, start-up incentives and self-employment programs seem to be assessed as ‘very important’. In the other 19 countries, experts’ assessments show (in general) considerable concern among all actors for young people, including the unemployed youths, further highlighting the importance of some causes of unemployment that are linked to weaknesses in human capital formation. Most often, high priority is given to young people without qualifications (AT); early school leavers and NEETs (AT; BE; FR); unqualified unemployed (BE, ES, LU).

The risk of youth unemployment (and its causes) has received comparatively lower ratings in CY; CZ; ES; DK; FI; HU. Intermediate levels (compared to other countries) are the estimates in HR; LT; MT.

Of course, although the problem (the risk of youth unemployment) is not equally high in all countries, youth employment policies are applied in all countries.

The experts also point out that some groups at risk need more attention. As youth risk groups especially not adequately addressed by national policies are mentioned: migrants, ethnic minorities, early school leavers, young people without qualification, young people from workless families

Main sources of funding: in the EXCEPT partner countries, two groups of countries could be clearly distinguished: countries that rely mainly on EU funding (such as Bulgaria, Poland, Italy and Greece) and countries that rely mainly on national/regional funding (Sweden, Germany, the UK, and Estonia). For the other 19 countries the overall structure of funding sources depicts the two main groups of countries as well - those dominated by national funding for employment measures and those (mainly from Central and Eastern Europe) relying heavily on EU funding.
**Links to EU initiatives:** Most reports indicate the link of national youth employment policies with EU initiatives or instruments (most often - Youth Guarantee, Youth Employment Initiative and the European Social Fund). To some extend these links replicate the usage of the EU funding.

**Main trends:** The national reports clearly outline common characteristics of the labour market policies targeted at young people. Although in differing trajectories, the countries involved in the study, followed the general pattern of a shift from passive to active labour market measures by restructuring of unemployment benefits, imposing penalties on refusal to accept a participation in a measure or particular job, as well as a wider reduction of other components of the social protection systems (“retrenchment” of welfare state”) and austerity measures. Usually the ‘good job’ concept is not incorporated in the employment measures.

These changes have different implications for young people:

- In terms of ALMP, they can benefit both from the large set of universal measures and from the gradually initiated special measures targeted against youth unemployment;
- In terms of activation, young people are rather at a disadvantage, since cutting benefits and difficulties in access to unemployment benefits are often introduced first for new-comers at the labour market.

Additionally common trends are: the narrow employability focus linked to transfer from welfare to workfare and the consequent pressure on the social rights concept. The review depicts the need to search for new balances in employment measures with regard to active and passive measures; addressing individual & structural deficits; enhancing preventive and reactive measures; more adequate attention to any job/good job dilemma;

2. **Focus on selected interventions**

In order to provide in-depth analysis, the national reports include detailed information on a limited number of policy interventions selected on the basis of predefined criteria. Thus information on totally 121 policy interventions has been collected (52 of them from the EXCEPT partner countries).

The review of the expected effects of the selected policy interventions involves three criteria: **Availability** – whether expected effects are known and publicly manifested; **Measurability** – whether the expected effects are quantified or not; **Description of expected policy change** – whether the effects formulation allow for tracking how the employment situation of the target group has to be positively influenced or not.

For a significant proportion of the selected policy interventions information on expected effects is ether missing or not publicly available. For example in the EXCEPT partner countries, for two out of ten policy interventions an assessment of their achievements cannot be done due to lack of the relevant information. For the rest of interventions, only in about 9% the expected results can be measured due to the fact that they are
quantified, and for about 41% of the measures the expected positive result (in qualitative terms) for the target group is shown. Information on how many young people have taken part in these measures is scarce (it is not available for Greece, the UK and Ukraine). Additionally information about either participants or financial resources is available for approximately one-half of the policy interventions. Data on both youth participants and financial resources is available for less than the half of the selected interventions (20 out of 52 selected interventions). These figures can be considered as unsatisfying taking into account that the interventions are deemed to be an important part of the overall policy approach towards solving youth labour market challenges.

It has to be noted as well that almost all of the selected measures represent specific programmes, projects or groups of projects, i.e. initiatives with limited duration and budget. Legislative changes – like the increase of the compulsory participation in education and training to age 18 by amending the Labour Government’s Education and Skill Act in UK and adopting employment quotas in Ukraine - are very rare.

Types of measures and schemas against youth unemployment

The table below presents some characteristics of the selected youth-oriented policy interventions in the EXCEPT Project partner countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>Strong emphasis on subsidized employment. Similar interventions are being implemented simultaneously or are reproduced over the years.</td>
</tr>
<tr>
<td>Estonia</td>
<td>Universalistic approach considering the labour market services and measures within a logical framework. In this framework policy interventions are being implemented in consequence, taking into account the achieved results and complementing each other.</td>
</tr>
<tr>
<td>Germany</td>
<td>Youth-targeted interventions aiming at improving the young people’s employability. Young-oriented labour market policy measures are considered as a tool for equalizing opportunities in favour of the most vulnerable young people and facilitating their transition to the universal protection schemes and formal educational system.</td>
</tr>
<tr>
<td>Greece</td>
<td>Similar labour market services and measures are offered both to young people and other labour market groups. Youth-targeted policy interventions follow the logic of the leading EU youth employment policy initiatives such as Youth Guarantee and Youth Employment Initiative (timely support, comprehensive package of support options).</td>
</tr>
<tr>
<td>Italy</td>
<td>Decentralised implementation with strong involvement of private actors. Early-action and preventive approach towards young people still enrolled in the educational system. Interventions offer comprehensive package of support options and have limited geographical coverage.</td>
</tr>
<tr>
<td>Poland</td>
<td>The bulk of the youth-oriented policy interventions follow the logic of the leading EU youth employment initiatives such as Youth Guarantee and Youth Employment Initiative (timely support, comprehensive package of support options). However, the</td>
</tr>
</tbody>
</table>
EU influenced interventions are complemented by other youth-targeted interventions designed to take into account national peculiarities.

Sweden
Universalistic approach emphasizing of training provision with a view of improving employability of jobseekers. The most vulnerable could take part in subsidized employment programmes.

The UK
Provision of an individualised tailor-made integrated support towards the most vulnerable labour market groups.

Ukraine
Youth-targeted policy interventions complement the existing universal measures that cover the most vulnerable labour market groups. Young people are not excluded from the universal measures but have to fulfil eligibility criteria that are not age-related, i.e. the support is provided to young people facing multiple disadvantages and labour market risks.

The detailed information on the selected interventions in the national reports provides opportunity to outline the most important success factors and remaining policy challenges.

Success factors: (1) Policy context matters; (2) Targeting is crucial; (3) Comprehensive packages work better; (4) Duration of support should correspond to the individual needs; (5) Young people should be provided with sustainable economic opportunities; (6) The one-size-fits-all approaches hardly work.

Lessons learned: (1) Young people in a disadvantaged position need much more extra individual support and quality social work; (2) Policy interventions need to address both labour supply and demand; (4) Successful policy ideas should be backed up with adequate resources; (5) Involvement of stakeholders and young people themselves is insufficient and widely neglected; (6) Many of the selected policy interventions lack adequate evidence on their influence on the youth.

3. “Good practices” on youth employment policies

National reports propose 42 ‘good practices’ among the selected interventions, following predetermined in advance assessment criteria. These policy interventions are reviewed against the criteria used for the purposes of the European Commission’s Database of labour market practices under the European Employment Strategy and 27 of them are proposed to be considered for inclusion in the Database of labour market practices.

The main success factors of the selected good practices could be summarized as follows:

- Early intervention. Good practices address the labour market risks faced by young people at the earliest possible stage. Effects are better if these early interventions are complemented with (earlier) interventions during the earlier stages of human capital formation;
- **Support rather than compulsion.** Good practices provide stimuli for young people to use the proposed policy measures and are not based on coercion. - **Individualized, tailored support** (shaping the support according to the individual needs of the young participants). This has been mentioned particularly with regard to those good practices that are oriented towards youth risk groups such as NEETs.
- **Integrated approach.** The provision of a package of services (a combination of measures) has been underlined as a success factor as well. - **Human capital development.** This is one of the most distinguishing features of the good practices presented in the national reports. Almost all of them include career counselling, vocational guidance and training components and therefore seek to improve the employability of young people by equipping them with business- and market-relevant knowledge and skills.
- **Creation of better opportunities.** Many good practices enhance the existing opportunities for young people – from employment services provision through financial support to direct job creation

The analysis of these practices points out some important challenges as well.

- Despite the fact that these good practices are presented to be successful in many ways, national reports provide some critical assessments that need to be taken into account: The most vulnerable young people are not prioritized; Insufficient coverage; Inadequate stimuli provided to the young participants; Regional differences in quality of support.

- The majority of youth measures presented in the national reports as *good practices* clearly mention that various stakeholders – public and private, are involved in the design and implementation phases. While stakeholders in general actively participate in the implementation process, the evidence on how young people themselves are involved is not so straightforward. Notwithstanding some positive examples, it seems that the genuine youth involvement in youth employment measures’ designing, formulation, implementation, monitoring and evaluation is more an exception than a rule and this is a common institutional challenge in the EU.

- The ‘good practices’ proposed rarely are specifically targeted at those young people at greatest risk of labour market exclusion. It seems that policy interventions that work with groups who are better off much more easily could be turned into ‘good practices’.

- The good practices’ identification could be improved by improving the applied methodology, including more attention to the long-term results, to the impact of the context on the effects of policies and to the transferability conditions.

- The overview of the selected good practices shows that not all of them have been subjected to evaluation. This is so due to different reasons – for example, the practice might be at its initial stage of implementation, data on results might not be accessible, weak national experience in evaluation, etc.
If three categories of evaluations are considered: (1) effects on employment outcomes; (2) effects on earnings outcomes; and (3) effects on business performance outcomes (Kluve et al. 2016), usually what is evaluated are effects on short-term employment outcomes. Effects on earning outcomes and quality of proposed jobs are rarely considered.

Good practices’ methodology ignore the negative moments (effects, mistakes) of policies. The learning by doing process could be greatly improved, the knowledge gained from it could be greatly expanded, and its contribution to policy improvements could be greatly increased if a "good practice" procedure is applied to failures ("bad practice") as well. Such a procedure could also exert a stronger pressure than "good practices" for relatively quick corrections of inadequate policies.

4. Diffusion of the EU youth policy initiatives

Following the results obtained, the diffusion is considered at two levels:

a) Common trends in the labour market policies outlined above, and

b) Five specific EU interventions: (1) Youth Guarantee; (2) Youth Employment Initiative; (3) Quality traineeships and apprenticeships; (4) EURES job; (5) Supported youth entrepreneurship.

As far as common trend in LM policies are concerned (like transition from passive to active labour market policies; activation turn; strong employability focus; predominant addressing of the individual deficits and lack of attention to structural ones; high preference to reactive and neglect to preventive measures; focus on any jobs instead to good jobs). They are diffused more intensively and more quickly than the concrete interventions and shape the way concrete interventions are diffused and implemented. Although the trend is different in intensity, speed and specificity in the various Member States and Ukraine, it seems common of the current labour market policies in EU and its diffusion is unfolding over time. Additionally, the trend is not limited to EU or Europe as the same trend is easily traced in USA and Japan as in many other locations. This forms somehow an almost universal pattern of policies that have replaced most of the economic and social policies of the previous period.

In terms of timeframe, it seems that there is a pattern: a ‘model’ to be tested in one or more countries, and then this ‘model’ to be transferred to other countries. As regards the 'activation turn', for example, the model is being tested in Denmark and the UK and then is gradually transferred to other EU member states as well as to those in the process of integration. As regards the content, Member States step on existing national practices and can adapt the implemented policies to their national economic and social context, in so far as they have the expertise and the political will to do so. At the same time, the degrees of freedom are quite different. One possible effect of this specific pattern of diffusion of a common trend could be an insufficient attention to the national economic and social context (incl. national macroeconomic and social...
indicators) and the neglect of the need for national adaptation, at least for some countries.

In reference with the five specific EU interventions, all countries included in the study indicate some links of national youth employment programs with the EU initiatives: Youth Guarantee, Youth Employment Initiative and the European Social Fund. Still the character of these links is quite different and the countries could be classified in three groups:

- For some countries, the influence of the EU youth employment initiatives is significant. For example, for Bulgaria and Greece, the YEI represents the most important source of financing for youth employment measures. As it is said in the national report for Greece “The YEI not only constitutes a main funding source of the Youth Guarantee in Greece, but also contributes to other pro-youth provisions in the national strategy for development” (National Report for Greece, 2016).

- For the second group of countries (Poland, Czech Republic, Estonia, Italy, etc.) the importance of EU initiatives is acknowledged, but policy actors at national level are very active in formulating and testing different country-specific policy choices.

- For the third group of countries (like Sweden, Germany, UK, Finland, etc.) the role of the EU employment initiatives is not so important. There are at least two reasons for this. On the one hand, these countries are less reliant on EU funding compared to the other countries. On the other hand, they have well-developed and mature national public employment services and in some way they are “providers” of policy solutions to be transferred at EU level and then spread out across the other Member State.

The policy initiatives that are formally adopted by the European institutions and provide less room for flexibility for the Member States in general have a greater impact. This is the case with the Youth Guarantee, YEI and QFT. EURES job and initiatives towards supporting youth entrepreneurship are important part of the EU youth employment agenda, but there is insufficient evidence that they have trigger policy change at national level.

The domestic factors matter as well and they shape the policy diffusion patterns. The reliance on EU funding, the severity of the youth employment challenge and the degree of development of national public employment services seem to be three of the factors that determine whether an EU initiative will cause big magnitude changes at national level or not. The more severe the unemployment challenge is, more likely the country will adopt a policy approach elaborated at the EU level. This is particularly true for countries that have been struggling to find an efficient policy response to the problem of the youth labour market exclusion for a long period of time, i.e. which progress is not convincing enough and the problem consistently continue to exist.
The importance of the EU youth employment initiatives is bigger in these countries that: (1) receive a large amount of funding from the EU Structural and Investment Funds (ESIF), and (2) face greater youth employment challenges to be addressed by the country-specific recommendations. Thus the link of the national measures with EU initiatives to some extend replicates the usage of the EU funding.

**Part Two: Youth employment policies within the policy cycle framework**

The policy cycle framework allows considering public policy as a process, focuses attention on generic features of the process and provides a device to structure the empirical material.

1. **Agenda-setting - the social problem (risk) and groups it affects are defined and the need of state intervention is expressed.**

   **Main findings:**

   - Youth unemployment is widely recognized as an important risk, and the vision that public policy intervention is needed is shared. Statistical data, policy documents and research share to a large extent the vision on the key risk groups at the labour market. In most cases at national level there are no big differences between the scores of public opinion/media, policy and research.

   - In defining the risk groups, two groups of countries could be delineated: for example, Germany, Sweden and UK where some vulnerable youth subgroups at risk are addressed; and Bulgaria, Estonia, Greece, Italy, Poland and Ukraine where youths are perceived as a group that as a whole is exposed to high risk.

   - While countries’ different situations could be explained by many different factors, the similarities in the identifications of risk groups and the fast diffusion suggest similar trends of the general and labour market situation of youth.

2. **Policy formulation stage**

   **Common features of the stage:**

   - The process is centralized, with a high subordination in relation to the formulation of basic policy guidelines (including for some countries distinctly supranational) and strengthened horizontal coordination at lower levels. The space for bottom-up impacts on the broad policy guidelines remains uncertain;

   - Available resources rather than needs are the main driver (at least in some countries the Ministry of Finance is in a hierarchical rather than in an equal position with the other ministries);

   - Participation of social partners is reduced to advisory one and there are no clear mechanisms to ensure impact on decisions taken. National reports provide only limited number of examples how public authorities and other interested parties discuss and make together decisions on how the respective policy interventions should be designed.
Despite some positive examples, ensuring the involvement of stakeholders and especially the young people themselves still remains a challenge for all countries;

- Examples of successful engagement of the young people in the decision-making process are rare.

**Identification of the causes of the risk**

The study finds a gap between the causes of unemployment, addressed by the employment measures on the one hand and causes mentioned by the National reports.

A significant mismatch between the reasons for the risk, addressed by the policy interventions (measures) and the causes of young unemployment mentioned by National reports could be interpreted as a signal for weaknesses of the central component of this stage - analysis of the causes of the risk, and as insufficient problem solving capacity. Such mismatch is an indication that some of the reasons for the risk may not be identified and addressed by the measures, and the neglect of the causes of the risk is a sign that the underlying premise for the success of the measures is seriously weakened. In such case the risk would resist interventions and likelihood of unintended and undesirable effects of interventions would increase. The analysis of the policy evaluation stage suggests that the reason for this weakness is probably deficiencies of policy research.

3. **Policy implementation**

The most widespread trend in the policy implementation, though to varying degrees and in some cases hesitant, seems to be decentralization. While the organizational complex everywhere is embedded in the national culture and practice, similar trends could be observed, for instance – transferring more responsibilities to regional and local institutions, strengthening the “managerial bureaucracy”, building institutional complexes that link national, regional and local levels, a process of integrating activities.

Unlike the stage of policy formulation in the stage of implementation there is a clear general trend in involving private actors and including different stakeholders (social partners, NGOs, etc.) in employment services’ delivery. Youths participation also seems more significant compared to the other stages.

Additionally, the horizontal coordination between different ministries seems in a process of improvement. However, as a rule, it concerns ministries in the field of social policy, education, regional development, health, sport, etc. (in line with the organizational design of the executive power in the different countries). It is important to note that one partner is usually missing - the Ministry of Economics, whatever it is called in the respective country and despite the fact that in the history of some of the countries the social ministries at some point were parts of the Economics ministry.

Meanwhile, national reports mention some issues that need special attention in the different countries: for example, the organizational capacity (Greece); the coverage (Germany); the loosing of focus (Sweden); adequate analyses (Estonia); financial constraints (Ukraine, Bulgaria).
Main actors of delivery differ to some extend: For example, in the EXCEPT partner countries, state is the basic actor in Bulgaria, Greece, Italy, Ukraine and to some extent in Poland and the UK; Municipalities are most important for delivery in Sweden, UK, Poland, Italy and Greece; Regions are mentioned in Poland, Greece, UK and Ukraine. Other important actors of delivery are educational institutions (in Bulgaria, Greece and Poland), NGOs (in Greece, Italy, Poland and Ukraine); private sector (in Greece, Italy and Ukraine) and church (in Italy).

4. Policy evaluations

Evaluation findings are the most useful tool to gain knowledge concerning the results of interventions and opportunities for improvements. Although the number of the selected policy interventions that have been subject to robust evaluation research is not impressive, in 2015 the number of evaluative research done is significantly larger in comparison to the period 1990-2000. This change may be a signal for gradual trend towards developing a culture of evaluation.

Still, the analysis of this stage reveals several issues relating to the quality of the evaluations, their purpose, scope and transparency. Problems linked to the evaluations’ quality and approaches are more or less characteristic in different degree in all countries and special efforts are needed to improve and make better activities in this important field. The implementation of evaluations is hampered also by the way in which programs are designed (formulation of aims and results’ reporting).

Amongst EXCEPT partners countries, evaluations are more often implemented in the UK, Sweden and Germany. These countries with the established system of good quality evaluations could be used as good practices to enhance developments in the other countries. Additionally, they could impact by: a) better balancing of evaluations aimed at microeconomic effects with evaluations considering the macroeconomic effects; b) more attention to evidence-based evaluations; and c) better addressing the evaluation gaps;

In the other countries there are mainly partial evaluations for some types of measures. For some types of measures non-availability of any evaluations is pointed out as well. (“There is no repeated evaluation of effectiveness or quality of the national labour market policy measures. Hence, characteristics of this change are not available either. Because neither of the key variables has been measured, there is no way to draw conclusions on their covariation. “ EE NR). These countries need to learn from the good practices and continue the process of catching up. At least some of them, especially the group of countries that highly depends on EU funding and most types of measures are clearly linked to EU initiatives could be supported by outlining clear requirements to quality evaluations on EU level.

Some progress can be noted with regard to the idea of a more adequate involvement of the young people in the ALMPs’ assessments and improvements. Still the incorporation of the young people views is highly insufficient at least in two dimensions:

- There is a lack of systematic efforts in the field;
There is not enough evidence on the impact of such surveys (when young people visions are involved) for improving ALMPs;

Specifics of evaluations

It seems that in policy evaluations dominates the objective based approach (assessments of effectiveness). This approach is applied, even when certain conditions for its application are missing (as it has been mentioned many of the measures applied do not contain the information that is necessary for such assessments). A review of the evaluation researches concludes that: “About half of the reviewed measures did not set themselves quantitative output targets, such as the number of programme participants. Only three of the measures outlined measurable targets regarding their intended outcome, such as the proportion of participants reintegrated in the labour market. This made it hard to assess success and effectiveness, especially from a comparative meta-perspective” (Eurofound 2012: 2).

German report suggests: “Kluve (2007: 3) highlights that “almost every evaluation study exclusively discusses microeconomic treatment effects and that only very few macroeconomic studies exist”. (DE NR)

In the UK “… the National Audit office report in 2013 argued that the UK government spends significant amount of resources on evaluating the impact and cost-effectiveness of its spending programme but evaluations are not often robust enough to reliably identify the impact. For example, only 70 out of 305 government evaluations between 2006 and 2012 have cost-effective data and only a third of evaluations reviewed provide sufficient evidence of policy impact (The National Audit Office, 2013). The report suggests also that the governments and departments should publish details of the datasets that they hold and explain their priorities for addressing their policy aims… should provide more detailed evaluation evidence in the context of strategic resource decisions such as spending review and overview of the impact… should publish a list of significant evaluation gaps in their evidence…” (UK NR). Evaluations often are “internal” and when external evaluations are implemented, the selection of evaluators is not enough clear.

The Polish report draws attention to the capacity to make quality evaluations: „However, ALMP evaluation process sometimes meets difficulties connected with non-adequate level of researchers’ specialist knowledge, especially when labour market institutions decide to outsource the whole evaluation under public procurement procedure. Holistic programme impact assessment needs comprehensive knowledge on target group situation, internal and external factors influencing on individual support paths and the programme implementation, adequate evaluation methods including qualitative and quantitative research and shareholders involvement… Another important factor, also connected with EU funds guidelines, is considering including counterfactual evaluations and meta-analysis.” (PL NR)
The Ukrainian and Bulgarian reports point out the formal way of making evaluations which reminds rather reporting than real and useful assessment: In Ukraine, “As an example, the KPIs of the targeted program "Youth of Ukraine" for 2016-2020 include the number of people attending certain events (seminars, round tables, etc.) or the number of local government organizations working with youth but no outcome measures…." (UA NR) The Bulgarian report addresses as well the lack of independent assessments and long-term effects assessment.

The Greek report mentions the lack of transparency and “…the absence of relevant evaluation documents regarding the entire volume of programmes or at least to a great difficulty in locating and accessing them (INE/GSEE 2016).” (EL NR)

National reports suggest that all the enlisted above problems linked to the evaluations' quality and approach are more or less characteristic in different degree in all the countries and special efforts are needed to improve and make better activities in this important field.

**Quality of evaluation research**

There is opinion that “… in general the quality of ALMP evaluations is low”. (Taru 2017: 10). We identify several specific features of evaluation research that could contribute to the explanation of this opinion:

1. The most often implemented approach - objective based approach (assessments of effectiveness) - is based on the notion of effectiveness defined as “producing the intended or expected results” and the emphasis is on the degree of achievement of the objectives set. Within this framework, assessment of the objectives themselves (more precisely the relationship between objectives of interventions and the causes of the risk), is excluded and this means implicit assumption that intervention is “doing the right things”. However, in order to check whether the things that are being done are really the right things, the objectives of the measures taken, should be explored.

2. Assessments of effectiveness as a rule neglect various “side” effects, some of which may be unfavourable. Something more - some of the announced objectives of the policy interventions may also remain outside the scope of the studies. For example, employment measures were expected to build bridges to self-sufficiency through entering gainful employment and encouraging mobility to better paid and more stable jobs (“making work pay”); to be the major instrument to combat poverty, etc., but achieving these objectives is usually ignored in evaluations of the effectiveness of employment-enhancing measures.

3. Outside the attention of researchers remain other issues that are certainly important for evaluating an intervention - for example, how this intervention is ‘embedded’ in the complex of other existing policies (how the policy intervention interacts with other policy interventions), or how it affects other groups that are not directly addressed by the intervention.
4. Assessments of effectiveness often are “snapshots” within narrow period of observation and this reduces the realities they represent as well as their usefulness.

5. The theoretical frameworks of the studies have certain peculiarities. For instance, some of the effectiveness studies are related to the "theory of change," which hypothesizes that participation in “…ALMP, will ultimately improve the employment and earnings outcomes for youth… If some workers increase their job search effort, this generates additional employment creation. The remaining workers are not displaced from existing jobs because in the process, the total pool of jobs increases enough to absorb the extra labour supply”. (Kluve et al: 4). Economic realities often are different from these assumptions.

Impact of policy research on the stages of policy cycle

After all, usefulness of policy research seems to decrease when outside the attention remain issues that are certainly important for evaluating an intervention. In this regard, two stages of the policy cycle are strongly affected by deficiencies of policy research: that is policy formulation and policy evaluation.

Weaknesses of policy research reduce problem-solving capacity during the policy formulation and contribute to decreasing of measures’ usefulness. The gap (above mentioned discrepancies between the causes addressed by employment measures and causes, mentioned by national reports and other studies indicate that probably some of the causes of the risk are neglected. Since the cause-to-objectives relationship is a major premise for successful addressing of the risk and indication that the things that are being done are really “the right things”, neglect of causes undermines in a fundamental way the effectiveness of interventions.

In some cases policy formulation process relies on scientific findings and recommendations whose validity seems to be doubtful under some conditions (for instance, the economic argument concerning the link between youth unemployment and relative wages of young workers).

The stage of policy evaluation is negatively affected mainly when researches miss unintended and unfavourable effects of given interventions. Such researches neglect possible gaps between the stated objectives of interventions and their real effects (for instance the impact of employment measures on the balance between demand and supply of labour). Obviously such peculiarities of policy research hinder improvements of policy interventions.

Part Three: Effects of employment policies

Addressing the effects of employment policies, the report considers the wider economic and social context in which youth employment policies are embedded and the effects of their mutual interferences.
1. Main factors and expected effects

First it is important to discuss the scale and nature of the activating impact. In the first part of the report a specificity of the ‘activating’ impact of employment measures was already presented:

- The primary goal of the activating impact is not just a reduction in unemployment but an increase in employment and policy interventions for the mobilization of latent labour supply are not just a means of reducing unemployment;
- The real impact of policy interventions is generated not only by ALMPs; the reconstruction of unemployment insurance systems (and some directly connected benefits), but also by the wider "retrenchment of welfare state" and (after 2008) – by austerity measures.
- The circle of individuals (groups) covered by the actual activating impact is much wider than the impact of activation in the narrow sense, as it also covers groups of unemployed people who had not previously been considered as such.

As a result, unlike the measures to reduce unemployment (that aim to facilitate the functioning of the labour market by addressing barriers hampering the operation of the market mechanism), the real activating impact is a significant intervention that can have a strong influence on the market mechanism itself by increasing labour supply and changing the ratio between labour demand and supply.

Thus, the effects of employment measures are shaped by interactions between activating impact and economic context. National reports and all reviewed studies suggest that the key to a successful youth employment policy is a healthy overall economic situation. For successful youth employment policies, aggregate labour demand must be in line with labour supply and the quality of vacancies (and employment) to match the aspirations of young people and motivate them to take up these jobs. If this decisive premise is missing, employment policy interventions could generate unfavourable effects. Thus a decisive factor of youth employment is labour market’s capacity to absorb the labour supply and to ensure social inclusion of employed (good quality of available jobs)

Expected effects: Concerning the consequences of employment interventions it could be expected that if the economic dynamics and labour market situation are not favourable, the activating impact can generate excess of labour supply and as a consequence - expansion of underemployment (areas of precarious employment), because when absorbing the excess labour supply, companies can hire new workers through nonstandard forms of employment and thus increasingly create ‘secondary’ jobs (low quality jobs - low-skill, low-pay, part-time and other similar types of jobs) which aim at overcoming the (re)employment economic barriers.

Underemployed not only occupy jobs of low quality but also can pose a threat to those in full-time work who might be better placed to influence the wages in the economy, and as a consequence can generate stagnation or relative decreasing of wages. Indeed,
underemployment can not only curb wage demands, but can also achieve a wider range of effects, which generally consist in the fact that, in conditions of rising (high) underemployment, the propensity of workers to accept deterioration of other dimensions of job quality increases, especially in periods of economic depression.

The specifics of activating impact and the context allows also to expect that strong activating impact would generate increased employment rate (or at least maintain relatively high rate of employment), increase in precarious employment (deterioration of jobs quality, increasing secondary jobs, reduction of hours worked per worker; stagnation or reduction of real wages and increasing the share of working poor); poor quality of employment; stagnation or even decline in labour productivity; reducing the share of labour in income; increasing income inequalities; increase in-work poverty, etc.

2. State of play

Information provided by national reports, statistics and other studies describes the following features of the context and labour market dynamics.

a) The context in which youth employment interventions are applied

The economic growth (its type and rates) during most of the monitored period was not favourable for the implementation of employment policy interventions and more specifically for the activation. During a significant part of the observed period youth employment measures have been implemented in a context, shaped by: relatively slow economic growth, specific type of growth, limited labour market potential to absorb labour supply; increasing labour supply due to large scale activation (pressure on nonemployed to engage in employment); increased vulnerability of the employed, due to weaker legal and trade union protection at the workplace and increased power of management.

The impact of activation in this context and the consequences for labour markets performance and its consequences is not well known, because governments have paid little serious policy attention to “the tsunami of labour market developments, generated by activation”. (EAPN, 2017: 3).

b) Labour market deregulations

Since the early 1980s deregulation of labour markets is the main change, which in one way or another has been implemented in many countries. Even when deregulations were very limited, the level of labour market legal regulation has decreased due to the increase in the share of labour contracts that are not covered by the existing regulation (temporary, etc.), or the increase of informal employment or failure to comply with existing regulation (perhaps, most interesting cases are Bulgaria and Ukraine). The changes have affected a significant part of the social rights (social protection) of the employed; the influence of trade unions weakened, the power of employers increased as well as the insecurity of jobs.

Assessing the effectiveness of income benefits supporting the long-term unemployed, national experts of European Social Policy Network define as “very good” the systems in
just 4 out of 35 countries. In DE, EE, EL, BG, PL, UK effectiveness is seen as “very weak” (Vanhercke, Nataly and Bouget 2016)

c) Labour market performance and outcomes

Expansion of informal labour market. Informal employment gains particular importance over long periods of high unemployment when substantial part of the informal wage earners have been forced into informal sector by being rejected in the formal sector (Hazans 2011)

This is parallel to changing forms of employment. Several changes suggest expansion of forms of employment that can be seen as signs of underemployment and the associated increase in the share of precarious jobs: decrease of more stable forms of contracts (e.g. open-ended contracts) and the increase of other forms of contracts, more unstable and insecure (e.g. fixed term contracts, agency work, self-employment, etc.); evolution of full-time versus part-time contracts; decrease of the average number of hours worked per worker etc.

There are a number of other hiring practices, which are also forms of underemployment (precarious employment). In Bulgaria, for example, there was practice for workers to go to work every day and there to be told whether on that day there will be work for them or not. A similar practice is also found in United Kingdom, where the concept of “zero hour contract” means that people are on a constant on call basis, waiting to be contacted for infrequent working hours as well as insecurity of income. In Germany, similarly, “mini-jobs” with a pay no higher than 450 euro, short-term contracts, and reduced employment protection and social security, including pensions and unemployment benefits are present.

Some studies (EAPN 2013: 30) state that, precarious forms of work present a clear correlation with deprivation and hardship. The negative impact of this correlation is enhanced by the increasingly structural dimension of precariousness. This means, an unstable job can no longer be considered a transition to a more stable form of work, but as a state in itself. Low-quality jobs imply a level of instability and insecurity that limits a person’s capacity to face the multiple challenges inherent to the different cycles of life.

Wage dynamics: Dynamics of wages in most EU member states during the last three decades is dominated by two tendencies: the first one is towards restraining of the increase of real wages and the other is towards increasing wage inequality.

The first tendency contributed to in-work poverty gaining relatively high levels and the information from most national reports generally confirms recent ETUI’s observation that in many countries the previous (before the crisis) living standard levels have not been restored yet.

Widening of income inequalities is an important outcome of labour markets performance and wider socio-economic dynamics over the last decades. Studies identify “…a general pattern since the mid-1980s in European countries at the national level where top deciles
capture an increasing part of the income generated in the economy, while the poorest 10% are losing ground. A similar evolution has occurred in most of the OECD area… A few European countries stand out from this pattern…” (Bonesmo 2012). Both tendencies contributed to increasing poverty rates everywhere in EU.

Labour share of income: As it could be expected researches find a general reduction in the labour share of income over the last few decades (EC, 2007; Glyn, 2009; ILO, 2008; IMF, 2007; Ryan, 1996; Wolff, 2009, Hein, 2011, Guerriero, 2012).

3. Specifics of youth employment

Youths positions in the labour market are connected with the general trends of labour market dynamics, shaped by changes of legal frame; level of unemployment and most precisely - underemployment; employers behaviour under condition of increasing supply of (cheap) labour.

Information from the national reports confirms the view that young people’s positions in the labour market are significantly unfavourable, compared to other age groups: quality of jobs youths occupy is lower, young workers usually have lower wages, job and social protection and higher job insecurity (“Youth together with women, the low skilled and migrants, people with disabilities and elderly people, are amongst the most vulnerable groups who are disproportionately represented in the nonstandard forms of employment and become underemployed. For all of them, the nonstandard forms of work facilitate labour market entry, but usually do not offer security or protection”, ILO 2017: 44).

When the proportion of low-quality jobs is high, these jobs are usually available not only when entering employment but also for an extended period thereafter. Under such conditions old explanations of youth transitions to employment (like single “stepping stone” and “shopping around”) lose their validity as they cover longer periods of the individual's participation in employment. Relative wages of young people and the dynamics of in-work poverty are closely related. In the countries where the levels of real wages are low (close to or even below the cost of living) young workers are “over represented” in the group of working poor. Rapid job shifts (low quality) make it difficult to gain experience and improve skills and qualifications (i.e. increase in human capital of the individual) and therefore limit the opportunities for career development and perhaps even the pursuit of such development. On the other hand, rapid job shifts are likely to contribute to the perception of low employability as a factor of unemployment and the expansion of measures to increase employability of young people. Another feature of youth employment that arises from job insecurity is the intensification of ‘transitions’ from employment to unemployment and vice versa. Researches identify intensive transitions from employment to unemployment and back as a vicious circle in which some young people fall. Intensive ‘transitions’ from one job to another and from employment to unemployment not only limit the opportunities for a good career but also cast doubt on the widely shared view that ‘employment is the best route out of poverty’. As many observations show, the sorts of work available often keep the young
(un)employed in a lasting precarious economic marginality and poverty, rather than lifting them out of it (Shildrock et al. 2010; McKnight 2002).

Furthermore, employment measures turn young people into one of the groups that increase the labour supply and thus (under the current economic conditions) contribute to the changes in the functioning of labour markets and their negative outcomes for other groups of working people.

The review confirmed the original expectation that during the period of observation such situations are widespread in the surveyed countries and we can talk about `universal pattern` despite the inevitable (sometimes significant) differences between countries.

Let us once again emphasize that the effects observed are results of the combination of the impact of a set of various conditions (factors) determining the functioning of labour markets. Therefore, the effects cannot be attributed solely to employment measures (activation and ALMP), but we can certainly say that these measures are an essential part of the whole set of factors that give rise to the observed labour market outcomes and without the implementation of the employment measures, these effects probably would not have occurred.

Despite the uncertain strength of causal links between employment measures and the changes of labour market performance, the unfavourable outcomes confirm the thesis concerning weaknesses of the risk analysis (adequate identification of the causes of the risk) resulting in a possible mismatch between the most important causes of youth unemployment and the causes addressed by the employment measures.

4. Beyond youth employment rate: Impact on human capital formation

As it has been mentioned in the beginning of this Working paper, we consider young people not only as potential or actual employees, but as human beings – holders of human capital. From this point of view the process of formation of their human capital is important as well as the impact of employment measures on this process. In addition, the current youth employment interventions are targeted at young people whose human capital has been formed by policies in the previous period, which is covered by the survey. At the same time, at least a part of these young people already have children and, accordingly, the current employment policies have an impact on the future human capital and on the need or not of future employment policies.

Directly and/or indirectly, employment interventions affect investments in human capital, and the effects of this impact can help to discuss the extent to which employment measures, by stimulating the inclusion of more individuals in employment, simultaneously contribute to increasing their capacity to engage and participate effectively in employment. A central aspect of the effectiveness of investment in human capital is the strong dependency on the stages of the formation process in which investments are made (Carneiro et al. 2010).
Impact of ALMPs

Previous sections of the Working paper show that measures for enhancing employability of the unemployed, including the unemployed youths, hold a significant share in the structure of ALMPs.

ALMPs are interventions during later phases of human capital formation and the strong dependence of the effects of job training programs on the previous interventions (investment) in human capital formation means both that deterioration (downgrading) of previous phases of human capital formation reduces the effectiveness of job training programs and that job training programs have small capacity to ‘correct’ the negative effects of the previous phases. Due to the earlier phase of investment, well-developed vocational education systems in schools and well-established apprenticeships systems ensure higher returns to the forms of investment in later stage of human capital formation.

From this point of view in the EXCEPT partner countries, ALMPs could be assessed as substantially effective investments in Sweden, Germany and to some extend – the UK. But this is hardly valid for Bulgaria, Poland, Estonia, Greece, in spite of their contribution to rising youth employment.

Impact of formal labour market

Studies of child well-being and child poverty in the EU emphasize the strong impact of labour markets and policies supporting the families as main underlying factors of the early phases of human capital formation. Low levels of child poverty are result of a combination of three main factors: high labour-market participation of parents, low in-work poverty and effective support of family income (TÁRKI Social Research Institute & Applica, 2010). As far as employment measures and labour market situation (including deregulations) contribute to shaping the mentioned factors, they also contribute to the impact on human capital formation.

The same study (TÁRKI Social Research Institute & Applica, 2010: 15-16) differentiates 4 groups of countries (Bulgaria, Croatia, Malta and Romania are not included in the survey):

Group A includes 8 countries (AT, FI, DK, SE, CY, SL, FR, and NL) where good child poverty outcomes are results of combination and positive impacts of all the three factors: high labour-market participation of parents, low in-work poverty and effective support of family income

Group B includes other 8 countries with high numbers of children in jobless households and low in-work poverty (BE, DE, CZ, EE, IE, HU, SK, and the UK).

Group C includes 2 countries with below-average performance in all the three dimensions (LT, LV).

Group D includes 6 other countries with a high risk of poverty – in most cases despite having at least one parent in work (EL, ES, IT, PT, LU, PO).
It is quite dubious to expect similar effects of similar measures in circumstances when families’ income (from wages and/or benefits) is causing serious problems for children’s development in such families and early childhood is a recognized key phase of human capital formation.

**Impact of informal labour market**

Informal employment gains particular importance over long periods of high unemployment when substantial part of the wage earners is forced into informal sector. Studies show that the general share of respondents describing their situation as ‘difficult’ or ‘very difficult’ accounts for 53% of informal employees and 41% of formal employees in Eastern Europe. Corresponding figures for the South are 39% vs. 24%. In Western Europe and especially in the Nordic countries, differences in distributions of formal and informal employees among different (four) household income perception categories are much smaller. (Hazans 2011)

The conclusion is that as far as economic dynamics and labour market deregulations and performance contribute to reducing/expansion of informal employment, they influence human capital formation during earlier phases of human capital formation. Effects of longer-term poverty (especially on younger children) can last long into adult life, diminishing cognitive and behavioural development, health, education and employability of future adults.

**Impact of income inequalities**

The correlation between levels of income inequality and the magnitude of different problems (health and social) of human capital formation (Wilkinson and Pickett, 2009; Stiglitz, 2012; Lansley 2012; 2015; Dorling 2017) suggests that contributing to rising income inequalities, labour markets and activation policies did not contribute to improvements of human capital formation. A study on human capital in the EU Member States (Vaitkevičius et al. 2015) points out that only Sweden and Ireland tend to have positive tendency of (the sub index) “Potential of human capital development” (and its impact on youth transition to work and the rate of youth unemployment).

5. **Consistency of policies:**

The mismatch between the causes of youth unemployment addressed by the employment measures and the causes, mentioned by other sources, as well as the set of unfavourable effects of employment measures (activation) could be a sign for poor policy context (weak consistency and contradictory interactions between different policies).

Information from National reports addresses several questions: To what extent youth employment policies and the other policies are mutually supportive, and synergy-generating in improving youth employment? Are these policies well-coordinated and consistent or are they rather divergent and contradictory? Are there synergies in their
impacts or do they rather mutually neutralize each other’s effects? Which one of the policies contributes positively to youth employment/unemployment?

The results show that the degrees of consistency between youth employment policies and other policies are different and clearly outlined possibilities for improvement do exist. This applies above all to:

- The economic policies, which give rise to a specific economic context characterized by low rates of economic growth (or at least, fail to achieve higher growth rates) and specific (non-developmental) type of (exclusive) growth associated with an increase in unemployment, a general rise in income inequalities, poverty and social exclusion;

- The policies (and institutional changes) in the labour markets - mainly deregulations, the reduction of social protection, the weakening of trade union protection and workers' negotiating potential and other changes that are related to (or fail to overcome) effects such as worsening of quality of jobs and employment, the increase in wage inequalities, etc.;

- Components of social policies that most directly influence the formation of human capital - helping families with children; childcare at an early age; educational policies, etc. If they fail to support the early phases of human capital formation and to alleviate negative impacts (such as the conversion of income inequalities into educational inequalities) the later interventions cannot compensate for this failure and these later interventions could become ineffective not because of themselves, but as an effect of the previous interventions.

Concluding notes

Employment policies experienced significant innovation during the last decades – an “activation turn”. The effects of the innovation are contradictory, and different components of employment measures exert different impacts on young people employment, personal development and social inclusion. Some of ALMPs provide useful support to young people to overcome barriers impeding their participation in employment; other measures exert pressure on the individuals to enter labour market whose performance is worsening (including because of some of the activating measures). In both cases many young people usually find themselves in an unfavourable labour market with low quality of jobs and limited capacity to ensure their social inclusion. “Stepping stones” and “shopping around” often become permanent characteristics of youth employment because of the large spaces of underemployment. Large part of the observed effects suggest that when the general economic and social context and labour market performance is not favourable, youth employment measures have very limited chances to ensure real improvement of youth personal development, participation in employment and social integration. Something more, too strong activating impact contributes to poor labour market performance and influences in unfavourable way human capital formation. Social rights and opportunities of choice also are limited.
All this leads to the conclusion that there is a need to improve the economic context as well as the social one (especially the exaggerated ‘activation turn’). At the same time, the quality of the policy cycle needs to be reconsidered, especially in the stages of formulation and evaluation. Key tools for such an improvement could be a substantial increase in the quality of independent academic research and the broader involvement of stakeholders and target groups. The combination of both instruments leads to the idea of participatory policy research.
Introductory notes

The purpose of this report is to render a summative evaluation of youth employment policy interventions. Summative evaluation of an intervention generally involves assessing one or more of five domains: the need of the intervention; the design of the intervention; its implementation; its impact or outcomes and its efficiency (Scriven 1991). According some authors (Shadish et al. 1991) evaluations should attend to three aspects of the entity being evaluated (evaluand):

- its internal structure and functioning;
- constraints that shape design and delivery;
- societal factors that influence the development of evaluands, how evaluations themselves change over time and how in turn the evaluand contributes to social change.

Taken together these aspects concern interventions design and implementation and the links between the evaluand and the context in which it is set (Owen and Rogers, 1999). This view needs attention because the results of policy interventions strongly depend on the context and evaluations need to take into account the influence of the context. Since the concept of evaluation entails a description of the performance of the evaluand and, some criteria for judging that performance, a central task of the policy intervention evaluation is to construct a valid description of intervention performance in a form that permits comparison with the applicable criteria.

The approach implemented in the report could be defined as “goal-free evaluation”. The notion (which seems to be not enough clear) involves determining not only the stated goals but also unintended outcomes of the intervention – both positive and negative. This approach allows to enlarge the circle of identified effects of policy interventions and this distinguishes it from the most widespread “objective based evaluation”, involving judging the worth of an intervention on the basis of the extend to which the stated objectives of the intervention have been achieved. The preference for the “goal-free evaluation” is due to the fact that failing to provide full enough description of the results of program performance may overlook shortcomings for which it should be accountable and may distort the picture of its success (Rossi et al 2004). Obviously, determining all the outcomes requires use of different mutually complementing exploratory methods and qualitative evidence.

Furthermore, because of the necessity to reflect the point of view of the target group, the report involves elements, that often are connected with another approach: “needs based evaluation”, which involves an assessment of the extent to which an intervention meets the needs of participants. The approach “needs based evaluation” is a variation of objectives-based evaluation and makes the assumption that the objectives of an
intervention do not necessarily represent the needs of participants (Owen and Rogers 1999: 48)

Within these approaches the report looks for answers of the main questions usually addressed by the studies of evaluations (Rossi et al 2004):

- What are the nature and the scope of the problem (the risk)? Where is it located, whom does it affect, how many are affected and how does the problem affect them?
- What is it about the problem or its effects that justifies new, expanded or modified intervention?
- What are the appropriate target populations for intervention?
- Is a particular intervention reaching its target population?
- Is the intervention being implemented well? Are the intended services being provided?

While the emphasis in summative evaluations is on outcomes the report includes also a review of implementation characteristics of the interventions.

Main issues of the review are

- Has the intervention been implemented as planned;
- Have the stated goals of the intervention been achieved;
- Have the needs of those served by the intervention been achieved;
- What are the unintended outcomes of the intervention;

As for the forms of evaluation, that are mentioned in the literature, the report uses two forms : clarificative evaluation and impact evaluation. Clarificative evaluation concentrates on clarifying the internal structure and functioning of a policy intervention (Rossi et al 2004: 42). This is described as the theory or logic of an intervention. It refers to the causal mechanisms which are understood to link the intervention activities with intended outcomes. The need of such form of evaluation arises when an intervention is implemented without extensive preliminary examinations of its underlying structure and rationale.

Impact evaluations are used to assess the impact of implemented interventions. It assumes some logical end-point analysis – for instance establishing the outcomes of a completed intervention or intervention which is applied for long enough.

Keeping in mind this distinction the evaluation strategy of the report could be defined as “impact strategy”. Unlike the “terminal strategies”, which focus on immediate outcomes, impact strategies of evaluations follow after a sufficient time to allow the full effects of intervention to appear and to be identified.
The above mentioned framework of policy evaluation is connected with the main issues (topics) and guiding ideas of the report. The most common of these is that policy interventions may be inadequate to the risk they are addressing. This idea is based on the existence of a gap between the results of the policy measures and the desired socially significant positive effects, respectively, between the main causes of risk and the goals of the policy interventions. The main signs of these gaps are the insufficient scale of positive effects and/or unexpected (and undesirable) effects from the implementation of the measures identified by some studies.

Identifying the causes of gaps is important for assessing the potential for improving policies. If gaps are due, for instance, to resource shortages, the answer may be to increase resources for interventions, extend their implementation period or extend their scope. But if the causes of gaps are different, increasing resources will not help.

In this regard, the data that the EU spent EUR 6.4 billion on the Youth Guarantee Initiative, but over 4 million young people were unemployed in 2016, seems to be relevant. It is also noteworthy that, according to the Court of Auditors' report (2017), the problems of youth unemployment cannot be resolved only with funds from the EU budget. But even if additional funds are raised and the spending on such policies increases, it is unlikely that the desired level of youth employment will be achieved if political impacts do not address the underlying causes of youth unemployment.

Unexpected and undesirable effects may be linked to weaknesses in the political decision-making process itself (the political cycle). More precisely, unexpected effects (gaps between aims and outcomes) may arise because of discrepancies between the structure of the causes of the risk and the reasons for the interventions. Obviously, interventions cannot have a sufficient impact on risk unless they address the underlying causes even if resources increase significantly. In this case, reformulation of policy interventions is a more effective way to manage the risk of unemployment than increasing resources or extending the period of application of the measures. In such cases, some additional tools to influence the process may be necessary.

It is therefore important to identify as fully as possible all the effects of the interventions and to limit the possibility of partial monitoring of these effects. It is important to identify both positive and negative effects, because focusing on the positive effects generated by the measures may impend the search for other opportunities for improvements (or at least it would not stimulate it), especially if positive effects are identified and accepted as a proof for the implemented measures to have sufficient capacity to tackle the problem, and those may be counted on to achieve the aims set, if executed long enough.

Unexpected effects may be due to the interaction between activation/ALMP and other policies (and their effects), so it is important to know exactly how these interactions are taking place and what the final results are. Some effects of the interaction between the context and employment measures may be neglected if the attention focuses only on the
immediate effects of the measures, but it is known that the application of policy measures often produces unintended and undesirable effects.

The interest in such effects is justified because employment measures (specifically, their objectives) have a peculiarity that makes them particularly sensitive to the impact of the environment in which they are applied. This peculiarity is related to the objective of the policies: the inclusion of unemployed youths in employment. This aim often does not necessarily cover other effects of the implementation of the measures - in macro terms (if everyone works, improvements will be made for all) and at an individual level (inclusion of the individual in the labour market is an improvement, individual access to acceptable income, standard of living, quality of life and social inclusion).

Whether and to what extent the achievement of the direct objectives of employment measures (reduction of unemployment) really ensures the achievement of the other beneficial effects expected from the inclusion in employment depends not only on the measures themselves but also on the context in which they are applied. The context may not ensure that the expected effects are achieved, and the end results may differ from the expected positive consequences of the inclusion of the unemployed in employment. Some such effects may not seem to be directly related to the measures implemented and the reduction of the unemployment rate, but it may be that the measures (and in particular the reduction of unemployment in the way the measures are implemented) contribute to the emergence of such "unrelated" effects.

That is why part of the study is guided by the questions what is the context and how measures "work" in an unfavourable context where rates and type of economic growth that increase unemployment reduce the capacity of the labour market to absorb job seekers, as well as its capacity to ensure social inclusion of the employed. Youth employment policies are unlikely to bring about significant positive changes if there is a combination of a significant and prolonged deterioration in the economic situation (respectively - a reduction in the labor market capacity to absorb the supplied labor and to ensure social inclusion of the employed) and worsened human capital formation. In such a case it can also be expected that implementation of youth employment policies will be connected with a constant increase of the need for expansion of the applied policies; need to increase expenditures and possibly - to overcome the negative impact of this combination (high and sustainable unemployment and social exclusion of young people), there will be a constant increase in the need.

These framework and issues (topics) determine the structure of the comparative report. A policy cycle framework and approach is also used in order to structure a special template for national reports and the report as a whole.

The first part involves an overview of policy interventions and their diffusion, including description of the main goals pursued by the interventions and assessment of their adequacy in reference with the causes of the risk. Interventions which are considered to be successful are selected and factors of their success are discussed.
The following parts discuss impact of the measures on labour market performance and some of its outcomes and peculiarities of youth participation in employment. Since human capital is important factor of youth employment, special attention is paid to the impact of labour market and some employment measures on the formation of human capital. This part of the report is devoted also to the way youth employment policies interact with the other policies and the effects of these interactions. The end goal is to look for a larger frame of opportunities to tackle more effectively youth unemployment and social exclusion by involving other policies in employment reduction and improving the interactions of different policies and other conditions underpinning the success of policy interventions.

The Working paper is a comparative report based on national reports (Annex 1) prepared by national experts following 2 variants of a structured common template: a) the extended, basic one (Annex 2) which is used in the 9 EXCEPT partner - countries (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden, Ukraine and the UK); and b) a shorter template for the other EU countries (Annex 3). Additionally EU wide statistical data and results and secondary analyses of other studies in the field are used as well.

The extended basic national reports’ template for the 9 countries consists of 8 parts outlining the structure for an analytical overview, analysis and recommendations in the field of national youth employment policies. The components of the template include: a general overview and assessment of youth employment policies, selection of concrete interventions, incl. good practices, and considering diffusion in EU; assessment of the consistency of youth employment policies with other interconnected policies; assessment of the overall effectiveness and outcomes. The template is structured in line with the stages of the political cycle and focuses on three main and interrelated factors that determine the level and dynamics of (youth) unemployment: a) overall economic situation that is widely recognized as a key to a successful youth employment policy; b) labour markets situation (aggregate labour demand and the degree it corresponds to labour supply (availability of sufficient vacant jobs, quality of job vacancies that ensures social inclusion of employees, adequacy to the aspirations of young people and may motivate them to go out for taking up these jobs); c) the human capital formation of the young jobseekers and its adequacy to the demand of labour.

A shorter version of this basic template was implemented in the other 19 EU member states (all the other EU member states with the exception of Ireland) where national experts also responded to the questions concerning youth employment policies in their countries focusing on selected interventions.

The duration of the period covered by national reports is 15 - 20 years. The reason for this choice is that the phenomenon of youth unemployment has not emerged in the last few years (after the crisis of 2008) but was identified much earlier and therefore the reasons for youth unemployment have arisen and have had an impact over a much
longer period than the post-crisis one. The measures for youth employment also are implemented during the same period.

The comparative report was developed in two stages. In the first stage, detailed national reports from the 9 EXCEPT partner-countries were used to review and analyse the state of youth policies in these countries, to delineate similarities and differences and to assess their social impact on a comparative scale. Quotations from these national reports are widely used to illustrate the basis of the conclusions. In the second stage, the shorter reports of the other 19 EU countries (all other EU countries except Ireland) were reviewed to verify as far as possible if the conclusions and recommendations made are supported or rejected.
PART ONE: Youth employment policies

This part describes basic features of the youth employment policies.

The first chapter provides an overview of the current state of youth employment policies, focusing on: a) expenditure and participants in ALMP; b) different types of measures and schemas against youth unemployment; c) main directions of the youth employment policies.

The second chapter is focused on selected interventions, providing more in-depth picture of the currently existing policy approach towards youth labour market inclusion.

The third chapter considers the identified good practices, outlining their basic dimensions, success factors and weaknesses.

The fourth chapter deals with the issue of policy diffusion of EU youth employment policy interventions at national level.

The report uses the standard differentiation of labour market policies into active and passive labour market policies. The OECD definition of active and passive labour market policies is followed (OECD, 2017a):

**Active labour market programmes** include all social expenditure (other than education) which is aimed at the improvement of the beneficiaries’ prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled.

**Passive or income maintenance programmes** in the context of labour market programmes consist of unemployment compensation programmes and programmes for early retirement for labour market reasons.

Chapter 1: Overview of youth employment policies

This chapter briefly reviews the state of youth employment policies in three main sections.

The first section discusses the dynamics of the costs and the number of participants in the various active labour market measures in the EU Member States and Ukraine in the period 2005-2015. Special focus is placed on young people and partner countries.

The second section presents the different types of measures and schemes against youth unemployment: their political significance; the main source of funding; links with European initiatives and targeting.

The third section considers the youth labour market policies from the point of view of the balance between different alternatives: a) active and passive LM measures; b) the “activation” turn; c) the employability focus; d) addressing individual and structural
deficits; e) application of preventive and compensatory (reactive) interventions; f) the any job/good job dilemma.

1. Active labour market policies: expenditure and participants

Following the Eurostat classification of the labour market programmes\(^1\), the main focus here is on the active labour market policies (ALMPs) that aim to increase the employment opportunities of job seekers (by improving employability and incentives for hiring) and to improve matching between jobs vacancies and the unemployed. Funding is considered an important indicator for the scale of efforts aimed at improving youth employment.

In order to ensure the best possible data comparability across the countries under scrutiny, the analysis is based on the statistical information on national labour market policies compiled by the European Commission and Eurostat. This approach, however, also has some limitations because: (1) existing statistical data covers only the 15-24 age group while in many countries the target group of the labour market policy measures is extended to cover the 15-29 age group (such as Bulgaria and Greece); (2) data is available for limited period of time – for example, for some countries the most recent data reflects the policy situation 5-10 years ago. This makes it difficult meaningful and comprehensive policy comparisons to be made. When it was possible, in order to overcome these shortcomings, information (quantitative and qualitative) from the national report has been used.

In general, over the 2005-2015 period most of the EU countries increased the public spending on ALMP – both in absolute and relative terms (as a % of GDP). In several countries even a three- or fourfold increase can be reported (Czech Republic, Estonia, Greece, and Hungary). This is combined with a larger share of public expenditure on ALMP measures of GDP.

However, this trend is not uniform across all EU Member States. There are some notable exceptions, where the funding for ALMPs sharply declined. In Bulgaria, public spending on ALMP measures declined by 33% and their share of GDP felt from 0.39% (2005) to 0.14% (2015). In Romania the decline is by 65%. A drastic decline is observed as well in Germany (where the amount of public expenditure on ALMP measure dropped by 56% and more than 0.5 percentage points as a percentage of GDP) which could be explained to a certain extent by the strong decline in the unemployment rate.

\(^{1}\) Labour market policy measures (training; employment incentives; sheltered and supported employment and rehabilitation; direct job creation; start-up incentives) and labour market policy supports (out-of-work income maintenance and support)\(^1\) is followed. The labour market policy database was used as a main source of statistical information [http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database](http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database). Data for Ukraine come from national sources. National teams as well utilise results of existing research, surveys and analyses and the indicator database prepared as a part of WP2 project activities [http://www.except-project.eu/database](http://www.except-project.eu/database).
In other EXCEPT Project countries more public funds were channelled towards ALMP measures. The increase is really impressing in Estonia (292%) and Greece (286%). Such trend can be reported for Poland (88%) and Sweden (62%) as well.

Table 1.1: Public expenditure on ALMP measures (category 2-7) (countries are sorted by the share of public expenditure on ALMP measures as a % of GDP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>2 594</td>
<td>3 889</td>
<td>50%</td>
<td>1.22</td>
<td>1.46</td>
<td>0.243</td>
</tr>
<tr>
<td>Sweden</td>
<td>2 797</td>
<td>4 535</td>
<td>62%</td>
<td>0.89</td>
<td>1.02</td>
<td>0.127</td>
</tr>
<tr>
<td>Finland</td>
<td>1 151</td>
<td>1 787</td>
<td>55%</td>
<td>0.70</td>
<td>0.86</td>
<td>0.162</td>
</tr>
<tr>
<td>Hungary</td>
<td>209</td>
<td>876</td>
<td>319%</td>
<td>0.23</td>
<td>0.81</td>
<td>0.575</td>
</tr>
<tr>
<td>France</td>
<td>11 812</td>
<td>16 486</td>
<td>40%</td>
<td>0.67</td>
<td>0.76</td>
<td>0.089</td>
</tr>
<tr>
<td>Ireland</td>
<td>794</td>
<td>1 249</td>
<td>57%</td>
<td>0.47</td>
<td>0.58</td>
<td>0.115</td>
</tr>
<tr>
<td>Austria</td>
<td>1 121</td>
<td>1 953</td>
<td>74%</td>
<td>0.44</td>
<td>0.58</td>
<td>0.136</td>
</tr>
<tr>
<td>Belgium</td>
<td>1 468</td>
<td>2 147</td>
<td>46%</td>
<td>0.47</td>
<td>0.53</td>
<td>0.054</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4 407</td>
<td>5 371</td>
<td>-19%</td>
<td>0.81</td>
<td>0.53</td>
<td>-0.282</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>121</td>
<td>265</td>
<td>119%</td>
<td>0.41</td>
<td>0.51</td>
<td>0.101</td>
</tr>
<tr>
<td>Portugal</td>
<td>770</td>
<td>865</td>
<td>12%</td>
<td>0.49</td>
<td>0.48</td>
<td>-0.004</td>
</tr>
<tr>
<td>Spain</td>
<td>5 290</td>
<td>4 848</td>
<td>-8%</td>
<td>0.57</td>
<td>0.45</td>
<td>-0.12</td>
</tr>
<tr>
<td>Italy</td>
<td>6 817</td>
<td>6 856</td>
<td>1%</td>
<td>0.46</td>
<td>0.42</td>
<td>-0.039</td>
</tr>
<tr>
<td>Poland</td>
<td>870</td>
<td>1 632</td>
<td>88%</td>
<td>0.36</td>
<td>0.38</td>
<td>0.027</td>
</tr>
<tr>
<td>Croatia</td>
<td>:</td>
<td>163</td>
<td>:</td>
<td>0.37</td>
<td>:</td>
<td>:</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>122</td>
<td>512</td>
<td>319%</td>
<td>0.11</td>
<td>0.31</td>
<td>0.2</td>
</tr>
<tr>
<td>Germany</td>
<td>18 672</td>
<td>8 163</td>
<td>-56%</td>
<td>0.81</td>
<td>0.27</td>
<td>-0.542</td>
</tr>
<tr>
<td>Lithuania</td>
<td>30</td>
<td>93</td>
<td>207%</td>
<td>0.15</td>
<td>0.25</td>
<td>0.107</td>
</tr>
<tr>
<td>Greece</td>
<td>111</td>
<td>428</td>
<td>286%</td>
<td>0.06</td>
<td>0.24</td>
<td>0.187</td>
</tr>
<tr>
<td>Slovenia</td>
<td>56</td>
<td>60</td>
<td>7%</td>
<td>0.19</td>
<td>0.16</td>
<td>-0.035</td>
</tr>
<tr>
<td>Slovakia</td>
<td>65</td>
<td>127</td>
<td>96%</td>
<td>0.17</td>
<td>0.16</td>
<td>-0.002</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>94</td>
<td>63</td>
<td>-33%</td>
<td>0.39</td>
<td>0.14</td>
<td>-0.251</td>
</tr>
<tr>
<td>Cyprus</td>
<td>:</td>
<td>21</td>
<td>169%</td>
<td>0.12</td>
<td>:</td>
<td>:</td>
</tr>
<tr>
<td>Estonia</td>
<td>5</td>
<td>20</td>
<td>292%</td>
<td>0.05</td>
<td>0.10</td>
<td>0.054</td>
</tr>
<tr>
<td>Latvia</td>
<td>21</td>
<td>25</td>
<td>21%</td>
<td>0.15</td>
<td>0.10</td>
<td>-0.049</td>
</tr>
<tr>
<td>Romania</td>
<td>86</td>
<td>30</td>
<td>-65%</td>
<td>0.11</td>
<td>0.02</td>
<td>-0.088</td>
</tr>
<tr>
<td>Malta</td>
<td>:</td>
<td>:</td>
<td>:</td>
<td>:</td>
<td>:</td>
<td>:</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>914</td>
<td>:</td>
<td>:</td>
<td>0.05</td>
<td>:</td>
<td>:</td>
</tr>
</tbody>
</table>

Special marks: ":" – information is either missing or not available; Source: Eurostat, LMP expenditure by type of action – summary tables [lmp_expsumm], available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lmp_expsumm&lang=en

Notwithstanding the remarkable increase in public expenditure on ALMP measures, Estonia and Greece are among the countries with the lowest share of this kind of expenditure as a percentage of GDP among all EU Member States – 0.10% and 0.24% respectively.

The share in GDP is quite low as well in Romania (0.02%), Latvia (0.10%), Cyprus (0.12%), Bulgaria (0.14%), Slovenia (0.16%) and Slovakia (0.16%).

The decline observable in Germany has deteriorated the relative country position in comparative perspective and has led to a significant reduction of the share of GDP redistributed towards ALMP measures – from almost 1% in 2005 (0.81%) to 0.27% in
2015. This is even lower than countries with a smaller economy such as Poland, where this share is 0.38%.

Regarding the participants in ALMP measures trends are not straightforward. The number of participants has been declining over the years in 9 countries. In the period from 2006 to 2015, the fall is the highest in Bulgaria (86%), Romania (61%), Slovakia (60%) and Germany (52%). The decline is a characteristic also for Slovenia (45%), Spain (41%), Italy (36%), and Latvia (20%). The highest increase is in Cyprus (543%), Malta (440%) and Hungary (232%).

Information on how many young people (15-24 years old) have taken part in these measures is scarcer. It is not available for Czech Republic, Greece, Spain, Croatia, Lithuania, the UK and Ukraine. For the remaining 22 countries, available statistical data reveals that the importance of the youth jobseekers as a target group has eroded in 9 countries. The highest decrease (by 50% and more) is found in Bulgaria – by – 86%; Slovenia – by – 73%; Romania – by – 69%; Slovakia – by – 51%. The increase is very high in Cyprus and Malta.

Table 1.2: Participants in ALMP measures (categories 2-7)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total number of participants (all ages), stock</th>
<th>% change (2006 - 2015)</th>
<th>Total number of participants (15-24), stock</th>
<th>% change (2006 - 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>212,932</td>
<td>61%</td>
<td>29,492</td>
<td>139%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>109,254</td>
<td>-86%</td>
<td>15,787</td>
<td>-86%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>58,666</td>
<td>52%</td>
<td>:</td>
<td>:</td>
</tr>
<tr>
<td>Denmark</td>
<td>136,545</td>
<td>42%</td>
<td>9,142</td>
<td>91%</td>
</tr>
<tr>
<td>Germany</td>
<td>2,557,325</td>
<td>-52%</td>
<td>649,239</td>
<td>-45%</td>
</tr>
<tr>
<td>Estonia</td>
<td>2,063</td>
<td>101%</td>
<td>31</td>
<td>56%</td>
</tr>
<tr>
<td>Ireland</td>
<td>61,898</td>
<td>49%</td>
<td>12,402</td>
<td>14,384</td>
</tr>
<tr>
<td>Greece</td>
<td>41,646</td>
<td>:</td>
<td>13,372</td>
<td>:</td>
</tr>
<tr>
<td>Spain</td>
<td>3,194,417</td>
<td>-41%</td>
<td>:</td>
<td>:</td>
</tr>
<tr>
<td>France</td>
<td>1,577,097</td>
<td>19%</td>
<td>746,835</td>
<td>728,463</td>
</tr>
<tr>
<td>Croatia</td>
<td>30,700</td>
<td>:</td>
<td>11,020</td>
<td>:</td>
</tr>
<tr>
<td>Italy</td>
<td>1,793,869</td>
<td>-36%</td>
<td>567,371</td>
<td>-50%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1,323</td>
<td>543%</td>
<td>10</td>
<td>3195</td>
</tr>
<tr>
<td>Latvia</td>
<td>9,622</td>
<td>-20%</td>
<td>2,795</td>
<td>2,273</td>
</tr>
<tr>
<td>Lithuania</td>
<td>17,054</td>
<td>40%</td>
<td>3,073</td>
<td>:</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>9,693</td>
<td>132%</td>
<td>1,865</td>
<td>1,361</td>
</tr>
<tr>
<td>Hungary</td>
<td>74,661</td>
<td>232%</td>
<td>17,121</td>
<td>47,126</td>
</tr>
<tr>
<td>Malta</td>
<td>871</td>
<td>440%</td>
<td>2</td>
<td>1,596</td>
</tr>
</tbody>
</table>

2 Data is show as absolute figures instead of relative (for example – compared to the total number unemployed or job seekers) due to the fact that for the different countries it refers to different periods, on the one hand, and because the calculation of these indicators is based on different methodologies.
<table>
<thead>
<tr>
<th>Country</th>
<th>Total 2005</th>
<th>Total 2015</th>
<th>% Change</th>
<th>Young 2005</th>
<th>Young 2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>318,227</td>
<td>352,760</td>
<td>11%</td>
<td>14,910</td>
<td>15,300</td>
<td>3%</td>
</tr>
<tr>
<td>Austria</td>
<td>162,269</td>
<td>149,908</td>
<td>-8%</td>
<td>48,965</td>
<td>57,917</td>
<td>18%</td>
</tr>
<tr>
<td>Poland</td>
<td>509,798</td>
<td>594,631</td>
<td>17%</td>
<td>106,577</td>
<td>63,607</td>
<td>-40%</td>
</tr>
<tr>
<td>Portugal</td>
<td>158,739</td>
<td>290,775</td>
<td>83%</td>
<td>75,177</td>
<td>80,105</td>
<td>7%</td>
</tr>
<tr>
<td>Romania</td>
<td>83,860</td>
<td>32,766</td>
<td>-61%</td>
<td>23,063</td>
<td>7,111</td>
<td>-69%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>21,075</td>
<td>11,561</td>
<td>-45%</td>
<td>4,596</td>
<td>1,226</td>
<td>-73%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>142,384</td>
<td>57,452</td>
<td>-60%</td>
<td>25,426</td>
<td>12,388</td>
<td>-51%</td>
</tr>
<tr>
<td>Finland</td>
<td>100,050</td>
<td>125,596</td>
<td>26%</td>
<td>17,299</td>
<td>21,741</td>
<td>26%</td>
</tr>
<tr>
<td>Sweden</td>
<td>202,875</td>
<td>272,840</td>
<td>34%</td>
<td>26,070</td>
<td>32,074</td>
<td>23%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>83,602</td>
<td>:</td>
<td>:</td>
<td>:</td>
<td>:</td>
<td>:</td>
</tr>
</tbody>
</table>

Notes:  

The conclusion regarding the weakening importance of the youth target group among the participants of ALMP measures in EXCEPT Project countries is illustrated in the next figure. It shows the share of the youth participants of the total number of participants. As it can be seen, in the countries for which data is available, the share of young people who took part in measures in 2015 is lower than in 2005. The only exception is Germany and this is due to the fact that the decline in the number of the youth participants is lower than among the participants over 25 years of age.

These figures provide an opportunity some generalisations regarding EXCEPT Project partner countries to be made.

**First**, although the trends in the different countries are diverse, in some countries the share (in total number of participants) of youth jobseekers as a target group has been declining during the observed period or remains relatively low.

**Second**, and especially if we have in mind the officially declared political goal of providing young people with quality jobs the following major trends could be observed:

- The first trend is applicable for countries such as Bulgaria and Germany, where the public funds allocated towards ALMP measures has been sharply decreased due to budget cuts. As a result, the coverage of these measures is lower.
- The second trend is applicable for countries such as Italy and Greece where the public allocations despite their rising do not match existing labour market needs and the risks faced by young people are high.
- The third trend is valid for countries like Poland, Estonia and Sweden where the public funds allocated to ALMP measures were not so much a subject to budget cuts and austerity decisions. This provides a room of expanding the coverage of public employment services. Yet, the number of the youth jobseekers as a share of the total
number of participants in these countries remains very low (below 15%) compared to participants aged 25 or over.

**Figure 1.1: Youth share (15-24) of total participants in ALMPs (stock)**

![Diagram showing the youth share (15-24) of total participants in ALMPs (stock)](image)

**Note:** Data for Germany refers to 2005 and 2015.

**Source:** Own calculations based on Eurostat data [Imp_partsumm].

**Table 1.3: Funding and coverage of ALMP measures in some EXCEPT Project countries: an overview**

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<td>Bulgaria</td>
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<td>Very low</td>
<td>↓↓</td>
<td>↓↓</td>
<td>Low</td>
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<tr>
<td>Estonia</td>
<td>↑↑↑</td>
<td>Very low</td>
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<td>Greece</td>
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<td>Germany</td>
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</table>
In principle, expenditure dynamics could be linked to the varying levels of (youth) risk of unemployment in different countries. However although different factors could explain the different levels of the risk (demographic, increase in the educational institutions’ enrolment, emigration of young people, changing economic conjuncture or reductions of the public allocations, etc.) it should be stressed that different issues related to youth employment are typical for all the countries, and the trends could depict a mismatch between the efforts made and the declared aims.

On the basis of these trends we now turn to types of measures and schemas against youth unemployment.

### 2. Overview of types of measures and schemas against youth unemployment in the last years

The national reports present a short overview on measures and schemes against youth unemployment, on the basis of the following indicators: A. Policy importance; B. Targeting; C. Main source of funding; D. Links to EU initiative; E. Main actors of delivery; F. Existence of evaluations.

In order to discuss the different types of measures and schemas, a specific classification has been used in EXCEPT project. Its correspondence with EUROSTAT classification is presented below:

**Table 1.4: Classification of ALMP measures**

<table>
<thead>
<tr>
<th>Specific classification</th>
<th>Corresponding EUROSTAT LMP category$^3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. (Re-)orientation courses, preparation for training or employment</td>
<td>1.2. Individual case-management services</td>
</tr>
<tr>
<td>2. Vocational guidance, career counselling</td>
<td>1.2. Individual case-management services</td>
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<td>3. Training (with or without certificates)</td>
<td>2. Training</td>
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<td>4. Employer incentives</td>
<td>4. Employer incentives</td>
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<tr>
<td>5. Direct job creation</td>
<td>6. Direct job creation</td>
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</table>

$^3$ EUROSTAT LMP category 5 “Sheltered and supported employment and rehabilitation” has been excluded from this specific classification due to the limited share of this category of the total youth employment policy mix at national level.
A. Policy importance of different types of measures and schemes

Numerous national and European policy documents and initiatives emphasize the importance and the need employment issues to be addressed by deliberate and highly mobilized efforts. On these grounds, the assessment of the political importance of different types of measures assessed (by coverage and expenditure), does not seem high enough. The practical prioritization of this political axis could be improved.

The table below presents the importance of different types of measures to tackle youth unemployment in the different countries as assessed in the national reports:

**Table 1.5: Policy measure importance (by type of measure)**

<table>
<thead>
<tr>
<th>Type of measure</th>
<th>1. (Re-)orientation courses, preparation for training or vocational guidance, career counselling</th>
<th>2. Training (with certificates)</th>
<th>3. Training (without certificates)</th>
<th>4. Employment incentives, subsidies for employer</th>
<th>5. Direct job creation</th>
<th>6. Start-up incentives, self-employment programmes</th>
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<tr>
<td>Country</td>
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<td>Quite important</td>
<td>Not relevant</td>
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</table>

Importance depends on the comparative scale of the program (coverage & expenditure) -> Does not exist = 0; Not relevant = 1; Quite important = 2; Very important = 3

Source: National reports
As could be seen from the table, mainly in the UK the different types of measures are assessed as ‘very important’. In Sweden and Greece most types of measures (4) are assessed as ‘very important’. In the other countries the prevailing answer is ‘quite important’.

By type of measure, most often training with certificates and start-up incentives, self-employment programs seem to be assessed as very important.

By type of measure, most often training with certificates and start-up incentives, self-employment programs seem to be assessed as very important.

In the other 19 countries, expert assessments show (in general) concern among all actors for young people, especially for unemployed youths, further highlighting the importance of some causes of unemployment that are linked to weaknesses in human capital formation. According to the results obtained, most political importance is attributed to Luxembourg, Latvia and Spain; and the least - in Slovenia, Cyprus, the Czech Republic and Slovakia. In the different countries, different at risk youth groups are ascribed different values. The highest values ascribed by mainstream policies are:

Table 1.6: Policy measure importance (by target group)

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<th></th>
<th>All young people</th>
<th>Young unemployed</th>
<th>Young people with low skills</th>
<th>Young people with outdated qualification</th>
<th>Young people without qualification</th>
<th>NEETs</th>
<th>Higher education graduates</th>
<th>Migrants</th>
<th>/Ethnic minorities</th>
<th>Teenage single parents</th>
<th>Young people from workless families</th>
<th>Young people from remote/disadvantaged areas</th>
<th>Young people with disabilities</th>
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In both groups of countries as youth risk groups especially not adequately addressed by national policies are mentioned: migrants, ethnic minorities, early school leavers, young people without qualification, young people from workless families, and young people from remote/disadvantaged areas.

Regarding the importance that the relevant social actors attribute to individual employment measures in the non EXCEPT partner countries, the assessments differ significantly. Still the policy importance of different measures that receive highest ranking could provide some insights.
Table 1.7: Policy measure importance (by type of measure) – only answers “very important”

<table>
<thead>
<tr>
<th>Type of measure</th>
<th>(Re-)orientation courses, preparation for training or employment</th>
<th>Vocational guidance, career counselling</th>
<th>Training (with certificates)</th>
<th>Training (without certificates)</th>
<th>Employment incentives, subsidies for employer</th>
<th>Direct job creation</th>
<th>Start-up incentives, self-employment programmes</th>
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The fact that employment incentives and subsidies for employers are most often referred to as ‘very important’ could suggest the need to seek answers to different questions, like who is the main target group - the young unemployed or the businesses and employers.

B. Main sources of funding of different types of measures and schemes

On the basis of the information, provided in the national reports, according to the source of funding (EU, national, regional, etc.), two groups of countries could be distinguished:

Countries that rely mainly on EU funding: For example for Bulgaria, Italy and Poland the main source of funding is EU, mixed with national funding. For Italy in all the types of measures regional and local funding is used as well. In Poland regional funding is used
as well for vocational guidance and career counselling and start-up incentives, self-employment programs. Close to this group is Greece where the funding for most types of measures comes from EU. Only in two types of measures: the funding is national for (re-)orientation courses, preparation for training or employment and vocational guidance and career counselling.

**Countries that rely mainly on national/regional funding:** In other countries like Austria, Belgium, Finland, Germany, Luxembourg, Sweden, the UK the basic funding is national (and regional in some cases).

**C. Links to EU initiatives**

The EU initiatives considered in this analysis are: (1) Youth Guarantee; (2) Youth Employment Initiative; (3) Framework for Quality traineeships and apprenticeship; (4) EURES; and (5) Support to youth entrepreneurship.

The link of the type of measures with EU initiatives to some extent replicates the usage of the EU funding. In countries that rely more on EU funding the link of different types of measures to the EU initiatives is clearer. Still in the other countries as well at least some measures have to do especially with Youth Guarantee.

**D. Youth specific versus universal targeting**

Findings based on national reports show that there are countries variations concerning the question if the considered types of measures are youth specific:

In **UK** and **Italy** there are youth specific measures in all the policy groups. In **Bulgaria** as well almost all the measures are partly youth specific, that is similar types of measures could be found for different age groups.

In **Poland**, youth specific are: vocational guidance and career counselling; employment incentives, subsidies for employer; direct job creation; start-up incentives, self-employment programs.

In **Sweden**, youth specific are: (re-)orientation courses, preparation for training or employment; trainings with and without certificates; employment incentives, subsidies for employer.

Similarly, in **Germany** predominantly youth specific are: (re-) orientation courses, preparation for training or employment and trainings (with or without certificates).

In **Ukraine**, youth specific are: (re-)orientation courses and vocational guidance and career counselling.

In **Greece**, the only non-youth specific types of measures are: (re-)orientation courses, preparation for training or employment and trainings without certificates.

**Estonia** is the country where most of the measures are not youth specific with only vocational guidance and career counselling partly youth specific.
Similarly in the other 19 countries the situation differs from country to country: most often different measures are pointed out as youth specific in Latvia, Luxembourg and Slovenia; less often in Belgium, Lithuania and Romania. In Czech Republic all the measures are pointed out as partially youth specific. By type of measures, in many cases (13 out of 19 countries) vocational guidance and career counselling is pointed out as youth specific. Most rarely direct job creation is referred to as youth specific measure.

Considering both indicators together (political importance and targeting) it seems that if **the type of measure is youth specific or not is not directly linked to its importance.**

At the same time, **programs and measures specifically targeted at youth job-seekers seem to increase in number and varieties in almost all countries.**

---

**Textbox 1.1:**

**Examples of measures in EXCEPT partner countries**

**In the UK,** “In response to the challenge of youth unemployment particularly after the recent economic recession, the UK government announced several employment policies targeting young people including the Youth Contract and Work Programme. The Youth Contract was launched in April 2012 and it consists of a number of separate active labour market programmes made available through the JCP – i.e. wage incentives, work experience and apprenticeships. Young people can receive various types of employment support from the JCP and the job advisers at the JCP have a responsibility to provide intensive support for young people in order to facilitate JSA claimants meeting the criteria of actively seeking work.” (UK NR)

**In Germany,** „Young people are supported through labour market measures in general, but also through particular measures for youth that are considered to be a specific target group. Such measures include vocational career guidance during school age and programmes supporting the placement in trainings. In 2010, the introduction of youth employment agencies was greed – bringing together various actors involved in career promotion, i.e. public institutions, youth welfare agencies and schools. By 2015, 218 such agencies had been established (BA, 2015: 19f)” (DE NR)

**In Poland,** “An important youth support is being offered under Knowledge Education Development Operational Programme implemented y PES from all levels. Most of Voivodship Labour Offices involved the social partners and the youth into preparing regional framework of Youth support under KED OP. Some regions, e.g. Malopolska, Pomerania, Podlaskie settled Youth Partnerships and still cooperate with those partners in order to improve the services for young people.” (PL NR)

**In Italy,** “Today the labour/employment policies for young people in Italy are centred on the Youth Guarantee, which works as follows: young people register on the Youth Guarantee National Portal, insert their data and choose a region (or regions). Within sixty days from registration, the Public Employment Centre of one of the regions chosen should contact the young person to arrange an interview (however, the high number of requests makes this very difficult). In the next step, the public employment centre proceeds to the definition of a path to insert the young person in a working position or to return to training/education. The meeting between the public employment centre operator and the youth, depending on organisational requirements at regional level, is used to define a coherent individual path compatible with educational and professional user characteristics. Within four months from this interview, the services offer guidance...
and accompaniment to individualised work, an offer of inclusion/re-integration in education/training programmes or work experience. The paths are constructed using a package of actions identified at national level, which the various regional administrations implement according to the needs and specificities of their territory.” (IT NR)

In Estonia, “In terms of measures targeting young people, the labour market situation has improved. New measures have appeared, also the Ministry of Education and Research collaborates with the Ministry of Social Affairs to improve labour market services targeting young people... My First Job is currently the only ALMP measure particularly targeting young job-seekers. “ (EE NR)

Source: National reports for the respective countries

Along with the overview of basic characteristics of the measures and schemes against youth unemployment, it is important to consider what the dominant trends in the policy approaches to youth unemployment are.

3. Main trends of youth employment policies

The main research questions in this section relate to the balance among different policy alternatives:

a) What are the main trends regarding active and passive national LM policies and the effects of these trends on youth employment?

b) To what extent do policies aim to increase young people’s employability?

c) Do national official documents in force distinguish between risk resulting from structural deficits and social segmentation and from individual deficits?

d) To what extent do policies focus on preventative measures or are purely reactive to manifested problems?

e) Do initiatives, measures and policies aim at ‘good jobs’

Although youth employment policies vary and contain national specifics and nuances, the national reports make possible to consider some dominant orientations that could be found in varying degree in the EXCEPT partner countries.

3.1. Active and passive labour market policies

Following the Eurostat classification of the labour market programmes, the main objective of the passive labour market policies (PLMPs) is to provide replacement income during times of joblessness while the active labour market policies (ALMPs) aim to increase the employment opportunities of job seekers (by improving employability and incentives for hiring) and to improve matching between jobs vacancies and the unemployed.

The fact that in the past two decades, there was a trend towards a transition from passive to active labour market measures is well documented. Although this trend appears in some countries earlier than in others, it can be traced in all countries.
“ALMPs are a key component of the so-called "activation strategies", encompassing the interactions between unemployment insurance/assistance systems, ALMPs and benefit conditionality. In this context, participation in ALMPs such as PES counselling, training or active job search have become a prerequisite for (continuing) benefit receipt (mutual responsibilities approach) in basically all EU countries. This approach is generally referred to as workfare or work first” (European Commission, 2016a).

The trend from passive to active labour market measures is clearly outlined in the national reports of the EXCEPT partner countries and the impact on the young unemployed is considered. Simultaneously some countries’ variations are reflected linked to some specifics due to: a) Trends of advanced economies; b) Trends of countries in EU integration; c) Trends of late comers.

**Textbox 1.2:**

Examples of transition from passive to active measures

**Advanced economies:**

**In Germany:** „The traditional German labour market policy approach until the 1990s had a strong passive focus, being “predominantly transfer-oriented, seeking to maintain the former living standard of the unemployed”(Stiller and van Gerwen 2012: 125). This predominantly passive approach to labour market policies changed when the so called “Hartz reforms” were implemented between 2012 and 2015. This package of different reforms meant a through re-orientation towards an activation paradigm” (DE NR)

**In UK:** „With the expansion of active labour market policies ..., which has elements of compulsion, the scope of passive labour market policies has automatically reduced… Based on the compulsory approach, receiving unemployment benefit by simply remaining unemployed was no longer possible for young people and the long-term unemployed... (Alcock et al., 2014)“. (UK NR)

**In Sweden:** „The generosity of unemployment benefits have been substantially reduced over the last 20 years... by not increasing the ceiling for most of the past 15 years (it was only increased 2016), leading to inflation and wage increases substantially reducing the value of available unemployment benefits, and by governments decision 2007 to limit access and increase requirements for access to unemployment benefits in 2007”. (SE NR)

**Countries in EU integration:**

**In Poland:** “Due to economy structural reforms and high unemployment in Poland the expenses on Passive Labour Market Policy in 90s’were higher than overall budget on Active Labour Market Policy. Accession of Poland to the European Union made a substantial change in labour market policy expenses. European Social Fund has enabled to foster the scale of employment programmes and influenced on the gravity change in Polish labour market policy.” (PL NR)

**In Bulgaria:** “During the 90ies period, LM policies responded mainly in passive measures... After 2000, in connection with the EU integration process, a shift to active measures in labour market policies based on various programmes and interventions aimed at different target groups took place. (BG NR)

**Late comers:**
In Italy: “In Italy, active labour policies were not very effective and have not worked well over the years… The Italian government approved “The Jobs Act” labour market reform on 14 September 2015. The law aims to reorganise active labour market policies and to improve their co-ordination at national level.” (IT NR)

In Greece: „For many years the Greek state following the developments in other European countries tried to support the less privileged groups of the population mainly through the implementation of passive labour market policies, such as employment or family benefits and incentives for early retirement. The participation in ALMP’s remained relatively limited until the time when unemployment reached alarming levels… The need for activation measures for a large part of the population, especially the unemployed – but without being limited only to them– led to recent initiatives that target these deficiencies.” (EL NR).

In Ukraine, although the labour market policies depict fewer changes in the last 20 years, similar trends as in other EU member-states could be observed as well.

Source: National reports for the respective countries

The intensified policy focus on active employment measures as a rule results in two types of accompanying changes in the overall system of passive measures:

- **Changes in the conditions for receiving unemployment benefits** - who is entitled, duration of the payment, increasing the categorical and/or contributory character of most benefits linked to social security contributions and portion of the salary, etc.

- **Changes in the conditions for receiving social assistance benefits** - enhanced and clear binding of the rules with participation in active labour market policies, including sanctions for claimants who refuse job offers.

The intensive transformation of passive labour market measures into a function of active measures is implemented parallel to the so-called ‘emploization’ of social policy. As pointed out in the Guideline 7 of the Employment Guidelines for the employment policies of the Member States: "Member States should strengthen active labour market policies by increasing their effectiveness, targeting, outreach, coverage and interplay with passive measures, accompanied by rights and responsibilities for the unemployed to actively seek work. These policies should aim at improving labour market matching and support sustainable transitions” (European Council, 2015; European Commission, 2016a)

These changes in the general function of labour market measures led gradually to important implications in relation to young people:

- In terms of active measures, they can benefit both from the large set of universal measures and from the gradually initiated special measures targeted against youth unemployment.

- In terms of passive measures, young people are rather at a disadvantage, since cutting benefits and difficulties in access to unemployment benefits are often introduced first for new-comers at the labour market.
Examples on changes in passive and active LM measures

**In Sweden**: “These new rules have over time led to very few youths having access to the regular unemployment benefit system as they do not pass the work requirements.” (SE NR)

**In Italy**: “Therefore, passive national labour market policies are available only to former workers who comply with specific employment characteristics. Unemployment benefits, for example, require a specific employment career and history. This is of course particularly relevant when focussing on youth, who may struggle to enter the labour market or who have experienced precarious, atypical (if not illegal) jobs and therefore cannot have access to such passive labour market policies. In this sense, it is not surprising that Italy is one of the countries in EU28 that shows a lower capacity to reduce poverty through social transfer.” (IT NR)

**In Estonia** “The spectrum of active labour market policies provided by the EUIF has expanded notably over last years. While in 2003 the number of different services equalled to 5, in the first half of 2016 the number of different services offered by Estonian Unemployment Insurance Fund was 34. Total expenses on the measures increased from 6,244 Mio euro to 38,949 Mio euro in 2014. … Likewise, the number of entrants into various policy measures has changed significantly… Percentage of the number of young people out of the total number of entrants into policy measures has changed over time too, and depends also on the type of a measure. Except the direct job creation measure, percentage of young people in ALMP-s has decreased over time.” . (EE NR)

**Source**: National reports for the respective countries

The simultaneous expanding, diversifying and fragmenting labour market active measures and cutting entitlements to benefits is linked to the “activation” concept.

3.2. The "activation" turn

Additional to the transformation of passive labour market policies into a function of ALMPs, the very concept of ALMPs seems to undergo changes. Interpreted in a wider sense, ALMPs could include any kind of public interventions that support the creation and provision of jobs, including high quality jobs, different measures related to work force, human capital, stimulating the economy, etc. As pointed out by researchers, in the past many big breakthroughs happened as a result of public investment in the sewerage system, social housing and clean air (Walker et all 2013). Possible current developments in this regard could be linked to providing employment by a long term planning for an economic boost based on the ideas of re-industrialization, energy union, etc. „In the Employment Package, proposed in its 18 April 2012 Communication 'Towards a job-rich recovery', the Commission called for the active mobilisation of Member States, social partners and other stakeholders to respond to the current employment challenges in the Union, and in particular to youth unemployment. The Commission emphasised the major job-creation potential of the green economy, health and social care, and information and communication technology (ICT) sectors, and to that end issued three accompanying action plans for follow up. Subsequently, in its Communication of 10 October 2012 on ‘A Stronger European Industry for Growth and Economic Recovery’, the Commission also
highlighted six promising priority areas for industrial innovation that contribute to the transition to a low-carbon and resource-efficient economy.” (COUNCIL RECOMMENDATION of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01):2 (13). However, instead of mobilizing efforts in such developments, what we actually see is a narrowing in the understanding of the meaning and function of active labour market measures by incorporating the specific ‘activation’ notion.

The clearest example is Sweden, which has many years of experience with various active labour market measures and accordingly, the change of concept is tangible.

„The increases in unemployment observed after crises were followed by a series of labour market initiatives within active labour market policies (Hansen 2011). However, the expenditures on ALMPs as proportion of GDP in relation to the share of unemployed in the working age population decreased dramatically over last two decades. This has meant that the number of high quality expensive ALMPs have been limited, and more activation measures used. From having been available, and used for broad groups of unemployed as a form of active labour market matching their use has also become more directed at vulnerable groups.” (SE NR)

**Figure 1.2: Sweden – the development of expenditure on ALMPs as proportion of GDP/annual average proportion of unemployed**

![Diagram showing the development of expenditure on ALMPs as proportion of GDP/annual average proportion of unemployed](source.png)

Source: National Report for Sweden

The question of how and why the transition has been made needs a special discussion. The view that ‘active labour market measures’, as a concept is unclear and ambiguous, is well known. As stated by Bonoli, supposedly the tension rises because of two contradictory practices, affecting the understanding of the concept: on the one hand there is the Swedish pattern of active labour market measures, introduced in the nineteen fifties, that was aimed at finding a better correspondence between job vacancies and employment in a fast developing economic environment, mainly through funding
extensive professional training programs. And on the other hand is the use of the term ‘active’ for the approach’ in the English speaking countries, „which combines placement services with stronger work incentives, time-limits on recipiency, benefit reductions and the use of sanctions, or the so-called „workfare“ approach“. (Bonoli 2010: 10).

In the UK „The influence of the activation paradigm has been more distinctive compared to other developed countries. This approach started with the form of ‘New Deals’, introduced in 1998 by the New Labour government which targeted youth and the long-term unemployed… In an attempt to incentivise work, the welfare reforms proposed by the Coalition were based on moral authoritarianism and resurrect the principle of ‘less eligibility’ established in the New Poor Law (1834). This principle ensured that the able-bodied poor would only be granted poor relief ‘in conditions so rigorous that no-one would voluntarily seek it in preference to work’ (Thane, 1978:29). The resulting White Paper published in February 2011 and titled Universal Credit: Welfare that Works (DWP, 2010), promised ‘the most far-reaching programme of change that the welfare system has witnessed in generations’ (DWP, 2010:1) “. (UK NR).

Following these developments, it appears that the present concept of ALMP is a combination between the interpretation accepted in the English speaking countries (mainly in the UK and USA) and the Swedish created terminology, introduced in the nineteen fifties.

The mixture of workfare approach combined with the concept of active labour market policies, (that originated in the specific Swedish approach), summarized in ‘activation” led different authors to differentiate between ‘offensive’ and ‘defensive’ workfare (Torfing), ‘positive’ and ‘negative’ activation (Taylor-Gooby), ‘liberal’ and ‘universalistic’ activation (Barbier), etc. (Bonoli: 2010, p. 10).

In this connection, the review proposed by Bonoli on the three periods of active labour market measures implementation in the OECD countries. (Bonoli: 2010, p. 15-22) could be useful:

The first period began in the nineteen fifties when there was an urgent necessity for the state’s intervention in a labour shortage situation. In this regard, the famous Rehn-Meidner model included several interlinked and important objectives and was based on them: “equality in the wage distribution, sustainable full employment and modernisation of Swedish industry. Equality and full employment were to be promoted through a solidarity wage policy, which basically meant identical wage increases across all sectors of industry… Among the intended effects, was a strong incentive for Swedish producers to invest in productivity enhancing technologies. If productivity lagged behind, imposed wage growth would push out of the market less competitive companies. This represented a strong push for the modernisation of Swedish industry.” (Bonoli 2010: 13-14). At that period the ALMPs were aimed at hiring well qualified workers for the industrial sector and the human capital investments were the crucial point.
The second period which began during the 1973 oil crisis was characterized by mass unemployment. The active labour market measures were transformed from training towards public sector jobs creation based on the idea that jobs has to be found for the unemployed in order to keep their developed human capital. Active labour market measures changed orientation from labour supply to labour demand.

The third period – beginning in the 1990s – explained by the necessity for economic boost and stimulating labour market re-entry of unemployed and non-working people through different tools for supporting the employment, started in Denmark with consistent restricting its very generous social protection system. (like the possibility of getting unemployment benefits for a second time, timeline for getting benefits, introduction of individual action plans, etc.).

The consistent reforms which took place in Germany are as well a good example of the ongoing processes: “The previous social assistance and employment assistance programmes were merged into the new “secondary unemployment insurance” scheme. Eligibility to (secondary) unemployment insurance benefits was tightened through the shortening of durations of receipt and stricter job search requirements and availability conditions… A partial deregulation of employment was implemented, among others by restricting dismissal protection to firms with at least 10 employees and the deregulation of subcontracted work.” (DE NR)

The described developments resulted in a narrowing and change of the original concept of active labour market measures by increasing focus on the ‘activation measures’. However the ‘activation’ turn could limit the opportunities for supportive activation (based on universal benefit entitlements and counselling aimed at personal development in a holistic perspective) and enhance the coercive activation (characterized by a priority of employment; counselling aimed at recruitment and controlling compliance by sanctions).

Additionally it could be suggested that during those three periods, in the EU member states, there is a functional correspondence between the meaning and function of the active labour market measures and the meaning and the regulatory enforcement of the social rights concept. While during the first period there was an expansion of the social rights of both the employed and the unemployed, during the third period, existing social rights were under pressure affecting the employed and the unemployed as well. The official political views on the meaning and significance of the social and economic rights seem to be quite different during those three periods. It seems that the social structure of active labour market measures is respective consequence of these views.

Although not the same, but similar trend to the above mentioned processes could be outlined in the post-communist countries. The period of 1990s was characterized by the restructuring of the economy, deindustrialization, closure of big industries, privatization, etc., which typically led to mass unemployment. Strategies against massive job redundancies were rather through intensive emigration processes than through national
problem-solving policies. The mainly individual coping strategies were working in the context of diminishing state interventions on the labour market. After 2000, the post-communist countries EU integration led to activation of labour market policies and active measures implementation and strengthening the role of the state in the relevant field. A series of programs were designed to help certain vulnerable social groups to enter the labour market. At the same time, activation policies relating to restrictions on access to unemployment and social assistance benefits were introduced at the existing very low levels of social protection and further aggravated conditions for those who have the right or the need to benefit from them.

The active labour market measures orientation towards employees' welfare, typical for the post WWII period, seems to be replaced by a pronounced ‘emploization’ approach of social policies. However there is danger this approach generates a ‘reserve army of unemployed’ and thus form ‘unnecessary population’ with all the consequences.

Activation is probably one of the most significant policy interventions over the last few decades. The history of activation is long, but one of the most important steps was the OECD Jobs Strategy (1993, revised 2006, 2007) emphasizing the role of the work incentives and potential negative side effects of social benefits. Strategies that have been applied in many countries to reduce unemployment by reducing labour supply (supporting inactivity) through unemployment benefits, early retirement provisions or easy access to incapacity benefits, were found to generate major problems regarding the fiscal sustainability of the welfare state and labour shortages in a situation of increased global competition and demographic ageing.

In order to rise employment and reduce unemployment the OECD recommended that member states increase the effectiveness of active labour market policies, improve work incentives within the employment benefit and tax system, increase wage setting flexibility, ease employment protection, etc. The result was that from the 1990s central to the dynamics of labor market policies and social policies is an increasing emphasis on integrating wider segments of the working-age population into the labour market – not only for economic or fiscal reasons, but also, and may be even more importantly, for societal reasons. As Eichhorst et al. (2008: 2) mention it seems fair to say that activation has become a common orientation in labour market and social policies that not only spreads across countries but also covers almost all benefit schemes. Now most of the EU member states have some sort of activation provision embodied in core systems of social benefits paid in case of non-employment, such as unemployment insurance, various forms of non-contributory benefits (social assistance payments) or disability schemes.

Besides raising overall employment, activation strategies are designed to improve fiscal balance of the welfare state at least in the long run; strengthening self-sufficiency through entering gainful employment and encouraging mobility to better paid and more stable jobs (“making work pay”); reduction of poverty throughout bringing more people
back in work (seen as the major instrument to combat poverty and to reduce the risk of being poor).

A central aspect of activation is the reform of the social protection mechanisms that are believed to play a key role of automatic stabilisers in times of unemployment. As a common stream of labour market reforms activation implies redefinition of the link between social protection and labour market policies on the one hand and employment on the other. The access to unemployment benefits is reduced by stricter conditionality, which narrows its coverage and duration and decreases its monthly value. For instance, the duration of unemployment benefits depends on the number of previous consecutive working days, and on the applicant's age, which means that working on short fixed-term contracts increases the risk of non-eligibility, or can reduce the duration of the benefit. The same principle of regular contributions applies to other benefits, for example health benefits, disability benefits, parental benefits and retirement. The access to these benefits is also conditioned by contract duration, as a minimum period of contributing remains necessary to be entitled to social security protection.

Thus activation policies mark a shift from passive strategy of reducing labour supply to a policy approach aiming at higher employment through the mobilisation of the latent labour supply, moving people from social benefits to employment and reducing benefit dependency experienced by the unemployed. Other aspect of this shift was replacing the universalistic objectives by schemes which are more precisely targeted at socially disadvantaged people. This change more or less involves also a shift from social protection based on social rights towards social protection based on means testing. “This has been done in the name of “effectiveness”: to actively reach those in greatest need of help” (Bouget and Vanhercke, 2016:105)

Since increasing labour market entry and participation is the major concern, it follows that unconditional benefits receipt for the working-age population are to be restricted. These changes significantly extend the boundaries (age and others) of the working-age population. In this way activation policies turn to be linked to the wider reconstruction of the welfare state – a reconstruction due to which “retrenchment” seems to have become one of the most common terms employed to describe welfare state developments during the last 2-3 decades.

The fact that the impact on employment is not limited to the reconstruction of unemployment insurance systems (and some directly connected benefits) is important for identifying and discussing the effects of activation. Due to the "retrenchment of welfare state", the scope and power of the actual "activating" impact outweighs the scope and impact of changes in unemployment insurance. A broad-based activation effect aimed at increasing employment by including non-working groups is not the same as reducing unemployment. The real "activation" effect appears to be wider (covering a wider range of non-working people than the unemployed) and more intense than the impact of changes in unemployment insurance.
Meanwhile, national reports and other sources show that although in differing trajectories, the countries involved in this study, followed the general pattern of social protection systems reforms and retrenchments of welfare state and the activating impact of these changes is linked both to the reduction of unemployment benefits and to the penalties imposed on refusal to accept a particular job, as well as to a wider reduction of other components of the social benefit systems.

In some countries (for example, BG, EE, EL, PL, UK) the maximum period for receipt of unemployment benefits for working age adults is one year or less. In other countries the duration of receipt of unemployment benefits is longer. As a rule, the amount of benefits is gradually diminishing as the period of unemployment increases and after one or two years eligibility is generally terminated and long-term unemployed workers become recipients of social assistance benefits. (Bouget and Vanhercke, 2016;104). Along with this, some restrictions on other social benefits have been introduced in all countries, including by raising the retirement age. The social policy to help poorest people has spread in Europe, as this often happens through “.. limited, partial or piecemeal schemes, restricted to narrow categories of people, for instance – BG (Frazer and Martier, 2016; 14; Bouget and Vanhercke, 2016; 104). Researches find out a cumulative exclusion effect: exclusion from the labour market and social exclusion by impoverishment in spite of some universal social benefits that help the unemployed keep a minimum of living standards and level of self-esteem and societal contacts (Bouget and Vanhercke, 2016;105).

The significant scale of activation is of interest not only to the impact of activation on employment dynamics but also to the impacts on and changes in labor markets as well as to the usage of human capital. This wide range of impacts shows that the impact of activation/welfare state retrenchment on the labour market and human capital deserves more attention. For example, most surveys depict that activation and active LM policies have achieved positive results (reducing unemployment, increasing employment), but in order to gain an insight into their overall impact on the labor market, it is obviously not enough to establish just increasing labor market entry and participation.

These effects, in turn, have other consequences and the range of these consequences is much wider than the quantitative changes in the employment rate. Taking these consequences into account will allow a more comprehensive picture of the effects of policies’ interventions, which provides a basis for judging their effectiveness. Using a wider range of effects makes it possible to avoid judgments that are based only on effects that are directly related to the specific stated objectives of separate employment measures. We will return to these impacts in the third part of the report.

3.3. The employability focus

Employability is understood as improving the individual's ability to fit into the labour market. As M. Yorke defines it (Yorke, 2004) employability “is a set of achievements – skills, understandings and personal attributes – that make graduates more likely to gain
employment and be successful in their chosen occupations, which benefits themselves, the workforce, the community and the economy”

The aim to increase employability of young people is directly incorporated in ALMPs, especially through providing skills and training of young people, often combined by subsidised employment.

**Textbox 1.4:**

**Examples of approaches to employability**

**In Germany** the main attention is based on the idea that “the high signalling value of educational and training certificates significantly has facilitated the entry into employment or further training for German youth. The flipside of the system is that students who do not attain educational degrees (or only lower secondary degrees) are often faced with strong and long-lasting difficulties on the labour and the training market. Thus employability policies are based on the idea that good education and vocational training can be considered as a “prerequisite for successful and sustainable integration of young people into the labour market” (BMAS 2014: 12) (DE NR)

**In Sweden** the approach is a “skills first, work later” strategy, due to which “as a response to crises measures were also taken to enrol unemployed workers in education (Hansen 2011). At the same time ALMP expenditures in Sweden are strongly oriented towards subsidised employment measures, trainings included… A trainee job is a part-time job combined with part-time vocational training which gives an opportunity to gain formal qualifications while doing paid work. Participants can apply for financial support available for students at CSN.” (SE NR)

**In UK,** “The NDYP was designed to reduce youth unemployment by assisting young people who have been unemployed for six months by providing a job-matching service, work experience and/or training for those who do not find work (Anderton and Riley, 1999). This programme intended to help them find lasting jobs and increase their long-term employability. From this, young unemployed people could receive a period of intensive advice and preparation prior to one of four options (subsidised employment, full-time education and training, voluntary work, environmental work). As this programme had elements of compulsion, it affected a large number of people… The recent government introduced policies to raise participation in education and training of 16 and 17 years old … and apprenticeships and work experience programmes for young people to help them to gain more skills and qualifications.” (UK NR)

**In Poland:** “Internships are the dominant type of policy measures… 14,8% of young unemployed under 25 years old took part in internships in 2015. Besides the internships, the most popular measures are trainings, internships vouchers, trainings vouchers and mobility vouchers. The high share of incentives oriented on qualification and work experience is a long-term tendency4. Due to the First Job Programme there should be observed a significant increase of direct employment incentives share from 2016.” (PL NR)

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In Estonia: “Predominantly policy measures are directed toward empowering (unemployed) people through teaching them concrete skills and general competences which are deemed necessary at labour market… Counselling centres … provide inactive (still studying) and unemployed young people with information they need for making informed educational choices and informed choices at labour market. Unemployment centres … offer work practice and training opportunities to registered unemployed people. The centres also offer career counselling services and perform the task of matching registered unemployed people to available jobs.” (EE NR)

Italy follows the approach: “Employability (improving an individual’s ability to fit into the job market); Adaptability (updating individual knowledge to make it compatible with the needs of the market); Entrepreneurship (developing a quality and entrepreneurial spirit by starting a business and assisting self-employment); and Equal opportunities (promoting equality policies to increase female employment rates), enriched by a ‘flexicurity’ (IT NR)

In Greece, “Most of the policy interventions focus on the increase of opportunities for education and training in order to offer skills that match the labour market needs and help participants to correspond to companies’ recruitment processes and demands. In addition, several interventions target the creation of employment positions in the form of practical experience and apprenticeship schemes… Additionally, some measures for the modernisation of the PES and incentives for young entrepreneurs and start-ups, or for employers to create new permanent (quality) jobs for young people. However, the latter appears to be quite difficult under the present circumstances.” (EL NR)

In Bulgaria, “In terms of public expenditures, ALMPs are predominantly focused on direct job creation and business subsidies, including trainings. It has to be underlined that the specific focus is on creation of short-term unsustainable working places rather than on real direct job creation.” (BG NR)

Source: National reports for the respective countries

While efforts to increase employability are undoubtedly an important part of the active labour market measures, a narrow and unbalanced focus on employability could imply little attention to job creation and the overall economic conditions. While the very concept of employability could be regarded in a broader framework, LM policies use “the term as shorthand for ‘the individual’s employability skills and attributes’ and this ‘narrow’ usage can lead to a ‘hollowing out of the concept.’” (McQuid & Lindsay 2005: 197). This is clearly linked with the ‘supply-side orthodoxy’ and the (in)ability of ALMP to address individual and structural deficits.

3.4. Addressing individual versus structural deficits

Another research question concerns a typology differentiating between individualized and structural measures. According to definitions (Walter and Pohl 2005: 36): “Individualizing measures address individual capabilities to cope with school-to-work transitions and with labour market demands; Structure-related measures address either the socio-economic aspects or the institutional set-up of transitions, be it the conditions under which young people develop human capital, or the conditions under which they enter the labour market.”
The national reports depict that in principle, the official political documents in the EXCEPT partner countries seem to avoid distinguishing between structural and individual factors for youth unemployment:

**Textbox 1.6:**

**Lack of clear distinguishing between individual and structural factors of youth unemployment**

**In the UK,** „However, there seems to be a lack of official documents distinguishing the structural deficits to result in such risks. In particular, economic demand forces and the behaviour of economic institutions which have impacted upon pay, employment and mobility of individual workers have not been well analysed.” (UK NR)

**In Sweden,** „We are not aware of official documents referring to such concepts.” (SE NR)

**In Italy,** “In official Italian national documents, there are no references to, or distinctions among, structural deficits, social segmentation or individual deficits...”. (IT NR)

**In Greece,** „There is no distinction between risks resulting from structural deficits and social segmentation and from individual deficits in the public documentation.” (EL NR)

**Source:** National reports for the respective countries

However, the lack of a formal distinction between structural and individual factors results in a misbalance with a high official attention to measures addressing individual (in)capabilities to cope with school-to-work transitions and with labour market demands at the expense of measures addressing socio-economic aspects and/or the institutional set-up of transitions.

**Textbox 1.7:**

**Strong emphasis on individual deficits**

**In the UK,** “The existing reports and documents focus more on analysing the individual characteristics of these vulnerable labour groups.” (UK NR)

**In Estonia,** “…Until now policies have been focused mainly on the supply side and on individual level. In the contexts of labour market, problems and possible cures are defined at the level of individuals – individuals lack certain skills (in the case of non-Estonians, for example, poor Estonian language skills are seen as a significant reason for unemployment) and this can be remedied by personal approach – case-based provision of labour market counselling and training opportunities. The role of the state is seen as a provider of opportunities for upgrading personal skills and developing personal features which are useful for labour market.” (EE NR)

**In Poland,** „Main legal acts and strategic document emphasise the role of individual diagnosis as a first step for designing support path that would be adequate to individual needs.” (PL NR)

**In Greece,** „The structural deficits in the labour market ... do not always seem to be successfully coordinated with the appropriate measures that have to be implemented”. (EL NR)
In **Bulgaria**, “The ALMPs address individual deficits and seem to forget the structural deficits that predominantly shape the labour market and the opportunities of young people to be included in it.” (BG NR)

In **Ukraine**, “The national employment policies focus on individual deficits – they foresee certain privileges for the most vulnerable groups … and provide regular services for everyone – such as unemployment benefits, professional orientation and training, assistance in job search.” (UA NR)

**Source**: National reports for the respective countries

Attempts to address structural deficits include specific measures at demand side by providing employers’ advice and compensations; increasing conditionality of social benefits’ system; focus on local labour market; educational reforms and deregulation of labour contracts:

**Textbox 1.8**: Examples of addressing structural deficits

In **Estonia**, “In 01.01.2016, Work Ability Reform was launched. The reform contains measures focusing both on supply and demand side. On the demand side, one finds that employers who employ persons with reduced work ability will be compensated for workplace adjustment costs. The Unemployment Insurance Fund will advise employers… and help them find solutions to emerging issues. Also, by 2020, the public sector will have employed at least 1,000 people with decreased working ability. The labour market forecasting system OSKA could be also seen as a measure to address challenges which have structural background.” (EE NR)

In **Poland**, „Human Capital Development Strategy emphasises mostly the structural deficits of the whole system influencing the labour market listed as follows: weaknesses of employment policies and educational policies, ineffective and limited system of internships and in-job trainings for vocational students, low jobs supply, large scale of grey zone, large scale of long-term and inherited inactivity connected with overusing of social benefits system, lack of active National Qualification Framework with ongoing verification system.“ (PL NR)

In **Italy**, “It would be useful to focus attention on the local level, where studies have been carried out to examine in depth the reasons for labour market youth exclusion and how to cope with the growing unemployment rate.” (IT NR)

In **Ukraine**, “The employment policies addressing structural deficits would include labour market deregulation and education reform. While the second one is being implemented, the discussions on the first one have just started, and it is likely to face very large political resistance.” (UA NR)

**Source**: National reports for the respective countries

Overall, as stated in the UK National report: “This means that there is little research on the power of demand side policies and structural deficits to cause social segmentation although the impact of individual deficit can be a substantial factor.” (UK NR)

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While increasing employability and addressing individual deficits could be an important trajectory of ALMPs, two impediments relate to this approach:

- A strong emphasis on the instrumental value of human capital
- The insufficient political attention to structural deficits (socio-economic aspects and/or the institutional set-up of labour market) that could jeopardize the effectiveness of ALMPs by for example producing a reserve army of ‘employable’ unemployed.

3.5. Preventive versus reactive interventions

The summarized results from the EXCEPT partner countries on the question about the policies’ focus on preventive (addressing possible development of disadvantage) or purely reactive measures (addressing already manifested problems) depicts that in most countries the approach is predominantly reactive.

Only in Germany the approach is considered mainly preventive, “a potential consequence of the favourable situation on the German labour market for youth” (DE NR):

**Textbox 1.9:**

**Preventive approach in Germany**

“Following the labour market reforms of the mid-2000s, youth unemployment halved from more than 12 percent until 2012” (Dietrich and Möller 2016). Nowadays, Germany exhibits the lowest rate of unemployment, with around seven percent of youth being in unemployment (Destatis 2016, Rokicka et al 2015). […] German policies thus largely concentrate on promoting the transition from education into the labour market in order to avoid training mismatch youth unemployment or NEET status through vocational guidance early in the school system or support in job or training placement (see BMAS 2014). (DE NR)

In UK, Sweden, Italy and Estonia the approach is mixed, reactive with some preventive measures.

**Textbox 1.10:**

**Examples of mixed approach**

**In the UK**, „Nevertheless, it is important to note that there were some efforts to tackle high youth unemployment using preventive measures during the recent Conservative government. From 2015, all young people must participate in full-time education and training to 18. From this policy, the government aimed to help young people navigate to jobs and avoid the unemployment traps at early ages. However, a number of studies have argued that this policy has done little to smooth the transition of young people from school to work” (Gregg, 2014). (UK NR)

**In Sweden**, “Policies and measures within the labour market sphere are mainly reactive, in so far as programs will be directed at identified problems, weaknesses of job seekers…There are however many programs and interventions that are preventive.” (SE NR)
In Estonia, “There are both preventive and reactive measures. However, the measures that have been proved to be efficient and which have received positive evaluation results are all meant for already unemployed people, hence they belong to the category of reactive measures.” (EE NR)

In Italy, “Some of these measures, especially those related to strengthening skills and training, the creation of early career paths have been planned to prevent the causes of unemployment and the mismatch between supply and demand in the labour market….Because of the present economic crisis, resources have been concentrated more on containing emergencies (workers in the mid-50s at risk of job loss; welcoming asylum seekers) than creating new opportunities for the unemployed (especially young people).” (IT NR)

Source: National reports for the respective countries

Textbox 1.11:

In Poland, Greece, Bulgaria and Ukraine the approach is mainly reactive:

In Poland, “Due to the large scale of the youth unemployment in Poland since mid-90s’, ALMP were consequently mostly reactive to existing problems of young people entering the labour market.” (PL NR)

In Greece, “The fact that youth unemployment persistently remains at very high levels for many years certainly incites the introduction of measures regarding youth. Therefore, it could be argued that the measures are mostly reactive and less preventive. The interventions came as a late response to an already existing reality.” (EL NR)

In Bulgaria, “Labour market policies in Bulgaria with their narrow ‘activation’ approach are mainly reactive in their strategy, design and implementation. They try to propose, with varying degrees of success, some more chances to already excluded young people like training, qualification, work experience, etc.” (BG NR)

In Ukraine, “In other words, the majority of policies were developed to react to the youth unemployment problem rather than be preventative.”; „From this, it can be seen that the existing ALMP programmes have provided some positive results for young unemployed people, although focusing on reducing the high youth unemployment rates for an immediate effect rather than providing more inclusive measures to prevent the youth unemployment.”; “(UA NR)

Source: National reports for the respective countries

Additionally the Polish report points out that “Currently the significant shift in policy incentives is observed that is connected with European trends. One of the main priorities of PES actions oriented on the youth is rapid support – offices have maximum 4 months from the moment of registration to prepare a high quality offer for young unemployed.” (PL NR). Still, this could be linked to somewhat acceleration of the reactive measures than with a transition from reactive to preventative measures. It seems that in many countries and in many cases ALMPs have been turned into measures of the type “urgent help”.

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Additionally, the established dependence of ALMPs on the scale of the problem creates a vicious circle - when unemployment and youth unemployment problems are low, the political and public attention to them is low, when unemployment and youth unemployment problems increase, it is difficult to react adequately - political attention officially is growing, but funding problems immediately arise, further deepened by 'austerity' policies. The scale of the problems and the reduced funding stimulate reactive instead the preventive and much more efficient measures. As stated in the UK National report, the high rates of youth unemployment further exert a stronger impact on the reactive instead of the preventive approaches. Similarly, in Bulgaria, the problems seem to be self-accumulating, as no measures have been taken in time. This is especially relevant to the well-known (from decades) problem with the ethnic selectivity of employment.

Another aspect of this development is the already mentioned narrowing of the ALMPs’ concept. The ‘activation’ approach seems to limit ALMPs to responding to identified problems rather than to preventive actions: the logic prescribes that educational sector provides broadly preventive measures and ALMP wait to intervene when and only when problems arise.

<table>
<thead>
<tr>
<th>Textbox 1.12: Preventive programs linked with education</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Sweden</strong>, “There are however many programs and interventions that are preventive. These do however typically exist within the educational sector, the health care sector or the social sector and are meant to prepare youth for the labour market.” (SE NR)</td>
</tr>
<tr>
<td><strong>In Italy</strong>, “Some of these measures, especially those related to strengthening skills and training, the creation of early career paths have been planned to prevent the causes of unemployment and the mismatch between supply and demand in the labour market. Educational institutions (upper secondary schools and universities) and Public Employment Centres have played a key role in developing these initiatives, which has been mainly promoted by public agencies and focused on developing an easy path to gain one’s first job experience or replace job losses.” (IT NR)</td>
</tr>
<tr>
<td><strong>In Ukraine</strong>, “The professional orientation services in principle can be viewed as a preventive measure, as well as the &quot;matching&quot; services (providing suitable vacancies). These two services are provided to both the unemployed and the employed, and in the latter case they can be considered preventative.” (UA NR)</td>
</tr>
</tbody>
</table>

**Source:** National reports for the respective countries

However, it is not necessary preventative measures to be limited only to educational measures. In many political documents on ALMP in the different countries preventive measures are mentioned, but the extent to which they are implemented and their effectiveness remain vague.

As stated in the Estonian report, „Preventive measures include youth work and youth policy related measures, also various youth interventions carried out by different ministries. Effectiveness of these measures, which are claimed to have value as
preventive measures, is not researched hence proven. Consequently, it is questionable whether they can be categorized as preventive measures; classification of them as preventive measures is based on expected outcomes only, not on delivered results." (EE NR)

For the other 19 countries, experts’ judgment on the preventive-reactive character of the measures shows that in most cases as well the measures are considered either mixed or reactive. Most often vocational guidance & carrier counselling is evaluated as a preventive measure. Comparing countries, most often, the measures in Lithuania, France, and Hungary are assessed as reactive.

Such assessments suggest possible lack of consistency between different types of policies and decrease the possible effectiveness of ALMPs, while early, on time interventions, including joint impact of the different types of policies could result in avoiding problems instead to confront them only when they arise and grow.

The ALMPs predominantly reactive approaches could learn lessons from the accumulated knowledge in different areas. Plenty of achievements in social knowledge and well-known results from social studies seem to be highly unused or/and underused in ref. with LM and ALMPs, for example in the field of social work, crisis interventions (Parad 1978: 56), social impact assessments, etc. Just one such example is that the angle of recovery in crisis depends on the "perceived reality undistorted by fantasies". (Parad 1978: 56) (usually ideologies) and is determined by a clear diagnosis and resource’ mobilization. The labour market policies, active one included, could gain if they are based on the vision that people are not “a redundant burden”, but social wealth and a developmental resource.

3.6. ‘Any job – good job’ dilemma

In principle the ‘good job’ concept is not incorporated in the ALMPs. The quality of jobs offered to young people follow the general state of the labour market and the national practices for establishing wages and working conditions. The problem of quality jobs does not seem to be specifically addressed by ALMPs.

Textbox 1.13:

In Italy “The programmes aim primarily to reduce the unemployment rate among young people. As the Government has often stated, the goal of the last labour-market reform was clear and simple: improving the opportunity for youth – especially NEET – to obtain contracts. According to the interviewed stakeholders, young people were not tracked or helped in their career: programmes tried to help them find a job (whatever it was) but rarely did employment services take an interest in finding them a “good job”.” (IT NR)

In UK “Furthermore, wage policy can be another influential factor in the UK. As mentioned in the previous section, there are different rates of the National Minimum Wages according to different age groups. This might discourage young people to move into work, and encourage large corporations to employ mainly young people (for example, McDonald’s)” (UK NR)
In Estonia, “There are no such specific opportunities. In general, the system of “progression in work” is rather uncommon in organisations in Estonia; hence there are no initiatives and measures to support this.” (EE NR)

In Bulgaria, “The concept of quality jobs is far distant from the policies and reforms. In fact low quality jobs are so much prevailing in the country that it is hardly possible the question to be addressed just for one age group. The whole veer of income policies in the country needs reconsidering in order to seriously address the topic of quality jobs.” (BG NR)

Source: National reports for the respective countries

Some nuances could be found in Sweden and Poland:

In Sweden, all the initiatives and measures have the aim to assist unemployed young people to enter jobs with real progression opportunities (including those policies aimed at ‘good jobs’). However the report mentions that the aim is not always achieved. (SE NR)

In Poland: “Although there are no separate incentives supporting the increase of youth employees’ wages, apart from ministerial decisions of cyclical minimal wage increase, several Local Labour Offices conditioned the amount of monthly refund under Job for Youth of the wage received by young employee. In this situation the company which employed a young unemployed over minimal wage can obtain the maximal monthly refund.” (PL NR). Still in Poland as well the question is not about quality job, but about an amount higher than the minimal wage.

The problem of quality jobs stays largely unaddressed and this could contribute to the low effectiveness of ALMPs.

4. Conclusions

Summarizing some main conclusions for the state of youth employment policies could be pointed out:

(1) As a rule, young unemployed are included in measures targeting all unemployed people, while in many Member States specific youth-oriented measures are being taken and implemented. Different ALMPs give different groups of unemployed different forms of training/employment, and thanks to these measures, some of the unemployed manage to accomplish a successful transition to employment.

(2) In all countries commitment to and compliance with ALMP’s of passive measures involves tightening of the conditions and subordinates welfare to workfare; In connection with the stricter requirements for recipients of passive measures, in many countries young people drop out of this part of the social protection system.

(3) In some cases ‘activation’ redefines previously existing active labour market measures. In this process, countries with established practice move to activation more carefully, more consistently and, in this sense, with greater concern about compliance with existing rules and norms in the national economic and social context.
Countries that develop ALMPs at a later stage and are involved in the 'activation turn' process find it harder to combine ALMPs with adequate attention to the local socio-economic context.

(4) The activation turn does not seem enough adjusted to differentiate between labour shortage and job shortage. Providing "one size fits all" instruments it especially underestimates alternative measures to drive the economy; for example, the possible impact of stimulating purchasing power; This pronounced emphasis reinforces the disciplining effect of ALMPs at the expense of mobilization and the quality of the employment provided, and therefore social inclusion and quality of life drop out of the focus, as depicted in the national reports and next parts of this report.

(5) Different ALMPs are also often related to private business subsidies, and it is unclear to what extent and in what form this leads to de-marketization of the economy.

(6) The review clearly depicts the need to search for new balances in the LMPs with regard to active and passive measures; addressing individual & structural deficits; enhancing preventive and reactive measures; attention to any job & good job dilemma;

Recently, OECD has re-stated the importance of adequate passive labour market policy measures: "Sufficiently generous unemployment benefits and social-assistance systems with a wide coverage are also a key to minimising displacement costs. These measures cushion the income losses resulting from job displacement. When designed well, they also reinforce the effectiveness of active labour market policies, because unemployment and social-assistance benefits provide the principal instrument for connecting jobless people with employment services and active labour market programs. Job losers who do not qualify for these types of benefits may lack a sufficient motivation for enrolling into programmes or simply the necessary information to seek out the most appropriate activity. When income benefits are combined with effective monitoring and sanctions within a "mutual obligation" framework, jobseekers can be promptly referred to employment services that provide job search assistance or, depending on the unemployed person’s profile, more intensive services such as training. If benefits are too low, the risk that people drop out of the labour market altogether is increased. The financial incentive to take up gainful employment and/or actively follow the assigned programme also increases as benefits increase, because the potential benefit sanctions significantly raise the cost of breaching the "mutual obligation" contract (OECD, 2017b: 57-58).

The vision that any of the two types of measures alone cannot lead to an improved employment or social situation is gaining force. “In most OECD economies ALMPs have increased significantly in importance since the 1990s… In recent years, however, the notion that active and passive labour market interventions can act in a complementary way – even reinforcing one another – has been increasingly supported… All these contributions have stressed the importance of the role of the complementarity between
ALMPs and passive support in improving labour market performance and sustaining living standards.” (ILO, 2016: 51)

There is a growing need to review the approach by addressing the structural factors that generate high rates of youth unemployment.
Chapter 2: Overview of selected youth-oriented labour market policy measures

The focus of the current chapter is on selected by the national teams existing youth-oriented policy interventions. It seeks to answer two questions, namely:

(1) What are the youth employment policy measures at national, regional and local level?

(2) Are there any similarities and dissimilarities across countries, especially countries sharing approximately same youth employment challenges?

In order to answer these questions, the responsible national teams/experts have prepared national reports containing detailed information about a limited number of policy interventions. These interventions have been selected by the national teams with a view of providing a snapshot of the currently existing policy approach towards youth labour market inclusion. In that sense, without pretending that the selection perfectly mirrors all youth-oriented policy interventions in each country, it has been done mainly for illustrative purposes, i.e. in order a representative picture of the respective country to be provided. However, the analysis and related conclusions relate to the selected set of policy interventions and generalisations should be treated with caution.

The selection of the policy interventions has been done on the basis of some uniform predefined criteria. These criteria are briefly presented in the following table:

Table 2.1: Criteria to be used in selecting national youth-oriented policy interventions

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic criteria</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Number of interventions</strong></td>
<td>It is recommended to select and present policy interventions that are characteristic for the respective country. The number depends on country peculiarities and lays on the assessment of the responsible national team.</td>
</tr>
<tr>
<td><strong>Objectives</strong></td>
<td>At least one policy intervention among the selected ones should be aiming at progression in work or assisting unemployed young people to enter jobs with real progression opportunities (including those policies aimed at ‘good jobs’).</td>
</tr>
<tr>
<td><strong>Targeting</strong></td>
<td>It is recommended the selected policy interventions to be targeted at the youth or mainly at young people. If possible, interventions targeted at different youth subgroup to be included.</td>
</tr>
<tr>
<td><strong>Implementing actors</strong></td>
<td>No limitations as youth-oriented policy interventions can be implemented by various stakeholders (both public and private)</td>
</tr>
</tbody>
</table>
Types of action
The selected interventions should provide examples of different actions (vocational guidance, career counselling, training, employment incentives, direct job creation, start-up incentives, etc.)

Implementation status
It is recommended the selected policy interventions to be ongoing, i.e. not completed.

Good practice examples
It is recommended at least one of the selected policy interventions to represent a good practice example.

Supplementary criteria

Budget and coverage
It is recommended interventions with highest budgets and highest number of participants to be selected.

Duration
It is recommended interventions with different period of implementation to be selected.

Funding sources
It is recommended interventions with different sources of funding to be selected, i.e. EU, national, regional, local, private.

Links to the EU youth employment initiatives
It is recommended interventions having a clear links to the existing EU youth employment initiatives such as Youth Guarantee, Youth Employment Initiative, Quality Framework for Traineeships and Apprenticeships, etc., to be selected.

1. Youth-oriented labour market policy measures: an overview

Information on totally 120 policy interventions (52 from the EXCEPT partner countries and 68 from the other 19 countries) has been collected.

The numbers of presented policy measures in the other 19 national reports are as follows:

- 3 measures are presented by the experts in 13 countries (BE, CZ, CY, DK, ES, FI, FR, HR, LT, LU, NL, PT, RO)
- 4 measures are presented by the experts in 4 countries – Austria, Malta, Hungary and Slovenia.
- The national report from Latvia presents 7 measures and the one from Slovakia presents 6 measures.
Almost all of the selected measures represent specific programmes, projects or groups of projects, i.e. initiatives with limited duration and budget. Examples of exceptions are the initiative towards raising education participation rate (the United Kingdom) and employment quotas (Ukraine) which are in fact legislative changes, i.e. seek to achieve almost universal coverage. However, despite its universal coverage, according to the national experts these two measures have very different degree of success.

**Textbox 2.1:**

**Two examples – legislative measures towards combating youth unemployment**

**Raising education participation rate (UK)**

The main objective of this intervention is to achieve a higher education participation rate of 15-19 year olds. For that purpose, in 2008 the Education and Skill Act has been amended and the age of compulsory participation in education and training was increased. It had to reach 18 years of age by 2015. The existing evaluation reports point out that thanks to this measure since 2011 there has been a decline in the share of the young people neither in education or training, nor in employment.

**Employment quota (Ukraine)**

According to the Ukrainian labour legislation, in enterprises with more than 20 employees, at least 5% of the employees should be the so-called “vulnerable categories of population” (excluding people with disabilities). There are nine categories, among which are children over 15 and recent graduates having not been in employment. This measure was introduced in 2001. However, due to the specific
national circumstances with regard to law obedience, expert opinion shows that the effectiveness of this measure is rather law.  

Source: National reports for the respective countries

1.2. Objectives formulation and expected effects

This section analyses the way the objectives of the selected policy interventions are formulated. This is an important aspect of their success as the objectives are an illustration of how national decision-makers perceive the problems faced by the youth.

In that way of thinking, the existence of broad and vague intervention objectives presumes that the expected outcomes are not clearly formulated. On the contrary, if policy intervention objectives are specific and formulated in adequate details, it can be easily determined what kind of results are expected, for whom and how.

The overview of analysis shows that the objectives of the most policy interventions selected are formulated in very specific way. There are only few examples when objectives are very broad or unclear. In these cases, objectives sound like “to address issues of youth employment”, “to support social integration of young people” or “enhancing employability and job prospects of youth”.

Three different dimensions can be distinguished:

- Target-group-specific objectives;
- Action-specific objectives;
- Results-specific objectives.

In many occasions these dimensions can be found simultaneously. The following textbox provides some country examples of policy intervention objectives formulated in specific way in accordance with these three dimensions (or combination of them):

<table>
<thead>
<tr>
<th>Textbox 2.2: Examples of policy intervention objectives formulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target-group specific:</strong></td>
</tr>
</tbody>
</table>
| **Career Start (Bulgaria):** “The program aims to provide work experience for unemployed young people who have completed secondary or higher education in order to facilitate the transition from education to employment”.

**Projects under the priority axis I of KEG OP (Poland):** “Enhancing the employability of young people aged up to 29 who are not in employment, including in particular those who are not in education and training (NEETs)”.

**Career start coaching (Germany):** “Help young people with lower education and in social disadvantage positions who have higher risk of becoming unemployed, to prevent or help through transitions problems from educational to vocational training and to improve their employability. Furthermore to help young people to successfully complete an apprenticeship to prevent dropouts”. |
Action-specific objectives:

**Stage programme (Greece):** “Opportunities for participation in a combination of theoretical training and a work placement”.

**Master of Talents (Italy):** “The measure aims at offering real work opportunities and international internships during the last year of upper secondary schools”.

Target group- and action-specific objectives:

**Youth Contract (UK):** “The Youth Contract aims to support unemployed 16-24 year olds, connecting to work and/or education through apprenticeships, traineeships and work experience placements, as well as wage incentives for recruiting young people”.

**Pre-vocational education and training measure (Germany):** “Improve the employability of risk groups due to special courses and traineeships in participating companies. Integrate young people with disability into the first labour market”.

Target group- and results-specific objectives:

**Introductory training for young people (Germany):** “The initiative aims at supporting those young people not able to find a formal apprenticeship offer and provides an opportunity to further develop their occupational skills and competences”.

SOURCE: National reports for the respective countries

However, despite the fact that the objectives of the most policy interventions are formulated in a specific way in at least one of the mentioned three dimensions, there are no examples of objectives that are specific in all of the three dimensions. This kind of definitions should be clear enough in saying:

(i) **What has to be achieved** (i.e. what the expected results are), e.g. developing particular skills and competences...

(ii) **For whom** (i.e. what the target groups are), e.g. young people aged 15-29 registered at public employment services with at most secondary education, and

(iii) **How** (i.e. what kinds of actions have to be implemented), i.e. what kind of services have to be provided (e.g. vocational training, vocational guidance, etc.) or what kind of products has to be delivered.

This conclusion is applicable to all country examples regardless of the type of policy intervention. Moreover, it is strongly connected to the issue about the definition of the expected effects. This is the second aspect of the question how the youth-related problems to be addressed by the relevant policy interventions are defined.

Firstly, it is of great importance whether the expected effects of a given policy intervention are clearly and publicly manifested prior the start of the intervention, i.e. to be possible during the implementation the progress and achievements to be monitored and objectively assessed. Secondly, the definition of expected effects is crucial as well. The analysis of the achieved results is much easier if the expected results correspond to the defined objectives and are quantified (i.e. to be measurable). Moreover, the assessment of the intervention effectiveness is possible only if the expected results
illustrate the **positive employment change to be achieved for the target groups**. If the expected effects are formulated in a broader way or inconsistently with the policy intervention objectives, it is much more difficult to distinguish successful interventions from the interventions that are not so successful.

In connection to that, the expected effects of the selected policy interventions are analysed against the following three criteria:

- **Availability** – whether expected effects are known and publicly manifested;
- **Measurability** – whether the expected effects are quantified or not;
- **Description of expected policy change** – whether the effects formulation allow for tracking how the employment situation of the target group has to be positively influenced or not.

Taking into account these criteria, the overview of the selected measures show that for a significant proportion of them **information on expected effects is either missing or not provided because it is not publicly available**. For example in the EXCEPT partner countries, for two out of ten policy interventions an assessment of their achievements cannot be done due to lack of the relevant information. **For the other 45 interventions, only in 4 cases (about 9%) the expected results can be measured due to the fact that they are quantified** (see textbox 3), and for 23 measures (about 41%) the expected positive influence (in qualitative terms) for the target group is shown.

<table>
<thead>
<tr>
<th>Textbox 2.3: Examples of policy interventions with quantified expected effects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Youth prop-up support programme (Estonia):</strong> “It is planned 8 800 young people to receive support, expected success rate, in terms of finding a job or continuing education, is 40%”</td>
</tr>
<tr>
<td><strong>Youth Guarantee (Greece):</strong> “Youth Guarantee opportunities will be offered to 180,956 young individuals”</td>
</tr>
<tr>
<td><strong>Job for the youth (Poland):</strong> “Increase in youth employment by 100 000 new jobs for youth”</td>
</tr>
<tr>
<td><strong>Projects under the priority axis I of the KEG OP (Poland):</strong> “Number of young people supported under Youth Employment Initiative – 177 025; Number of young people supported under European Social Fund – 470 431 30% of participants will acquire qualifications, 58% of participants in employment six months after leaving the programme”</td>
</tr>
</tbody>
</table>

**Source:** National reports for the respective countries

Of course, these findings are based on subjective criteria and should be interpreted with caution as far as there can be different reasons why information on expected results is
not available or measurable. Nevertheless, evidently that issue is not peculiar for one or two countries but can be applied to many of the policy interventions.

In addition, what the term ‘expected effects’ exactly means is highly debatable and these definitions might vary across countries. But indeed, if it is not known in advance what positive changes in the target groups’ welfare (in this scenario it is the positive influence on their employment status) a given policy intervention is expected to deliver, it is quite difficult to assess the effectiveness.

From that point of view, these circumstances raise some important questions about how the policy intervention objectives and their expected results are formulated as a part of the decision-making process.

1.3. Targeting

Most of the selected policy interventions are youth-targeted interventions – either designed to cover all young people or a specific part of youth population (youth risk groups). In most countries, the majority of the selected interventions are specifically targeted at youth. On the contrary, it seems that the approach in Estonia, Croatia, Romania, Slovenia, Slovakia and Sweden towards youth employment challenges is more universalistic, i.e. problems of young job-seekers are being addressed through broader ALMP measures covering all labour market groups.

However, less intensive efforts are made towards achieving more distinct differentiation among youth people facing labour market risks and exclusion. Even when some specific youth groups are addressed youth-oriented policy interventions are targeted at much broader groups such as people below 25 or 30 years of age, unemployed young people registered at public employment offices, students, or young people neither in education and training, nor in employment (NEETs). The examples when youth-oriented policy interventions are targeted at a particular group among the youth with cumulative disadvantages are not many. Some of these cases are the German initiatives, namely Introductory training for young people – targeted at young people below 25 years of age, registered at public employment services, who have not been able to find a formal apprenticeship; Career start coaching – targeted at young people with lower educational attainment and in social disadvantage positions; Pre-vocational education and training measure – targeted at young people with lower educational attainment, without school-leaving qualification, or with disabilities (National Report for Germany, 2016). Another such an example comes from the United Kingdom. The Work Programme, which is targeted at long-term unemployed, include specific eligibility conditions with regard to young people aged 18-24 – they can participate in the programme if they have stayed more than nine months outside education, training or paid employment (National Report for the UK, 2016).
1.4. Design and type of actions

Another similarity is that many of the interventions have an integrated design, namely they include various elements. Among them employment services, such as provision of labour market information, career guidance and counselling, on the one hand, and training, on the other, may be noted. Therefore, in the countries under scrutiny, youth-oriented policy interventions aim at providing job-search assistance services, hence – at utilizing the individual potential of youth job-seekers, while investing in their knowledge and skills development. This approach can be called “individual deficiencies mitigation” as far as it presumes that youth unemployment can be addressed mainly by better labour market matching and better correspondence between skills of the jobseekers and the employers’ demands.

Important element of the overall policy approach in some of the countries is the provision of entrepreneurship education and training. For example, in Greece students in primary, secondary and tertiary education could take part in diverse actions seeking to develop an entrepreneurial mind-set (National Report for Greece, 2016). In other countries, such as Poland, entrepreneurship courses are part of a broader intervention combining skills development and start-up financial support (National Report for Poland, 2016).

As the design of the selected policy interventions is rather important, here more details of the EXCEPT partner countries are presented. It has to be noted again that the analysis reflects only the selected policy measures and it is not meant to assess the overall policy approach in each country.

In Bulgaria, almost all of the presented policy interventions are funded by the European Social Fund and therefore their design is strongly influenced by the national eligibility rules that had been defined in the beginning the 2007-2013 programming period. This is one of the possible explanations why most of the policy interventions have very similar design representing a combination of training, including on-the-job training, and subsidized employment. In some cases, policy interventions are aimed at providing employment services and start-up incentives, but evidence shows that there is a strong reliance on direct job creation programmes. This approach has been reproduced over the years and it seems that completed policy interventions are just replaced by other policy interventions with almost the same design. This is the case with “Creating employment for young people by providing internship opportunities” and “Youth employment”. In other cases, there are measures with very similar design and target groups that are taking place at the same time. This is exactly the case with “Career start” and “Youth employment” – both interventions provide some a combination of on-the-job training and direct job creation for the same target groups (young unemployed below 30 years of age). Another such an example is the comparison between “New workplace” and “First job” – they have the same design, eligible actions and target groups and the
only difference is the implementing actors. In the first case it is the employers and in the second – National Employment Agency.

In Estonia, as it has been already noted, the approach is towards more universalistic policy measures covering all unemployed people. The focus is on improving the employability of jobseekers through employment services and labour market trainings provision. It is worth of mentioning that labour market programmes are implemented as a part of a logical framework, i.e. jobseekers take part in labour market programmes only if they have been not successful in finding a satisfactory job as a result of provided employment services. In that case, different options exist, according to the individual needs – vocational trainings, gaining relevant working experience through apprenticeship and work practices, start-up incentives, etc. In addition, training needs are assessed carefully in advance against the regional labour market demand and supply ratio in order to avoid inefficient public spending. Estonia is one of the countries that is not eligible for support from the Youth Employment Initiative.

In Germany, the selected interventions put a strong emphasis on enhancing job opportunities through career guidance and skills development. They are strictly targeted towards the youth and aim at either improving their employability through training courses provision or creating chances for the most vulnerable among the youth to enter the formal vocational training system. Germany is a country which is not eligible for support from the Youth Employment Initiative.

In Greece, the youth can receive various forms of support – employment services, training, subsidized employment and start-up incentives. Most of the measures are youth-targeted as they are implemented within the framework of the Youth Guarantee and therefore seek a timely support to be provided – not later than 4 months after leaving educational system or becoming unemployed. In addition to the Youth Guarantee schemes, young people can take part in interventions with a broader scope covering all unemployed people. These measures include trainings, subsidized employment and start-up incentives. Greece is one of the countries where private actors are also involved in the delivery of the youth-oriented policy initiatives. In fact, the Greek approach is characterised with a parallel existence of two labour market policy nets. The first is a universal and is targeted at all unemployed. The second consists of youth-targeted measures that complement the measures part of the first as far as young people can participate in both types of measures without restrictions.

In Italy, the delivery of youth-oriented policy interventions are highly decentralised at regional and local levels. In addition, Italy is one of the countries with the most active participation of private actors, mainly NGOs but also financial institutions. Despite the decentralisation and the limited geographical coverage of the selected Italian examples of youth-oriented programmes, most of them have a long history dating from mid-90s. Regarding the design of these interventions, the often include many types of actions – employment services, vocational guidance, career counselling, training, subsidized
Another peculiar characteristic of the Italian example is that many of the selected policy interventions employ an early-action and preventive approach, i.e. they are targeted at students – young people who have not left the educational system yet.

In Poland, the bulk of the youth employment policy interventions are implemented within the framework of the Youth Guarantee and Youth Employment Initiative under a dedicated priority axis of the KEG OP. In that sense, the design of the interventions follows the logic of these EU initiatives. However, young people could rely on support by other programmes specifically designed to address national peculiarities. They include training, subsidized employment and start-up incentives. From that point of view, it can be concluded that the approach in Poland is not restricted to following the framework of the EU youth employment initiatives, but young people receive support by other youth-targeted nationally designed policy interventions.

In Sweden, the approach is towards universal policy interventions covering all unemployed people, including the youth. Jobseekers who have been out of employment for a longer period of time can participate in subsidized employment programmes, but training is offered to the majority of the target groups.

In the UK, the description of the selected policy interventions shows that there is a strong focus on the provision of individualised tailor-made integrated services. Often, policy measures combine employment services, job counselling and vocational guidance with labour market training and subsidized employment. Target groups are not broadly defined and eligible recipients are identified according to precise criteria (e.g. claimants of Job Seeker Allowance). The focus is predominantly on the most vulnerable among the people furthest from employment.

In Ukraine, the selected policy interventions contain a variety of actions. These services and measures are offered to the most vulnerable groups on the labour market and they are precisely defined. With regard to the universal interventions, young people will be eligible for support only if they fulfil other criteria not related to age (e.g. to be a single parent or to have disability, etc.). As in some other countries, these universal measures are complemented by youth-targeted ones. In these cases, young jobseekers can receive employment services and trainings, or to take part in subsidized employment programmes.

The circumstances mentioned above are summarized in the next table:

**Table 2.2: Main characteristics of the design of the selected youth-oriented policy interventions in the EXCEPT Project partner countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>Strong emphasis on subsidized employment. Similar interventions are being implemented simultaneously or are reproduced over the years.</td>
</tr>
<tr>
<td>Estonia</td>
<td>Universalistic approach considering the labour market services and measures within a logical framework. In this framework policy interventions are being</td>
</tr>
</tbody>
</table>
implemented in consequence, take into account the achieved results and complement each other.

<table>
<thead>
<tr>
<th>Country</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Youth-targeted interventions aiming at improving the young people’s employability. Young-oriented labour market policy measures are considered as a tool for equalizing opportunities in favour of the most vulnerable young people and facilitating their transition to the universal protection schemes and formal educational system.</td>
</tr>
<tr>
<td>Greece</td>
<td>Similar labour market services and measures are offered both to young people and other labour market groups. Youth-targeted policy interventions follow the logic of the leading EU youth employment policy initiatives such as Youth Guarantee and Youth Employment Initiative (timely support, comprehensive package of support options).</td>
</tr>
<tr>
<td>Italy</td>
<td>Decentralised implementation with strong involvement of private actors. Early-action and preventive approach towards young people still enrolled in the educational system. Interventions offer comprehensive package of support options and have limited geographical coverage.</td>
</tr>
<tr>
<td>Poland</td>
<td>The bulk of the youth-oriented policy interventions follow the logic of the leading EU youth employment initiatives such as Youth Guarantee and Youth Employment Initiative (timely support, comprehensive package of support options). However, the EU influenced interventions are complemented by other youth-targeted interventions designed to take into account national peculiarities.</td>
</tr>
<tr>
<td>Sweden</td>
<td>Universalistic approach emphasizing of training provision with a view of improving employability of jobseekers. The most vulnerable could take part in subsidized employment programmes.</td>
</tr>
<tr>
<td>the UK</td>
<td>Provision of an individualised tailor-made integrated support towards the most vulnerable labour market groups.</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Youth-targeted policy interventions complement the existing universal measures that cover the most vulnerable labour market groups. Young people are not excluded from the universal measures but have to fulfil eligibility criteria that are not age-related, i.e. the support is provided to young people facing multiple disadvantages and labour market risks.</td>
</tr>
</tbody>
</table>

### 1.5. Level of implementation

It is an interesting question how youth-oriented policy measures are being implemented and to what extent they are linked with some of the existing EU youth employment initiatives. In that regard, the **majority of policy interventions are being implemented at national level**. Concerning the level of implementation, among the EXCEPT partner countries, Italy is the country where the biggest share of the selected youth-oriented policy interventions are being implemented at regional or/and local levels. From the non-EXCEPT countries, Belgium and the Czech Republic have presented two regional initiatives each while Spain, Croatia, Hungary, Netherlands and Slovenia have presented
one each. Additionally local interventions are presented by Finland, Croatia, Netherlands and Romania.

**Figure 2.2: Youth-oriented policy interventions received funding from the EU among the interventions presented in the respective national report**

![Graph showing number of interventions and EU-funded interventions per country](image)

**Source:** National report for the respective country

### 1.6. Source of funding

The selected policy interventions in Austria, Denmark, France, Germany, Luxembourg and Sweden are not financed by EU funds. On the contrary all presented interventions in Czech Republic, Croatia, Latvia and Lithuania receive support from the EU funds.

Thus as already mentioned in some countries the overall policy approach has been achieved independently of EU strategic initiatives and funding\(^6\). In other countries, the links with the EU initiatives is stronger. Greece and Bulgaria are examples that are worth of mentioning – in these countries almost all youth-oriented policy interventions have been or are being implemented through the support from the EU. Therefore it could be assumed that: (1) there the youth employment programmes are strongly dependent on the existence of funds coming from the European budget; and (2) national efforts have been (intentionally or not) weakened through cuts in funds provided by the state budget in order to be substituted by European funding.

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\(^6\) The Ukrainian case is not considered here;
1.7. Involvement of stakeholders and young people at design and implementation phases

Regarding the implementation of the selected policy interventions, the majority of them are implemented by public actors. In most of the cases, the ministries of labour or education, and public employment services, are the most important actors. Usually, there is only one responsible body, but sometimes policy interventions are being implemented thanks to the joint efforts of more institutions. However, there are numerous examples of youth-oriented policy interventions implemented by private actors, i.e. non-public actors. These examples include social partners (“Career start coaching” in Germany), associations and foundations (“Master of Talents” and “Place of Crafts” in Italy; “Youth prop-up support” in Estonia), financial institutions (“First business – start-up support” in Poland) or other private organisations (“Lifetramp” in Poland). In many other cases, it is the employers, educational and training institutions that implement the initiative in practice while public authorities play a supervisory role. Therefore, the importance of private actors should not be underestimated – they play a significant role in making the measures a reality.

In contrast with the implementation phase, apparently the involvement of stakeholders is not so active at design phase. National reports provide only limited number of examples how public authorities and other interested parties discuss and make together decisions on how the respective policy interventions should be designed. In Germany, for example, the introductory training for young people is being delivered thanks to the active partnership between the Federal Ministry of Labour and Social Affairs, public employment services and key stakeholders from industry and trade. In terms of successful public-private cooperation, the case of Germany is particularly interesting. In 2014, the Federal Government sealed the created the “Alliance for Initial and Further Training 2015-2018” together with other stakeholders, including business, trade unions, employment administration and regional authorities aiming to strengthen the German dual system. The Alliance provides a broad framework for the implementation of all policy measures related to the development of the dual system. Another example is the so-called “Education chains” initiative, introduced by the Federal Ministry of Education and Research in collaboration with the Federal Ministry of Labour and Social Policy, and the Federal Employment Agency aiming to guide students from finishing school, to successfully completing occupational training, including counselling and coaching activities. These two broader initiatives provide the foundations of the measure “Career start coaching”. In Italy, Piazza dei Mestieri Foundation operates in a network of public and private actors where enterprises are the most crucial as they are helping in understanding the labour market trends and employers’ demands.

Youth involvement is another largely neglected aspect of policy interventions designing. The examples of successful engagement of the young people in the decision-making process are rare. One of them comes from Poland, where youth non-governmental organisations have been involved in the process of preparation of the KEG
Participation of organisations representing the interests of the young people is also a part of the examples from Bulgaria as far as these organisations are part of the Monitoring Committees of many operational programmes – both in 2007-2013 and 2014-2020 programming periods. However, it is dubious what the quality of their participation is, i.e. to what extent they can influence the decision-making in practice.

Another positive example comes from Greece, where the youth are actively involved in the planning and implementing the actions under the entrepreneurial education initiative of Junior Achievement – Greece. As it is mentioned in the Greek national report “most of the projects under that initiative are implemented according to the interests and the initiatives of the students involved. An indicative example is the virtual enterprise, which is fully organised and implemented by young aspiring students-entrepreneurs according to their innovative idea” (National Report for Greece, 2016: 37).

The national reports from Finland and Netherlands point out active participation of young people in decision-making process regarding designing, delivery & development of policies and interventions to support youth. In Croatia, Czech Republic, Denmark, Latvia, Lithuania and Spain partial participation is reported. However most of the non-EXCEPT countries – eleven (Austria, Belgium, Cyprus, France, Hungary, Luxembourg, Malta, Portugal, Romania, Slovakia, Slovenia) indicate as well low or missing participation.

Thus despite some positive examples, it seems that ensuring the involvement of stakeholders and especially the young people themselves still remains a challenge for all countries.

1.8. Existence and quality of the evidence on achieved results

This section deals with the question about the existence of adequate publicly available evidence that can be used in assessing the influence of the respective policy interventions on the labour market situation of youth. For that purpose, on the basis of the information provided in the national reports, it has been determined:

- Total number of interventions for which information regarding the youth participants (less than 30 years of age) is available (data on non-youth participants is not taken into account);
- Total number of interventions for which information regarding financial resources used is available;
- Total number of interventions that have been evaluated and the evaluation findings are available.

The results show that there is information about either participants or financial resources for approximately one-half of the policy interventions – for 30 and 26 interventions respectively. This can be considered as very low figure taking into account that these interventions are deemed to be an important part of the overall policy approach towards solving youth labour market challenges. In addition, data on both youth participants and
financial resources is available for less than the half of the selected interventions (20 out of 52 selected interventions).

Data per country is presented in the following figure:

**Figure 2.3: Number of interventions for which both data on youth participants (less than 30 years of age) and financial resources is available.**

![Bar chart showing number of interventions for each country](image)

**Source:** National report for the respective country

Results show that in those countries where a bigger part of the interventions presented in the national report are not targeted at the youth specifically (Sweden, Estonia, Ukraine), data on how many people below 30 years of age have received support and how much funds have been spent (for all target groups) is not available at the same time.

While data from monitoring systems is crucial for tracking the progress during the implementation of the given policy measure, evaluation findings are the most useful tool to gain knowledge what are the longer-term results of the intervention. From that point of view, it is interesting to see how many of the selected policy interventions have been subject to evaluation. The results show that this is the case for 27 interventions only.

According to the information provided in the EXCEPT partner-countries national reports, the figures vary from 100% for Greece, the United Kingdom, Germany and Sweden, to approximately half of the interventions for Poland and Estonia. In Italy, Bulgaria and Ukraine the least part of the selected interventions have been subject to evaluation, possibly reflecting the existing evaluation culture in these countries.
In the other 19 countries the situation is as follows:

- In most of the selected policy interventions in Austria, Belgium, France, Croatia, Lithuania, Latvia, Slovakia and Spain data on number of participants, costs and evaluations are available.

- In Malta – for 2 of the interventions the costs are not known but evaluations are present, for the other 2 there are no evaluations.

- Portugal and Czech Republic lack the necessary data – the numbers of participants are either missing or just planned, the costs are not known and evaluations are not made.

- In Cyprus when number of participants and costs are known there are no evaluations and vice versa.

- In Denmark numbers of participants are known and evaluations are available but costs are not known.

- In Finland only one of the interventions covers the 3 indicators. The others have been evaluated, but in one of them the number of participants is not known, and in the other one the costs are missing.

- Similarly in Romania only one of the interventions covers the 3 indicators. For the other two costs are missing and evaluation is not present in one case.
- In Hungary the figures of number of participants are available, however only 2 of the interventions have been evaluated, the other two lack evaluations.

- In Luxembourg – for 2 of the 3 interventions there are no evaluations, the costs are not known and the number of participants is missing in one intervention.

- In Netherlands there are evaluations but either the number of participants or the costs are not known.

- In Slovenia numbers of participants and costs are available, while evaluations are made in half of the cases.

2. Conclusions

Here, a summary of the most important success factors and remaining policy challenges is presented.

2.1. Success factors

(1) **Policy context matters.** The success of a given policy intervention is strongly influenced by the existing economic and social conditions. When the labour demand is low and job openings are rare, the success of even the best designed and implemented interventions is questioned. As the Greek national report clearly stated, in the times of economic recession, young people face multiple challenges in their transition to the labour market that cannot be easily overcome by labour market policy services and measures.

(2) **Targeting is crucial.** Many national examples point out that targeting of a policy intervention is one of the main factors behind its success. For example, in Greece the success of the voucher programme can be explained by the fact that the participants are selected on the basis of precise criteria making possible the support to be channelled to the most in need, on the one hand, and to apply an individualised, needs-based approach, on the other.

(3) **Young people in a disadvantageous position need extra support.** The youth target group is not homogenous. Young people have different needs and face different problems. Therefore, for some of them (for example – tertiary graduates from richer families) it might be easier to cope with the labour market risk than for the others (for example – people with lower educational attainment facing multiple social risks such as low household incomes, material deprivation, social isolation). For the youths in a disadvantageous position, public policies need to take into account and adequately address both the magnitude and depth of the factors preventing these boys and girls from sustainable integration into the labour market.

(4) **Comprehensive packages work better.** This is evident from many national reports. Labour market services and measures offered to the youth are considered to be much more efficient if many different forms of support are provided. In that way, all possible barriers to employment can be addressed at the same time.
Duration of support should correspond to the individual needs. For example, in the UK, part of the success of the “Work Programme” in reducing the long-term unemployment rates is due to the fact that it provides more secure employment prospects rather than short term work experience.

Young people should be provided with sustainable economic opportunities. This is a message delivered by some of the national reports mentioning the benefits of entrepreneurial education and start-up incentives. In addition to the financial support, young people who have participated in such types of programmes acquire valuable skills and attitudes that can make it easier for them to find sustainable solutions in future.

There are no one-size-fits-all approaches. Policy success is forged as a long and continuous process of finding the best solutions at national level. Once these solutions have been identified, they should be continuously supported.

2.2. Lessons learned

Policy interventions need to address both labour supply and demand. This is particularly relevant in situations where youth unemployment is high and skills mismatch is an issue. In cases like these activation measures and the welfare-to-work approach will not be efficient if labour demand is not incentivized as well.

Subsidized employment programmes should be carefully planned and closely monitored. Some national teams express concerns that existing programmes for subsidized employment do not achieve the stated goals and create pervasive effects instead (Greece, Bulgaria). In these countries, direct job creation programmes are used either for political purposes or to regulate the overall unemployment rates. However, their pay little attention to employability promotion — a fact questioning the sustainability of their outcomes in longer-term.

Successful policy ideas should be backed up with adequate resources. Some national reports, for example the Italian one, mention that well designed policy interventions having clear and meaningful objectives can fail due to lack of financial and human resources, and sufficient promotion among the community.

Involvement of stakeholders and young people themselves is insufficient and widely neglected. This remains among the challenges that have to be solved from now on.

Many of the selected policy interventions lack adequate evidence on their influence on the youth. Despite the fact that all these interventions are considered to have influence on the youth employment situation, still in many cases their short- and longer-term effects are not being properly monitored and evaluated.
Chapter 3: Overview of selected good practices

The overall aim of this chapter is to provide an analytical overview from a comparative perspective of selected policy interventions that are considered as good practices according to the national reports prepared for each one of the EXCEPT Project partner countries (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden, UK, and Ukraine). In identifying good practices, common underlying criteria have been used.

1. The challenges in the “good practice” research

It can be argued that in some cases, evaluating the quality of best or good public policy examples is easier said than done. From that point of view, in the so-called good practice research, there are some challenges that need to be considered in advance. They can be approached from two research directions, i.e. from substantive and methodological point of view (Colleti, 2013). Substantively, these good practices are analysed at least in two contexts – the context in which these practices have been implemented, and the context in which their applicability are being assessed. From methodological point of view, it is not just enough to analyse the design and implementation mechanism of these practice; sufficient evidence on their effectiveness is also necessary. Therefore, good practice analysis should answer to the following two questions:

- Does the practice work, i.e. if it is effective?
- Will the practice work in different contexts, i.e. will it be effective in other political, social, economic, cultural and geographic background?

Answering these questions is not a straightforward process. Some limitations result from the fact that rarely researchers can be confident that some policy interventions are actually the best among all interventions that address the same issue. In addition, even if the analysis is limited to the good practices, internal and external validity threats still can occur. For that reason, some public policy analysis theorists and practitioners even suggest that instead best or good practice, a concept of smart practice could be used: “an intervention strategy that attempts to take advantage of some qualitative opportunity to create valued change at relatively low cost or risk” (Bardach, 2012: 22).

In other occasions, however, evidence on intervention results can be limited and not comprehensive. As some authors mention, not all practices are automatically good practices. This is so because their creators might be either focused on the preferences of narrow target groups that conflict with the preferences of other groups and communities or they might not have sufficient knowledge on the unintended effects of these practices (Wagenaar and Noam Cook, 2003). In other words, positive effects produced in favour of some groups and communities might be neutralized by other effects negatively influencing the wellbeing of other groups and communities.

Contextual factors should be addressed in good practice research. This is necessary to avoid “rash and misleading translation and transfer of (seemingly positive) strategies
from one locality and one country to another” (Wollman, 2007: 394). Therefore, careful consideration of contextuality and conditionality of such good examples is required.

Finally, good practice research is tightly linked to the so-called transferability of practices under scrutiny. In literature, policy transfer is defined as “a process in which knowledge about policies, administrative arrangements, institutions etc. in one time and/or place is used in the development of policies, administrative arrangements and institutions in another time and/or place” (Dolowitz and Marsh, 1996: 344). Policy transfer can take various forms, for example lesson drawing (Rose, 1991), negotiated transfer or even direct coercive transfer (Evans, 2009), also at different levels (international, national, regional and local) (Evans and Davies, 1999). In addition, the degree to which a given practice is transferred can vary as well – from exact application (photocopying) to the so-called selective imitation (Rose, 2005: 81)

But often what can be transferred is not the same that is desired. That is why both practicality and desirability of good practices analysed have to be considered. Many factors influence the decision whether to “borrow” a practice, among which: a) path-dependence, i.e. the inherited situation; b) problem definition, i.e. whether the selected practices solves exactly the same problem; c) resource availability; d) cultural difference, and many others.

This brief overview is an illustration that the so-called good practice research includes very high degree of complexity. In that sense, making the existing sophisticated approach more practical would be really challenging. The next section tries to deal with that issue with a focus on good practices on youth employment.

2. Criteria for identifying “good practices” on youth employment

Currently, different institutional stakeholders at international level are trying to encourage mutual learning and dissemination of information regarding existing good practices towards youth employment. These efforts have intensified since the beginning of the global financial crisis and coincided with the deepening of the problem of youth unemployment and job insecurity.

One of the most important steps in facilitating good practice dissemination certainly concerns the choice of an operational definition what good practice on youth employment is. In that respect, different approaches exist, but all of them share some similar features.

For example, in 2009 the International Labour Organisation Employment Programme launched the good practice on youth employment initiative7. The initiative is aimed at identifying, exchanging and disseminating successful practices that promote decent work for youth. The initiative has had three phases (2009, 2012 and 2013). During the last call for good practices, six operational criteria for identifying the good practices had

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7 [http://youthpractices.ucol.mx/?lang=en](http://youthpractices.ucol.mx/?lang=en)
been used: (1) relevance; (2) effectiveness and impact; (3) efficiency; (4) sustainability; (5) innovation and (6) replicability (ILO, 2013: 10). This approach adopts the so-called policy cycle perspective and assesses the intervention in terms of the different policy stages (problem-definition, formulation of policy options, implementation, etc.).

Another example of good practice on youth employment definition comes from OECD. In 2009 the organization compiled a package of good practices that encourage youth entrepreneurship. Three criteria were used: (1) opportunity creation; (2) entrepreneurship education; (3) start-up support (OECD, 2009: 9). This approach emphasizes on whether a given practice has succeeded in creating positive outcomes for young people. The first criterion addresses the scope and coverage of support, i.e. whether the practice creates necessary conditions favouring youth entrepreneurship development. The second relates to motivation, attitudes and competence development. The third criterion emphasizes on whether the support provided under the practice is continuous enough in order sustainability of outcomes to be achieved.

The third example, which more or less combines the two previously presented examples, has been formulated for the purposes of the Mutual Learning Programme under the European Employment Strategy. It takes into consideration both the overall policy formulation process and the need tangible and sustainable positive results to be produced: “A specific policy or measure that has proven to be effective and sustainable in the field of employment, demonstrated by evaluation evidence and/or monitoring and assessment methods using process data and showing the potential for replication. It can cover both the formulation and the implementation of the policy or measure, which has led to positive labour market outcomes over an extended period of time.” (Mutual Learning Programme support team, ICF GHK, 2013: 4).

Considering these circumstances, the process of identification of good practices on youth employment has been based on the criteria developed for the purposes of the Mutual Learning Programme. In addition, in order to facilitate good practice comparisons, data on the following their features has been collected as well: (1) design; (2) duration; (3) EU relevance; (4) results; (5) existence of evaluations.

3. “Good practices” on youth employment in EXCEPT partner countries: description and comparison

In total, 22 good practices on youth employment from the 9 countries have been identified by the national reports. Information about their names, countries of origin and short description is presented in the following table:

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8 Mutual Learning Programme under the European Employment Strategy
**Table 3.1:** Short description of the selected good practices (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden, the UK, and Ukraine)

<table>
<thead>
<tr>
<th>Name of the initiative</th>
<th>Primary objective (-s)</th>
<th>Type of intervention</th>
<th>Intended effects</th>
<th>Target groups</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BULGARIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Start</td>
<td>The program aims at providing work experience for unemployed young people who have completed secondary or higher education in order to facilitate the transition from education to employment.</td>
<td>Direct job creation</td>
<td>(1) Prevention disqualification of young people (2) Prevention against 'brain drain' (3) Proving opportunities for renewal of public administration (4) Providing opportunities for further recruitment of young people to permanent jobs (5) Achieving a flexible combination of knowledge, skills and experience in line with the requirements of the market economy</td>
<td>Unemployed youth under 30 years of age with tertiary education and without previous working experience in the field of study, registered at local employment offices</td>
<td>Ongoing Started in 2002</td>
</tr>
<tr>
<td>Student practices</td>
<td>The aim of the measures is to provide opportunities for university students to gain practical experience in a real working environment and to improve their job readiness</td>
<td>(re-) orientation courses, preparation for training or employment</td>
<td>Facilitated university-to-work transition</td>
<td>University students</td>
<td>Ongoing Started in 2008</td>
</tr>
<tr>
<td><strong>ESTONIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apprenticeship / Work practice</td>
<td>The aim of labour market training is to help the unemployed find work, by providing them with an opportunity to acquire the required work experience as well as skills and knowledge</td>
<td>Training</td>
<td>Work practice is provided with two objectives in mind. First, to provide necessary practical training for the unemployed in order to improve their employability. Second, work practice provides employers with the opportunity to find and train employees in order to fill the available positions.</td>
<td>Unemployed people at an early stage of their spell out of employment.</td>
<td>Ongoing Started in 2006</td>
</tr>
<tr>
<td>Business Start-Up Subsidy</td>
<td>Providing a start-up subsidy as a lump-sum payment to unemployed people to cover the costs of starting a new business.</td>
<td>Start-up incentives</td>
<td>N/A</td>
<td>Individuals who are at least 18 years old and are registered as unemployed or job-seekers who have received a</td>
<td>Ongoing Started in 2003</td>
</tr>
</tbody>
</table>
### Labour market training

| Provision of training to unemployment people after an assessment which type of knowledge and skills they need in order to find a new job and after analysing the regional demand for labour | Training | N/A | notice of dismissal can apply for the subsidy. |

### GERMANY

#### Introductory training for young people

- **The initiative aims at supporting those young people not able to find a formal apprenticeship offer and provides an opportunity to further develop their occupational skills and competences. It tackles the problem that many firms may not want to take the risk of employing apprentices with uncertain skills.**

- **Training**

- **Developing occupational skills. If successful, candidates can transfer their credits to subsequent vocational training programmes. The introductory training scheme is also geared towards persuading businesses that do not, or no longer, offer training places take a more active role in vocational training and education.**

#### Career start coaching

- **To offer help young people with lower education and in social disadvantage positions facing higher risk of becoming unemployed, to prevent or help through transitions problems from educational to vocational training and to improve their employability. Furthermore, to help young people to**

- **Training**

- **Individual support from professions by job decision and graduation, training for application, help to find positions in traineeship, apprenticeship or further educational training. Beginning two Years before school leaving, longest 24 months after school leaving. Also up to 6 month support in current apprenticeship**

#### For unemployed people under the age of 25

- **For unemployed people under the age of 25**

- **Ongoing Started in 2004**
<table>
<thead>
<tr>
<th>Pre-vocational education and training measure</th>
<th>Jeliazkova, Minev &amp; Draganov</th>
</tr>
</thead>
<tbody>
<tr>
<td>successfully complete an apprenticeship to prevent dropouts.</td>
<td>Improving the employability of risk groups due to special courses and traineeships in participating companies. Integrate young people with disability into the first labour market.</td>
</tr>
<tr>
<td>Training</td>
<td>Young people can make use of this measure up to 10 months, young people with disability up to 11 months.</td>
</tr>
<tr>
<td></td>
<td>- Training courses or traineeships in participating companies.</td>
</tr>
<tr>
<td></td>
<td>- Analyses the individual abilities to support young people in job decision making and supporting the decision process by little traineeships in companies.</td>
</tr>
<tr>
<td></td>
<td>- Support in preparing for acquisition of a secondary general school certificate or equivalent.</td>
</tr>
</tbody>
</table>

**GREECE**

<table>
<thead>
<tr>
<th>Voucher programme</th>
<th>Opportunities for participation in a combination of theoretical training and a work placement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and traineeship. Often counselling services are provided.</td>
<td>Improvement of skills and competences in theory and practice, acquiring work experience, official recognition of the training and of the work placement period, enhancement of professional prospects.</td>
</tr>
<tr>
<td>Unemployed people registered with Greek PES (OAED) with or without benefits.</td>
<td>Unemployed people registered with Greek PES (OAED) with or without benefits.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Youth Guarantee</th>
<th>Ensure that all young people under the age of 25 years receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months after becoming unemployed or leaving formal education.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training, apprenticeships/traineeships, promotion of employment or entrepreneurship, counselling and guidance services.</td>
<td>Increasing employability, improvement of knowledge and skills for young people, offering of opportunities for apprenticeships/traineeships, dependent employment or entrepreneurship for young people.</td>
</tr>
<tr>
<td>Young unemployed people and NEETs up to 29 years of age.</td>
<td>Young unemployed people and NEETs up to 29 years of age.</td>
</tr>
</tbody>
</table>

**ITALY**

<table>
<thead>
<tr>
<th>Master of Talents – school leavers and graduates</th>
<th>The measure aims at offering real work opportunities and international internships during the last year of upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational guidance, career counselling</td>
<td>(1) To strengthen the autonomy of young people; (2) To provide useful experience for study – and career – paths; (3) To strengthen both intercultural and European identities.</td>
</tr>
<tr>
<td>Young people attending upper secondary schools in Piedmont and the Aosta Valley</td>
<td>Young people attending upper secondary schools in Piedmont and the Aosta Valley</td>
</tr>
<tr>
<td>Country</td>
<td>Measure</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Enel – Young apprenticeship programme</td>
<td>Secondary schools. Training Employer incentives</td>
</tr>
<tr>
<td>Place of Crafts</td>
<td>The measure aims at developing skills of young people, particularly those at risk of marginalisation. Vocational guidance, career counselling Training</td>
</tr>
<tr>
<td>Start their own business</td>
<td>The measure aims at helping people to start a business and become self-employed</td>
</tr>
<tr>
<td>POLAND</td>
<td>First business – start-up support</td>
</tr>
<tr>
<td>KEI – projects under Priority axis I</td>
<td>Enhancing the employability of young people aged up to 29 who are not in employment, including in particular those who are not in education and training (NEETs). (re-)orientation courses, preparation for training or employment Vocational guidance, career counselling Training Employment incentives, subsidies for employer Direct job creation Start-up incentives</td>
</tr>
<tr>
<td>Initiative</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Lifetramp</td>
<td>Lifetramp is a private start-up initiative. Lifetramp has been established in 2014 as an IT platform that allows people to try different careers and lifestyles by training with and learning from a mentor for a day. (re-)orientation courses, preparation for training or employment. Vocational guidance, career counselling.</td>
</tr>
<tr>
<td>AMU</td>
<td>Training, because AMU aims to improve the chances of unemployed job seekers to obtain a job, by way of substantive skill-enhancing courses.</td>
</tr>
<tr>
<td>SWEDEN</td>
<td></td>
</tr>
<tr>
<td>UNITED KINGDOM</td>
<td></td>
</tr>
<tr>
<td>New Enterprise Allowance</td>
<td>Assisting and supporting unemployed people who want to start up a business.</td>
</tr>
<tr>
<td>Jobcentre Plus support</td>
<td></td>
</tr>
<tr>
<td>New Enterprise Allowance</td>
<td>Assisting and supporting unemployed people who want to start up a business.</td>
</tr>
<tr>
<td>UKRAINE</td>
<td></td>
</tr>
<tr>
<td>Professional training/ vouchers for training</td>
<td>Vocational training or retraining at Ukrainian PES (SES) training centres or at professional</td>
</tr>
</tbody>
</table>
It can be seen from the table that two of the presented good practices are broader policy interventions consisting of a more than one single programme and project. These are the projects under priority axis I of the Knowledge, Education, Development Operational Programme (KEG OP) in Poland, and the Youth Guarantee in Greece. They are included in the current list as they a demonstration of a successful approach towards youth employment challenge.

3.1. What is the form – changes in legislation or labour market policy programmes?

The results of this descriptive overview of the National reports show that only 1 out of 22 good practices on youth employment represent a legislative change. This is a practice from the UK where in 2008 the government decided to amend the Labour Government’s Education and Skill Act in order to increase, by 2015, the compulsory participation in education and training to age 18. The other good practices are programmes or projects meaning that their coverage and funding are limited, and their duration is also fixed for a limited period of time. Of course, as it is in many cases, these interventions are re-launched (with or without changes in their design) on an annual or multiannual basis.

3.2. Whom good practices are targeted at?

**Table 3.2: Targeting of good practices on youth employment in EXCEPT countries**

<table>
<thead>
<tr>
<th>Name of the good practice</th>
<th>Country</th>
<th>Target group (broadly defined)</th>
<th>Youth-targeted</th>
<th>Universal</th>
<th>Targeted at other risk groups</th>
<th>Targeted at youth risk group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Start</td>
<td>BG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Student practices</td>
<td>BG</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introductory training for young People</td>
<td>DE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Career start coaching</td>
<td>DE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Pre-vocational education and training measure</td>
<td>DE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Apprenticeship / Work practice</td>
<td>EE</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Business start-up subsidy</td>
<td>EE</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Many good practices include additional eligibility criteria in order to make the targeting of actions more precise. One of them is the registration at public employment offices. In some countries, registration is only the first step of the process. For example, in Greece, young people who could receive support under the Youth Guarantee schemes must fulfil additional criteria such as duration of unemployment, personal and family income, participation in previous similar interventions, educational level, etc. These criteria are part of the so-called point system (National Report for Greece, 2016). In Estonia, people who could receive business start-up subsidy have to fulfil three additional criteria: (1) must have participated in business training; (2) have vocational or higher education in the field of business management, and (3) has experience in running a business (National Report for Estonia, 2016). In Bulgaria, young people who want to take part in the Career start programme, must be tertiary education graduates and must not have working experience in the respective field of study (National Report for Bulgaria, 2016).

Regarding the age of the target groups, there is no a uniform trend across countries. In most of the good practice examples, the maximum age of young people is 25 years, while in Bulgaria, Greece and Poland interventions cover young people up to 30 years of age. In Ukraine and Italy some of the measures are targeted even at people up to 35 years of age.
years of age. Minimum age in principle is 18 years, but with regard to some education-related good practices, it can be lower – for example 14 years of age (Youth employment centres, Ukraine) and 15 (Raising education participation rate, UK).

An important conclusion that has to be underlined here is that in the national reports there are only couple of examples of good practices that are targeted particularly at the most vulnerable young people. Some of these examples come from Germany. For instance, the initiative Introductory training for young people (Germany) is targeted at those among young people who are not able to find a formal apprenticeship offer (National Report for Germany, 2016). Another example is from Estonia, where training courses are provided only to people who, due to their inadequate knowledge or skills, have tried unsuccessfully to find a job; however, these good practices are not particularly targeted at young people but to all unemployed.

In most of the other cases, young people who good practices are targeted at are either people having already used public employment services (all countries) or labour market policy supports (UK), people enrolled in the educational system or having completed secondary or tertiary education (Bulgaria, Estonia, Poland, Italy). On that basis, it can be concluded that the analysed good practices are not specifically targeted at those young people at greatest risk of labour market exclusion.

3.3. What types of actions are implemented?

Regarding the type of action, as already stated six broad categories have been defined: (1) (re-) orientation courses, preparation for training or employment; (2) vocational guidance, career counselling; (3) training; (4) employer incentives; (5) direct job creation; (6) start-up initiatives.

Almost all of the good practices are designed as multicomponent interventions, i.e. they contain more than one type of measure. In that respect, data shows that employment services (vocational guidance and career counselling) dominate. These types of measures try to improve the labour market matching, i.e. to inform the young jobseekers about the existing vacancies and employers – about existing candidates. Interventions aiming at improving skills and competences (skills training, workplace training, apprenticeship training) are popular. The primary objective of such kind of interventions is improving the employability of young people and facilitating their transition into the labour market (Kluve et al., 2016). Youth entrepreneurship promotion programmes (start-up initiatives) aiming at removing the obstacles faced by youth planning to establish their own business are presented as well. Under these programmes young people either receive financial support or appropriate services reducing the risk of failure. Finally, a relatively big number of practices contain certain components aiming at reducing the hiring costs for the employer (wage subsidies or direct job creation). But these components are rarely implemented alone – more often they are combined with other components such as employer services and measures towards developing employer-demanded skills and competences.
**Table 3.3: Types of actions in good practice implementation in EXCEPT countries**

<table>
<thead>
<tr>
<th>Practice name</th>
<th>Countr y</th>
<th>Category of action (broadly defined)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(re-) orientation courses, preparation for training or employment</td>
</tr>
<tr>
<td>Career Start</td>
<td>BG</td>
<td></td>
</tr>
<tr>
<td>Student practices</td>
<td>BG</td>
<td></td>
</tr>
<tr>
<td>Introductory training for young people</td>
<td>DE</td>
<td></td>
</tr>
<tr>
<td>Career start coaching</td>
<td>DE</td>
<td></td>
</tr>
<tr>
<td>Pre-vocational education and training measure</td>
<td>DE</td>
<td></td>
</tr>
<tr>
<td>Apprenticeship / Work practice</td>
<td>EE</td>
<td>X</td>
</tr>
<tr>
<td>Business start-up subsidy</td>
<td>EE</td>
<td></td>
</tr>
<tr>
<td>Labour market training</td>
<td>EE</td>
<td>X</td>
</tr>
<tr>
<td>Youth Guarantee</td>
<td>EL</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial education</td>
<td>EL</td>
<td>X</td>
</tr>
<tr>
<td>Master of Talents – school leavers and graduates</td>
<td>IT</td>
<td></td>
</tr>
<tr>
<td>Enel – Young apprenticeship programme</td>
<td>IT</td>
<td>X</td>
</tr>
<tr>
<td>Place of Crafts</td>
<td>IT</td>
<td>X</td>
</tr>
<tr>
<td>Start their own business</td>
<td>IT</td>
<td></td>
</tr>
<tr>
<td>First business – start-up support</td>
<td>PL</td>
<td></td>
</tr>
<tr>
<td>KEG OP – projects</td>
<td>PL</td>
<td>X</td>
</tr>
</tbody>
</table>
3.4. Level of implementation

Almost all good practices have been implemented at national level. Examples of interventions at regional and local level are few and they are peculiar for Italy – a country with strong traditions in decentralization of active labour market programmes (for more details, see the national report for Italy). One of the practices is implemented at international – this is the case of Poland and the Lifetramp initiative. This is an online platform helping companies to establish relationship with potential employees. Currently, the platform operates in almost 40 countries worldwide.

3.5. Source of funding

Taking into account the dominance of national-level good practices, it is not surprisingly that the majority of them (16 out of 22) are funded through the state budget. In 6 cases, the national funding is complemented by support from the European Union funds. In case of Italy, regional and local authorities also provide financial resources for the implementation of the interventions whereas in two cases (Piazza dei Mestieri, Italy, and Lifetramp, Poland) the funding comes only from private sources.

3.6. EU relevance

Important part of the overview is to see whether the identified good practices on youth employment are part of broader European Union youth initiatives. In that regard, only 9 out of 21 good practices (excluding Ukraine) have been implemented in a coordinated manner with a European Union initiative. In five of these cases, this initiative is the European Youth Guarantee. The link of the remaining practices with the European Union initiatives is that they have been supported through the European Social Fund of the European Union.

3.7. Results and primary methods of verification

Existence of positive and sustainable labour market outcomes for young people is an important prerequisite an intervention to be considered as a good practice. In addition, it
is important to take into account how these results have been verified – through external evaluations or evaluations conducted by the agency responsible for the intervention implementation.

The overview of the selected good practices shows **that not all of them have been subjected to evaluation**. This is so due to different reasons – for example, the practice might be at its initial stage of implementation and therefore results are not available or, in case of privately run initiatives (*Lifetramp* in Poland and *Piazza dei Mestieri* (Place of Crafts) in Italy) data on results is not accessible. Except for these cases, the lack of evaluations is caused by the fact that the intervention results haven’t been evaluated at all (Bulgaria, Greece and Italy).

Another obstacle that makes it difficult to draw valid conclusions on the exact effects of these good practices on youth employment situation is linked to the fact that many of the selected interventions are not targeted specifically at young people. In these cases, existing evaluation rarely deal with the effects on youth.

Taking these circumstances into account, the findings of existing evaluations can be summarized in three categories: (1) effects on employment outcomes; (2) effects on earnings outcomes; and (3) effects on business performance outcomes (Kluve et al. 2016).

The descriptive analysis of the evaluation findings shows that majority of selected good practices (only those for which information on their effects on youth is available) have positive effects on employment outcomes (*Introductory training for young people*, *Career start coaching*, and *Pre-vocational education and training* - Germany; *AMU* – Sweden; *Career Start* – Bulgaria; *Professional training/vouchers for training* – Ukraine).

Evaluations of the programmes supporting self-employment among young people in general show positive business performance outcomes. For example, the results available for *Pierwszy biznes – Wsparcie w starcie* (First business – start-up support) in Poland show that for many beneficiaries of the start-up loans, the provided support is considered as an only available source of support and without it, a majority would have remained unemployed or economic emigrants.

There are few existing evaluations dealing with the wage effects of these practices. The only case, mentioned in the national report is for Estonia (*Apprenticeship/Work practice*), but, as far as the programme is not specifically targeted at young people, the effects on their situation are not evaluated, hence – unknown.

The main results, including the finding of existing evaluation, of the selected good practices are presented in the table below:
### Table 3.4: Overview of results achieved by the selected good practices and method of their verification

<table>
<thead>
<tr>
<th>Name of the good practice</th>
<th>Country</th>
<th>Achieved results</th>
<th>Primary methods of verification</th>
<th>Main effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Start</td>
<td>BG</td>
<td>Approximately 600 participants per year.</td>
<td>External evaluation</td>
<td>Higher employment rates for participants in the programme.</td>
</tr>
<tr>
<td>Student practices</td>
<td>BG</td>
<td>More than 101 000 practices financed.</td>
<td>No evaluation</td>
<td>Job-related knowledge, competences and skills development.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Note: Assessment of the main effects is based on the national report.</td>
</tr>
<tr>
<td>Introductory training for young people</td>
<td>DE</td>
<td>In June 2014, there were more than 12,000 youths participating in the introductory training for young people.</td>
<td>External evaluation</td>
<td>Successful integration into employment. About 60% of the participants get a vocational training position afterwards in the selected business.</td>
</tr>
<tr>
<td>Career start coaching</td>
<td>DE</td>
<td>From 2009 to 2014, 1000 schools and 55,551 young people participated in the measure. 50% of the participants had a migration background.</td>
<td>External evaluation</td>
<td>29,6% of the participants were social insurance employed after 6 months of leaving the measure. However, there is no significant effect on success compared to a control group. Improved the fitting problem from personal ability and job decision, so that young people choose jobs that are more realistic.</td>
</tr>
<tr>
<td>Pre-vocational education and training measure</td>
<td>DE</td>
<td>70,000 young people with special needs participated</td>
<td>External evaluation</td>
<td>41% of all participants get into further educational or vocational training.</td>
</tr>
</tbody>
</table>
28% of this participant found an apprenticeship.

But still the integration rate of young people with disability in the first labour market is very low, especially in heterogeneous groups.

The length of traineeship is an important indicator for success. Longer training results in more positives transitions into apprenticeship.

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Evaluation Type</th>
<th>Outcome Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship / Work practice</td>
<td>EE</td>
<td>Information is not available</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher employment rates and wages for participants in the programme.</td>
</tr>
<tr>
<td>Business start-up subsidy</td>
<td>EE</td>
<td>Between 140 (2007) and 678 (2010) participants per year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very high start-up rates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Very high survival rates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher employment rates among participants in the programme</td>
</tr>
<tr>
<td>Labour market training</td>
<td>EE</td>
<td>Between 4903 (2008) and 21950 (2013) participants per year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Better reintegration in employment for participants in the programme</td>
</tr>
<tr>
<td>Youth Guarantee</td>
<td>EL</td>
<td>Provisional results: Youth Guarantee opportunities will be offered to 180 956 young individuals.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge, skills and competences development</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Note</strong>: Assessment of the main effects is based on the national report.</td>
</tr>
<tr>
<td>Entrepreneurial education</td>
<td>EL</td>
<td>Over 50,000 students of all levels have participated in projects of the particular organisation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher interests and motivation among students to participate in entrepreneurship training courses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Note</strong>: Assessment of the main effects</td>
</tr>
<tr>
<td>Programme</td>
<td>Country</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>---------</td>
<td>-------------</td>
</tr>
<tr>
<td>Master of Talents – school leavers and graduates</td>
<td>IT</td>
<td>More than 3,000 young students involved.</td>
</tr>
<tr>
<td>Enel – Young apprenticeship programme</td>
<td>IT</td>
<td>145 students of 7 ITIS (Italian Technical school).</td>
</tr>
<tr>
<td>Place of Crafts</td>
<td>IT</td>
<td>Average students per day: 550 in Turin +600 in Catania.</td>
</tr>
<tr>
<td>Start their own business</td>
<td>IT</td>
<td>3,990 young people aged 18-35 under the responsibility of the service and followed in validating the business plan (2013).</td>
</tr>
<tr>
<td>First business – start-up support</td>
<td>PL</td>
<td>2200 new businesses (self-employed) and additionally 55 loans creating workplaces for unemployed</td>
</tr>
<tr>
<td>KEG OP – projects under Priority axis I</td>
<td>PL</td>
<td>Number of supported NEETs: (1) unemployed – 177 698; (2) inactive – 6 322</td>
</tr>
<tr>
<td>Lifetramp</td>
<td>PL</td>
<td>About 300 active mentors accessible via platform.</td>
</tr>
<tr>
<td>AMU</td>
<td>SE</td>
<td>By August 2010, 0.6% of the labour force was enrolled in this scheme.</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>Professional training/ vouchers for training</td>
<td>UA</td>
<td>166.6 thousand people received training in 2016 (approximately 10% of all unemployed)</td>
</tr>
<tr>
<td>Raising education participation rate</td>
<td>UK</td>
<td>It is expected to have benefits in increasing young people’s skills and capacity and reducing the youth unemployment rate.</td>
</tr>
<tr>
<td>Jobcentre Plus support</td>
<td>UK</td>
<td>136,730 young people (16-24 years old) started a work experience placement (2011-2013).</td>
</tr>
<tr>
<td>New Enterprise Allowance</td>
<td>UK</td>
<td>Between April 2011 and December 2016, more than 190 000 individuals received support. Over the same period, more than 100 000 businesses have been established thanks to the scheme. The share of recipients aged 15-25 is about 8%.</td>
</tr>
</tbody>
</table>

**Source:** National reports. The sources of information about the results of the *New Enterprise Allowance* measure are:
3.8. Participation of stakeholders and youth involvement

The majority of youth measures presented in the national reports as good practices clearly mention that various stakeholders – public and private, are involved in the design and implementation phases. This is the case for initiatives formulated and implemented both at national and regional/local levels.

For example, in Germany introductory training for young people (Einstiegsqualifizierung) gathers Federal Ministry of Labour and Social Affairs, public employment services and key actors from the industry (National Report for Germany, 2016). Training voucher programme in Greece connects public employment services, on one hand, and employers and non-governmental organizations, on the other (National Report for Greece, 2016). In Bulgaria, student practice implementation consolidates the efforts of public and private sector employers, universities and Ministry of Education and Science (National Report for Bulgaria, 2016). In Poland, Pierwszy biznes – Wsparcie w starcie (First business – start-up support) has been a part of the country active labour market mix since November 2014. Under that programme, low-interest loans for students and graduates willing to start their own business is provided and that is why its implementation is based on the partnership of public agencies, banks and other financial intermediators (National Report for Poland, 2016).

Being a country with strong traditions in applying the principles of decentralized governance, Italy provides many examples on how stakeholders, many of which private actors, can participate in solving the youth employment challenge at regional and local levels. One such an example is the Italian programme Piazza dei Mestieri (Place of Crafts) being implemented in the areas of Turin and Catania. The initiative is run by a private foundation providing opportunities for young people to attend training programmes in craft occupations. The successful implementation of the training courses depends on the involvement of a network of public and private actors, especially local employers. A similar example is the programme Mettersi in proprio (Starting one’s own business). Implemented in the Turin Metropolitan area, it gathers together many local subjects, such as public and private employment services, local government, universities, start-ups, etc. (National Report for Italy, 2016).

While stakeholders in general actively participate in the implementation process, the evidence on how young people themselves are involved is not so straightforward. There is consensus that the participation of youth in formulation and implementation processes is considered to be one of the factors shaping the success of youth employment policy initiatives (Kenyon, 2009; OECD, 2013: European Commission, 2016b). However,
national reports provide only few examples how creativity, energy and skills of young people are used in defining the policy options towards their own labour market inclusion. In addition, it has to be underlined that there are almost no country examples showing that specific requirements for involving the young people in the decision-making process have been put in place.

One of the examples comes from Ukraine. There, under the Training voucher programme, young people are not directly involved, but are empowered to choose independently the provider of the respective training course (National Report for Ukraine, 2016).

Another type of young people involvement concerns mainly countries in which the national youth employment measures receive a solid support from the EU Structural and Investment Funds (ESIF), such as European Social Fund (ESF), and Youth Employment Initiative (YEI). Working in partnership with various stakeholders is a long-established principle in the process of EU funds management. In that respect, the EU Member States are required to establish the necessary arrangements so as partners from all levels of governance and stakeholder groups to be involved in preparation, implementation, monitoring and evaluation of operational programmes. This principle has been preserved and even strengthened in the 2014-2020 programming period (Commission Delegated Regulation (EU) No 2014/2014). Therefore, at least regarding operational programmes providing support to projects promoting youth employment, many non-governmental organizations representing interests of the young people, including youth organizations, participate in the Monitoring Committees of the programmes. However, as mentioned in previous parts the quality of participation itself needs to be monitored.

In Poland, the private initiative called *Lifetramp* operates as a platform connecting people from different locations who want to try different careers and lifestyles by training with and learning from a mentor for a day. According to the Polish national report, this private initiative has proven itself to be very successful in involving young people at every level “designing, creating mentors and Lifetramps’ database, social media and marketing” (National Report for Poland, 2016:31). The reason is that the platform adequately responds to the cultural norms and values of nowadays’ young people (generations Y and Z, as the Polish report describes them). Also, according to the platform founders, it is successful in attracting youth as it fills the gap between young people’s real needs and the state-of-play of public policies: “young people have limited access to good quality career advice, there are no accessible programmes for in-work internships or trainings for secondary school students and vocational education has been discredited for many years” (National report for Poland, 2016: 31).

Notwithstanding these positive examples, it seems that the genuine youth involvement in youth employment measures designing, formulation, implementation, monitoring and evaluation is more an exception than a rule. Maybe it is important to mention that this is
not a case only in the countries under scrutiny, but a common institutional challenge in the EU as well.

These assessments confirm the European Commission services conclusion of its assessment of the Youth Guarantee, “points which seem to have been more challenging to address include, in particular the involvement of young people and youth organisations” (European Commission, 2016d: 20).

4. “Good practices” on youth employment in non EXCEPT countries

Additionally 20 other interventions were proposed as good practices by the national experts of the non EXCEPT countries:

<table>
<thead>
<tr>
<th>N</th>
<th>Name of the Intervention &amp; country</th>
<th>Short description</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Production schools (Austria)</td>
<td>Offers guidance to young people with deficits in basic skills: support to find an apprenticeship – by training, coaching, competence development &amp; sport activities. Linked to the European Youth Guarantee.</td>
<td>Started in 2015 and is ongoing. Internal monitoring twice annually &amp; academic study.</td>
</tr>
<tr>
<td>2</td>
<td>First job convention (Belgium)</td>
<td>Offers young unemployed jobseekers under the age of 26 a first-time employment contract for a period of one year in an organization of public interest (OPI) thus increasing the chances of young people with low qualifications to find a job at the end of their contract. Part of the Youth Guarantee.</td>
<td>Started in 2014 and is ongoing. Annual internal monitoring. Publicly available report. Not clear if the young people were able to find a job at the end of their subsidised employment.</td>
</tr>
<tr>
<td>3</td>
<td>Self-employment subsidy (Croatia)</td>
<td>Linked to the Support to Youth Entrepreneurship, the Youth Guarantee and Youth Employment Initiative. Facilitating the youth entrepreneurship through providing access to start-up capital and accompanying services.</td>
<td>Started in 1993 and is ongoing. Ex-post internal evaluation - annually and external evaluation by independent experts</td>
</tr>
<tr>
<td>4</td>
<td>Program for Youth 25-29 NEETs (Cyprus)</td>
<td>Placement of the graduate as trainee with specific jobs for an employer: A grant is paid to cover the training costs of the graduate that the employer bears. It covers a period of 10 months subsidized income and 2 months without subsidy. The ceiling is €8,400 per beneficiary and covers 70% of the income of the employee.</td>
<td>Started in 2014 and is ongoing. External monitoring as evaluation commissioned by HRDA Planned ex-post evaluation after the end of the scheme</td>
</tr>
<tr>
<td>5</td>
<td>The Journey to Succeed in the LM (Czech Republic)</td>
<td>Provides students in the final 1- 2 years of their education a traineeship in a firm, a course of soft skills and career counselling.</td>
<td>Started in 2016 and is ongoing. internal evaluations</td>
</tr>
<tr>
<td>6</td>
<td>Youth Unemployment</td>
<td>The amount of Unemployment Insurance Benefits declines by 50 percent for young people, who have been unemployed for</td>
<td>Started in 1996 Internal quantitative assessments by the Ministry of Labour and</td>
</tr>
<tr>
<td><strong>Benefits (Denmark)</strong></td>
<td>more than 26 weeks. The daily allowance falls from 114 Euro to 57 Euro a day. Benefit reductions are combined with earlier and more intensive activation programs for young people. and is ongoing.</td>
<td>external academic evaluations.</td>
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<tr>
<td><strong>“Ohjaamo” One-Stop Guidance Centre (Finland)</strong></td>
<td>Integrating services for young people in the local area: professional support, including careers guidance and training; housing, welfare and social care provision. Started in 2014 (partially from 2010) - until 2020</td>
<td>Internal and external (including academic) qualitative and quantitative evaluation.</td>
<td></td>
</tr>
<tr>
<td><strong>Professionali zation contract (France)</strong></td>
<td>In line with Framework for Quality traineeships and Youth employment initiative Provides training and allows young people under 26, people over 45, and job seekers to obtain a certification (recognised at national level. Work-based learning methodology alternating internships in businesses with classroom-based sessions. Started in 2003 and is ongoing.</td>
<td>Internal monitoring, external monitoring and external evaluation.</td>
<td></td>
</tr>
<tr>
<td><strong>Traineeship programme to support school-leavers (Hungary)</strong></td>
<td>Part of the Youth Guarantee. Provides early work experience to young people with secondary vocational education by wage and social contribution subsidies for businesses for the employment of trainees for nine months (with additional 4.5 mandatory employment afterwards) employment; subsidies for the wages of the internal trainee mentor as well. Vocational training centres, which monitors trainees' progress, are also supported. Started in 2016 and is ongoing</td>
<td>Internally monitored, but data not publicly accessible.</td>
<td></td>
</tr>
<tr>
<td><strong>Subsidised workplace for vulnerable groups of young people (Latvia)</strong></td>
<td>Employing young people for 6 or 12 months. The employer provides a newly created workplace or the workplace is vacant at least 4 months before the start of employment. Young people with disabilities may receive services of an ergo therapist, a surgeon or services from a support person. Started in 2014 and is ongoing.</td>
<td>Internally evaluated. Periodic evaluation is made by industry experts.</td>
<td></td>
</tr>
<tr>
<td><strong>New Start (Lithuania)</strong></td>
<td>Youth Guarantee Initiative A secondary intervention, aimed at those who will have not achieved desired employment outcomes in another AMLP project: “Discover Yourself”: mainly vocational training. The outreach is focused on outcomes as follows: vocational training – 9,000 persons; employment subsidies – 4,728 persons; work experience support – 2,232 persons, self-employment – 244 persons, apprenticeships – 138 persons, internships – 139 persons. Started in 2015 and is ongoing</td>
<td>Assessed qualitatively and quantitatively through monthly internal monitoring, internal evaluations and external evaluations by the Ministry of Labour and Social Affairs. Constant</td>
<td></td>
</tr>
<tr>
<td><strong>Employment initiation contract</strong></td>
<td>Reintegration of young jobseekers into employment by: Provision of training and work experience: during the 12-month period of an employment contract. Started in 2013</td>
<td>Monitored and evaluated through quantitative indicators.</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Scheme Name</td>
<td>Description</td>
<td>Start Date</td>
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<tr>
<td>13</td>
<td>SEC Revision Classes (Malta)</td>
<td>Linked to Youth Guarantee. To improve the grades of students who obtain a grade of six or lower in at least one of five specific subjects at SEC level (Maltese, English Language, Mathematics, Biology and Physics), or who were absent from those exams. Students can apply for up to three of the listed subjects if they have obtained a Grade 6 or lower in them. The classes are provided between the end of July and the end of August in four centres.</td>
<td>2014</td>
</tr>
<tr>
<td>14</td>
<td>Work experience grant (The Netherlands)</td>
<td>Linked to Youth Guarantee. Providing work experience to unemployed youth in regular work place: providing information on vacancies via a national website; providing guidance and advice by a coach; provision of a voucher for further training or schooling (600 EUR) at the end of the work experience programme.</td>
<td>2015</td>
</tr>
<tr>
<td>15</td>
<td>Entrepreneur Now (Portugal)</td>
<td>Targeted at young people (18 to 29 years old) – NEET through: 1) supporting the development of projects aimed at establishment of companies or entities of social economy; 2) support the training of young NEETs; 3) support the incorporation of companies or social economy entities; 4) support the creation of jobs for young NEETs - entrepreneurs and start-ups.</td>
<td>2015</td>
</tr>
<tr>
<td>16</td>
<td>Dual vocational education and training (Romania)</td>
<td>Provision of vocational education and training to young people, within the secondary education system, through a dual model (partnership between a public vocational school, a private company and students).</td>
<td>2014</td>
</tr>
<tr>
<td>17</td>
<td>Contribution to graduate practice (Slovakia)</td>
<td>Linked to Youth Guarantee Targeted at young people, graduates, registered with the labour offices as job seekers. The practice has to correspond strictly with the participant’s education. Duration - from 3 to 6 months with the maximum of 20 hours per week and without the possibility to prolong or repeat it. The amount of the participant’s contribution was at the level of 100 % of the minimum income standard but recently it has been decreased to 65 %. After the completing of the practice, the employer and is assessments. Existing information does not clearly shows in quantitative or qualitative terms that this measure has strong positive labour market outcomes.</td>
<td>2004</td>
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</tr>
<tr>
<td>18</td>
<td><strong>First Challenge (Slovenia)</strong></td>
<td>Provides employers in Eastern Slovenia with financial incentives to hire young people aged 15 to 29 years who have been registered for at least three months in the register of unemployed persons and are not in education or training. The contractual period for retaining a subsidized employment with an employer whose bid was accepted on a public invitation is at least 15 months with a three-month probationary period (3 + 12 months) included for full-time work.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Started in 2014 and is ongoing</strong></td>
<td>Internal monitoring, external academic study, external evaluation</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td><strong>From College to Practice (Slovenia)</strong></td>
<td>The measure is a combination of wage subsidy and training on the workplace. With a public invitation 820 jobs are provided for unemployed young graduates through an incentive paid to employers. Traineeship is conducted for at least one year for full-time at the workplace, corresponding to the level of education of the person involved.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Started and ended in 2015.</strong></td>
<td>External statistical assessment, consisting of comparison of entrants and number of employed persons after the expiration of measure.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td><strong>Employment Shuttles (Spain)</strong></td>
<td>Helping unemployed young people under 35 to find a job either as an employee or self-employed. Main activities: Each shuttle brings together 20 participants during 5 months under the direction of a coordinator who acts both as an individual coach and as group coach; Promoting job transitions among participants by means of working together on the improvement of their professional careers and by promoting the acquisition and development of key skills that are not usually part of the education system.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Started in 2014 and is ongoing</strong></td>
<td>Permanent internal monitoring and occasional ex-post evaluation by independent external consulting firm, using quantitative methods of assessment. Positive effects found out: access to salaried employment, a particularly high effect on the participants’ access to temporary employment contracts.</td>
<td></td>
</tr>
</tbody>
</table>

Source: National reports

As with the EXCEPT partner countries, most of these interventions are implemented at national level (16 out of 20). Two take place in regional level (Belgium and Hungary) and two – at local level (Romania and Netherlands).

Many interventions target young people with age differences (under 30; under 29, under 26 years old; 16-25 years old; 18-29 years old, etc.). In some cases young people are listed as one of the groups among others such as long-term unemployed, people with disabilities, people benefiting from social benefits, low-skilled and so on. Different conditions are also included in some cases like registered at employment offices; students in vocational schools with maximum 2 years after study, etc.
The measures often are linked to Youth Guarantee. In other cases the EU relevance of the interventions is explained within the framework of Europe 2020; European employment strategy and European social fund. Rarely, there are references to the Youth Employment Initiative and Quality traineeships and apprenticeships.

Most of the interventions are subject to internal evaluations by the implementing institutions. Deficiencies in the available evaluations question the inclusion of at least 9 of the proposed measures as good practices (Belgium, Cyprus, Czech Republic, Denmark, Hungary, Luxembourg, Netherlands, Portugal, and Slovenia – “First Challenge”).

It is interesting to note that:
- Somehow many of the interventions seem like a replica to each other - focused on business subsidies to provide young people with traineeships, mainly training and job experience.
- Two of the interventions (Denmark & Slovakia) include increasing activation through a decrease in the incomes of young people participating in the measures. There are no evidence of the positive impact of these decisions as far as youth inclusion is concerned.

5. Success factors and weaknesses

5.1. Success factors

The main success factors (as described in the national reports) having contributed to the success of the selected good practices could be summarized as follows:

(1) **Early intervention.** Many good practices are designed in such a way to address the labour market risks faced by young people at the earliest possible stage. This is the example with the initiatives such as: *Introductory training for young people* (Germany), *Raising education participation rate* and *Job Centre plus Support* (UK), *Student Practices* (Bulgaria), *Apprenticeship/ Work Practice* (Estonia) and others.

(2) **Individualized, tailored support.** Another feature described as a success factor is the fact that many interventions try to shape the scope and content of the support according to the individual needs of the young participants. This has been mentioned particularly with regard to those good practices that are oriented towards youth risk groups such as NEETs.

(3) **Integrated approach.** The provision of a package of services has been underlined as a success factor as well. The fact that young people receive a combination of measure is of particular importance for the proper implementation of *Youth Guarantee* schemes in Greece, projects under *Priority Axis I of the KED OP* in Poland, *Job Centre Plus Support* (the UK), etc.

(4) **Human capital development.** This is one of the most distinguishing features of all good practices presented in the national reports. Almost all of them include career counselling, vocational guidance and training components and therefore seek to improve
the employability of young people by equipping them with business- and market-relevant knowledge and skills.

(5) **Creation of better opportunities.** Many good practices enhance the existing opportunities for young people – from employment services provision through financial support to direct job creation.

(6) **Correction of market failures.** Factors in this group apply mainly to measures supporting the self-employment and youth entrepreneurship, but not only. For example, in Poland (*Pierwszy biznes – Wsparcie w starcie* (*First business – start-up support*)) young people from vulnerable backgrounds can receive a start-up loan that, taking into account their economic and labour market status, could be difficult to be received from banks and other financial institutions, i.e. on a market basis. In Greece, *Youth Guarantee* schemes can offer support to young people in order to develop a closer interaction with the labour market and to create broader professional networks (National Report for Greece, 2016). Therefore, they can improve their access to information on the labour market performance and thus to improve their career opportunities.

5.2. Weaknesses

Despite the fact that the presented good practices have proven to be successful in many ways, national reports provide some critical assessments that need to be taken into account. They concern the following aspects of the good practice design and implementation mechanisms:

(1) **The most vulnerable young people are not prioritized.** Instead, the focus is on young people with more opportunities, including active job seekers and well-educated young people. Many national reports mention this issue. For example, the German report points out that the introductory training is not particularly targeted at those who have more disadvantages at the labour market, such as NEETs, people with learning difficulties and other socially disadvantaged people (National Report for Germany, 2016). In Greece, voucher training programme is assessed to be less accessible to certain groups of people with fewer opportunities or for whom participation is more difficult, such as disabled persons, residence of remote and disadvantaged areas (National Report for Greece, 2016). In fact, it is not clear if the positive results of the evaluations are not related to the profile of the participants where the most vulnerable are not sufficiently present.

(2) **Insufficient coverage.** Coverage is another of the problematic areas discussed in the national reports. It means that due to limited resource allocations, the number of young people covered by some of the measures does not correspond to the real needs, i.e. to the magnitude of the youth employment challenge. This issue has been discussed with regard to *Youth Guarantee* schemes in Greece, *Job Centre Support* in the UK, and *Career Start* programme in Bulgaria.

(3) **Inadequate stimuli provided to the young participants.** This is exactly the case for the programme *Career Start* in Bulgaria. Under that intervention, young tertiary graduates are offered a short-term subsidized employment at public administrations.
However, the level of remunerations is too low compared to the subsistence levels in the country. Another weakness is the duration of the employment - only 9 months. The same concerns are expressed towards the voucher training programme in Greece – financial remuneration is considered inadequate, participants are not fully satisfied with the quality of training, the conditions of the traineeships (National Report for Greece, 2016). In Ukraine, *Professional training/vouchers for training* initiative could be further improved if the portfolio of training courses offered is better adapted to the real needs of the knowledge-based economy (National Report for Ukraine, 2016).

(4) **Regional differences in quality of support.** This problem has been mentioned in some reports. For example in the UK, with regard to the adequacy of the services provided to *Job Seeker Allowance* recipients under the *Jobcentre Plus Support* initiative.
Chapter 4: Diffusion of the EU youth policy

This chapter deals with the issue of policy diffusion of EU youth employment policies and interventions at national level. With regard to ALMPs diffusion could be discussed on different levels: policy guidelines, policy areas, policy measures and interventions. In this chapter, the focus is mainly on policy measures and interventions. However, policy guidelines and approaches are discussed as well in the report in order to acknowledge better contextual factors shaping the decisions having been made at EU and national levels.

The chapter reminds briefly the diffusion of the main trends of the youth employment policies presented above and then focuses in more details on five specific EU interventions: (1) Youth Guarantee; (2) Youth Employment Initiative; (3) Quality traineeships and apprenticeships; (4) EURES job; (5) Supported youth entrepreneurship. However first we will address the policy diffusion concept.

1. Policy diffusion – concepts and mechanisms

In the literature, public policy scholars often refer to the concept of policy diffusion as a process (rather than effects) that result in increased policy similarities across countries (Knill and Tosun, 2012). A common “minimalist definition” of policy diffusion (Marsh and Sharman, 2013: 270) views it as “a process through which policy choices in one country affect those made in a second country” (Meseguer and Giraldi, 2009: 528). It is also recognized that policy diffusion studies have a different focus compared to policy transfer and policy convergence studies. While policy transfer studies seeks to investigate how policy decisions are transferred across policy systems, policy diffusion studies try to explain why these adoption patterns have occurred. On the other hand, policy convergence studies look towards to analysing changes in policy similarities (Knill and Tosun, 2012).

Among all mechanisms for policy diffusion that can be found in literature, some of the most commonly mentioned are the following: (1) learning; (2) competition; (3) coercion and (4) mimicry (Marsh and Sharman, 2013; Obinger, Schmitt and Starke, 2013; Shipan and Volden, 2008; 2013).

Policy learning (also known as lesson-drawing) is a form of policy decision resulting in adoption (full or partial) of policy instruments existing in other countries or regions proven to be successful in solving a given policy problems. As Richard Rose mentions, lesson-drawing “starts with scanning programmes in effect elsewhere, and ends with the prospective evaluation of what would happen if a programme already in effect elsewhere were transferred here in future” (Rose, 1991: 6).

The driving forces behind the competition as policy diffusion mechanism are linked to the objective of improving macroeconomic environment so as to sustain the pressure of economic globalization. As Shipan and Volden pointed out, governments compete with
one another by offering policies that are attractive both to citizens and economic actors. Therefore, policy diffusion is not just a clustering of similar policies (Shipan and Volden, 2013).

The third mechanism, coercion, can be best understood in terms of the influence of powerful international and supra-national organizations that impose to countries certain policy choices. However, coercion is not considered to be the leading policy diffusion mechanism when well-developed in economic terms countries are concerned.

Finally, mimicry (also called emulation) “explains the process of copying foreign models in terms of symbolic and normative factors, rather than a technical or rational concern with functional efficacy” (Marsh and Sharman, 2013: 273). More concretely, in that case actors at national level adopt certain policy options because the latter are seen as being mandatory from a moral point of view, prestigious, advanced or progressive. Contrary to the policy learning, where the leading argument is whether the policy instrument in question will produce the same results in different contexts, mimicry as a policy decision is more concerned with the perceived image and symbolic meaning of the act of adoption itself. As some authors say, mimicry has something in common with the “ambition of political actors to conform to international trends and to belong to international norm-based community” (Obinger, Schmitt and Starke, 2013: 114).

It is important to note that the outlined typology could hardly be used to differentiate between different LM policies and interventions on the basis of the proposed diffusion mechanisms. This is due to the fact that these mechanisms do not seem to be sufficient to describe and explain the diffusion processes, at least because they mix different frameworks of analysis. In order to be used, the fields in which they are applicable could be outlined. In particular:

- Learning, as a rule, is based on the idea of different levels of knowledge acquisition and is measured in appropriate scales well known in education systems. It can be argued that all diffusion contains some learning and its quality can be measured;
- Competition could be opposed to solidarity and cohesion and could be assessed on the basis of outcomes: for example, by winners/losers approach;
- Coercion has to do with degrees of freedom of the implementing agent from a centre where the respective change is valued.
- Mimicry could be regarded from the point of view of implementation of the original and the extent to which it is replicated really or on paper;

From this point of view, there is no principal impediment the diffusion of one and the same policy initiative to be characterized simultaneously by learning, competition, and coercion, accompanied as well by some degree of mimicry.

Additionally, a variation of policy diffusion process that is peculiar to the community of the EU Member States is the so-called Europeanization. From the point of view of its
content, Europeanization is based on the assumption that European Union influences the policy agenda and policy content in the Member States. Research in different policy fields such as environmental policy, however, have showed that EU influence have spread even beyond its borders (Knill and Tosun, 2009). In general terms, scholars have found that Europeanization takes place within three particular governance patterns: (1) compliance with the EU rules; (2) competition between national administrative systems to achieve EU requirements; (3) communication between regulatory agents across national levels arranged in and EU legal and institutional frameworks (Knill, Tosun and Bauwer, 2009: 520). With regard to some specific policy fields, these governance patterns are often referred to as hierarchical governance, market governance and network governance (Knill and Tosun, 2009). In policy diffusion studies, it is important to take into consideration what kind of policy is being analysed as modes of diffusion might be rather different. From that point of view, the role of the policy learning as a policy diffusion mechanism should be emphasized, especially in policy areas such as economic policy, employment, pensions, research and innovation, etc. It has been facilitated by a specific form of governance called “the Open Method of Coordination” (OMC). It is believed that the OMC is a voluntary process aiming at “tapping local knowledge, exploring and exploiting successful experiences, and diffusing innovation from one system to another” (Radaelli, 2013: 245). It has been launched with a view that this mode of governance could “lead softly” to convergence among the various employment regime modes” (Graziano, 2011: 600). However, according to some studies, there is limited evidence that the OMC provokes first-order policy learning at national level (Zeitlin, 2005; Haidenreich and Bischoff, 2008). In employment and social protection fields, Europeanization through the OMC induces changes mainly when specific domestic factors are in place – favourable contextual conditions and when influential policy actors sharing pro-EU values are present (Graziano, 2011). Moreover, it should be also taken into account since the launch of the European Employment Strategy, the OMC has not been the only mode of governance channelling the EU influence at national level – European monetary integration has also played an important role (van Vliet, 2010).

In fact, the Europeanization in the field of employment policy has been occurring without the existence of a clearly defined policy model to be diffused across Member States. Despite the fact that the EU Member States commit themselves to the overall strategic EU policy objectives, they remain flexible in choosing the most appropriate policies and measures in order to make them a reality.

The lack of a common European approach is evident particularly with regard to labour market participation of young people. Scholars who has recently analysed the problem even state that “the European field of youth employment policies is dominated by a piecemeal approach” and “no coherent and coordinated policy model to deal with youth unemployment has been developed at EU level” (Lahusen, Schulz and Graziano, 2013: 303). It would be interesting to note that notwithstanding the intensified cooperation
within the framework of the OMC, instead greater policy convergence, scholars have even identified a trend towards policy divergence, i.e. formation of significant cross-national variations in policy responses towards the youth unemployment challenge, which they call “youth unemployment regimes” (Cinalli and Guigni, 2012). In order to address this emerging trends (very high youth unemployment rates and significant cross-country differences in youth employment situation), in 2012 the European Commission launched the so-called Employment package entitled “Towards a job-rich recovery”, where the Member States were asked to undertake actions to improve the labour market situation of more vulnerable groups, such as young people, and to deliver youth opportunities (European Commission, 2012a). The Employment package empowers the Commission to present proposals of two youth-targeted initiatives, namely proposal for a Council Recommendation on a Quality Framework for Traineeships, and a Council Recommendation on Youth Guarantee. One year later, in April 2013, the European Council adopted a recommendation on establishing a Youth Guarantee (European Council, 2013). Then, in March 2014, a recommendation on a Quality Framework for Traineeships was adopted as well (European Council, 2014a). In order to support the implementation of these comprehensive interventions, approximately EUR 6 000.0 million have been provided as a part of the so-called Youth Employment Initiative targeted at European regions with the highest youth unemployment rates (Escudero and Mourelo, 2015). It has to be pointed out that all these policy initiatives are based on a uniform set of underlying principles, implementation rules and mechanisms. It can be concluded that after the OMC, their adoption has marked a new phase of the EU actions development in the field of youth employment. Therefore, they have radically changed the environment where policy diffusion of youth employment policies across the EU Member States is currently taking place.

It has to be noted as well that when addressing employment and social inclusion, the interactions between the European Inclusion and Employment Strategies have to be taken into account. An interesting review of the links between “the European Inclusion and Employment Strategies that started with the Treaty of Rome in 1957 and continue until our current time” is presented by Estivill arguing that “This is not a straightforward history but, on the contrary, a winding road full of curves… It is not only a history of progress either. There were moments of acceleration and periods of significant slowdown. To a certain extent, the European employment and social policies sometimes seemed to ignore one another; other times, they run side by side having brief but frequent meetings” (Estivill 2007: 11). Tracking the “zigzagged itinerary” in the history of “marriage and periodic divorces” of both strategies the review questions the often dominant position of Employment strategy and the subordinate position of the Inclusion strategy leading to periods of “increasing invisibility of poverty and exclusion”. Probably, these developments also impact the ways in which diffusion of labour market policies and interventions takes place.
Additionally, before the entry into force of the Treaty of the Functioning of the European Union, the role of the European institutions in facilitating mutual learning and policy concept exchange among the Member States was more or less coordinative. Since 2012, this has been changed. According to Article 146 of the Treaty, the Council of the EU can adopt the so-called country specific recommendations in order a better synchronization of national employment policies with European broad economic and employment policy guidelines to be achieved. These country specific recommendations are adopted as a part of the European Semester and they have to make sure that policy priorities identified at EU level are well adapted at national level. Then, national governments are expected to incorporate the recommendations into their national reform programmes and national budgets. Therefore, the “invention” of the country specific recommendations can be considered to be an important tool to strengthen the diffusion of the EU youth employment initiatives at national level. This is applicable to the youth employment policies as well. As it can be seen from the following table, among the EXCEPT countries (Bulgaria, Estonia, Germany, Greece, Italy, Poland, Sweden and the UK), youth employment situation in only three of them (Germany, Greece and Estonia) has not been addressed at all by a country-specific recommendation in the period from 2013 to 2016:

Table 4.1: Youth country-specific recommendation and progress in implementation

<table>
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<tbody>
<tr>
<td>Austria</td>
<td>N/A</td>
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<tr>
<td>Belgium</td>
<td>Limited progress</td>
<td>Limited progress</td>
<td>N/A</td>
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<tr>
<td>Bulgaria</td>
<td>Limited progress</td>
<td>Limited Progress</td>
<td>Limited Progress</td>
<td>Addressed. Assessment still not available</td>
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<tr>
<td>Croatia</td>
<td>N/A</td>
<td>Substantial progress</td>
<td>N/A</td>
<td>N/A</td>
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<td>Cyprus</td>
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<tr>
<td>Czech Republic</td>
<td>N/A</td>
<td>Some progress</td>
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<td>Denmark</td>
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<tr>
<td>Finland</td>
<td>Some progress</td>
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<tr>
<td>France</td>
<td>Some progress</td>
<td>Some progress</td>
<td>N/A</td>
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<td>Germany</td>
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<td>Country</td>
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<td>Some progress</td>
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<td></td>
<td></td>
<td>Limited progress</td>
<td>Limited progress</td>
<td>Substantial progress</td>
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</table>

**Source:** European Commission, 2016b, p. 205. (As assessed in the Country reports in the following year)

Thus the general concepts and analytical approaches towards policy diffusion cannot be easily applied without any changes. It has been shown that EU employment and social policy governance patterns have some peculiarities that need to be taken into account.

From that point of view, a modified analytical framework is formulated. Its basic assumptions are as follows:
1. EU youth employment initiatives are embedded and influenced by intense diffusion of targeted policy impacts already discussed as main directions of the youth employment policies.

2. EU youth employment initiatives based on a formal texts adopted by the European institutions (e.g. regulations or recommendations) are more likely to have a greater influence on policy choices and content at national level. Therefore, the assumption is that initiatives based on common underlying principles and implementation mechanisms that leave less room for flexibility from the side of the Member States will be more important at national level than initiatives not formally adopted by the European institutions which implementation mechanisms allow Member States to apply a higher degree of flexibility.

3. The importance of the EU youth employment initiatives is bigger in these countries that: (1) receive a large amount of funding from the EU Structural and Investment Funds (ESIF), and (2) face greater youth employment challenges to be addressed by the country-specific recommendations.

4. In countries that receive a large amount of funding from the ESIF and face serious youth employment challenges, but that (1) achieve limited progress towards improving youth employment situation and (2) have underdeveloped national active labour market policies, policy diffusion of the EU youth employment initiatives could take place mainly in terms of its content. Policies are adopted in response to the given EU initiative, but due to the fact that the appropriate domestic factors do not exist, the desired outcomes cannot be achieved. In other countries depending on EU funds and facing serious youth employment challenges, but that (1) have achieved progress towards improving the labour market situation of young people and (2) have well-developed national labour market policies, policy diffusion takes place both in terms of content and direct outcomes.

2. Intense diffusion of targeted policy impacts on labour market measures

Before considering the diffusion of concrete EU initiatives, it is important to remind the diffusion of the main trends of the youth employment policies. More concretely, the already outlined similarities in reference with the active/passive labour market policies; activation turn; employability focus; the way individual and structural deficits are addressed; the applying of preventive and reactive measures; the any job/good job dilemma.

National reports provide rich information to consider an overall trend towards the outlined tendencies and their driving forces.

The driving force behind the shift from passive to active policies and the activation turn for example consisting of different EU and national policy decisions is well documented: “The shift from a passive to an active labour market policy has also been a cornerstone of the EU’s Employment Strategy, at least since the Luxembourg Guidelines, and activation of the unemployed has been central at least since Lisbon.” (Greve, 2006).
International institutions that are also actively contributing to this change are the World Bank, IMF, OECD and others.

Although the trends could be different in intensity, speed and specificity in the various Member States, they seem common of the current labour market policies in EU member states and their diffusion is unfolding over time. In this regard, a specific pattern of the diffusion mechanism could be outlined.

The leading ideas and underlining principles behind these changes, summarized in the changed official meaning of social and economic rights and entitlements, are quite quickly transferred to quite different national economic and social landscapes. This is not limited to EU or Europe as the same trend is easily traced in USA and Japan as well as in many other locations. This formed an almost universal pattern of policies that have replaced most of the economic and social policies of the previous period.

Additionally, the questioning of the principle “one-size-fits-all”, which is quite spread when different policies and policy interventions at low level are considered, seems to be rarely applied when such basic ideas are discussed. This universal pattern seems to outline the boundaries of what is important and what is not, and makes it difficult to implement otherwise existing guides for action. For example, in the Guidelines for the employment policies of the Member States (European Council, 2015) other objectives are specified, among which: “… social progress, … the guarantee of adequate social protection, … quality employment,… a cohesive society in which people are empowered to anticipate and manage change, and can actively participate in society and the economy, … combining supply- and demand-side measures, … a boost to investment, … the benefits of economic growth reach all citizens and all regions, …more attention should go to preventative and integrated strategies…. “.

It seems, these objectives are not of the same importance, they have controversial and dependent development and no diffusion is observed with regard to them and/ or it is delayed. Diffusion in the implementation of different policies, including active labour market policies, in the EU or part thereof is related to different speed, characteristics and patterns in the various Member States. In terms of timeframe, it seems that there is a pattern, which has been tested in one or more countries, and then the pattern is transferred to other countries. As regards the 'activation turn', as indicated, the model is being tested in Denmark and the UK and then is gradually transferred to other member states as well as to those in the process of integration. Similarly, the flat tax policy was tested in Estonia, Latvia and Lithuania in the 1990s and then transferred to other countries, i.e. to the post-socialist countries.

As regards the content, Member States step on existing national practices and can adapt the implemented policies to their national economic and social context, in so far as they have the expertise and the political will to do so. At the same time, the degrees of freedom are very different, as illustrated by the National Reports: on the one hand, the UK, Germany and Sweden, which have long practice, accumulated experience and
expertise in the area, and on the other hand Greece, which follows the Memoranda of Understanding. The other Member States for which National Reports have been prepared are also characterized by varying degrees of adaptation, possibly also depending on the financial circuits.

One possible effect of this specific pattern of diffusion of common trends could be an insufficient attention to the national economic and social context (incl. national macroeconomic and social indicators) and the neglect of the need for national adaptation, at least for some countries.

Another effect is that such a framework guides the concrete EU interventions (Youth Guarantee; Youth Employment Initiative; Quality traineeships and apprenticeships; EURES job; Supported youth entrepreneurships) and probably constraints the way they are diffused and implemented.

3. EU youth employment initiatives and their diffusion at national level

The research questions that are addressed here are as follows:

(1) Have policy choices with regard to youth employment policies at national level been influenced by the respective intervention?
(2) How have policy changes happened? Are there any peculiar diffusion mechanisms facilitating them?

3.1. Youth Guarantee

The Youth Guarantee is a form of policy initiative that seeks to ensure that all young people will receive a good quality offer of employment, continued education, apprenticeship and traineeship within a period of 4 months of becoming unemployed or leaving education (European Commission, 2017a). It is based on six pillars: (1) interaction with all stakeholders; (2) early intervention and activation; (3) support for labour market integration; (4) use of European Structural Funds; (5) monitoring and evaluation; (6) early intervention (Escudero and Mourelo, 2015: 3). In fact, it is not a new idea as the first “youth guarantees” have been established in Nordic countries. For example, this policy orientation had been discussed in some Scandinavian countries, such as Sweden, Denmark and Norway, in the mid-1970s (Jackson, 1985).

Launched in 2013 by a Council Recommendation, the Youth Guarantee is one of the most visible European youth-oriented initiatives. As European Commission services mention by themselves “the implementation of Youth Guarantee has started in all EU countries and is already bringing results. Compared to other structural reforms in Europe, the Youth Guarantee is probably one of the most rapidly implemented” (European Commission, 2017a). This is not by chance – the Council Recommendation on

9 Ukraine, as a non-EU country, does not participate in the EU initiatives under scrutiny.
establishing of Youth Guarantee urges the EU Member States to start the implementation of the Youth Guarantee as soon as possible and this has been ensured by preparation of a comprehensive national action plans. All EU Member States submitted such policy documents, and some of them have been updated.

The following table summarizes the main features of the Youth Guarantee implementation in the EXCEPT countries.

**Table 4.2: Implementation of the Youth Guarantee in Bulgaria, Estonia, Greece, Germany, Italy, Poland, Sweden and the UK (2014-2015 monitoring data)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Youth Guarantee Implementation Plans (date of submission to the EC services)</th>
<th>Target group</th>
<th>Coordination body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>December 2013, updated in May 2014</td>
<td>&lt; 30 y.o.a.</td>
<td>Ministry of Labour and Social Policy</td>
</tr>
<tr>
<td>Estonia</td>
<td>April 2014</td>
<td>&lt; 30 y.o.a.</td>
<td>Ministry of Social Affairs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ministry of Education and Research</td>
</tr>
<tr>
<td>Germany</td>
<td>April 2014</td>
<td>&lt; 25 y.o.a.</td>
<td>Federal Ministry of Labour and Social Affairs</td>
</tr>
<tr>
<td>Greece</td>
<td>December 2013</td>
<td>&lt; 25 y.o.a.</td>
<td>Ministry of Labour</td>
</tr>
<tr>
<td>Italy</td>
<td>May 2014</td>
<td>&lt; 30 y.o.a.</td>
<td>Ministry of Labour and Social Policy</td>
</tr>
<tr>
<td>Poland</td>
<td>December 2013, updated in October 2015</td>
<td>&lt; 25 y.o.a.</td>
<td>Ministry of Family, Labour and Social Policy</td>
</tr>
<tr>
<td>Sweden</td>
<td>December 2013, updated in April 2014</td>
<td>&lt; 25 y.o.a.</td>
<td>Ministry of Employment</td>
</tr>
<tr>
<td>UK</td>
<td>March 2014</td>
<td>&lt; 25 y.o.a.</td>
<td>Department of Work and Pensions</td>
</tr>
</tbody>
</table>

**Source:** European Commission (2016a)

### 3.2. Youth employment initiative (YEI)

At EU level approximately EUR 6 000.0 million have been allocated to the regions with the highest youth unemployment rate (15-24) – the so-called eligible regions. The funding has been made available to the EU Member States as a part of the European Social Fund (ESF) programming for the period 2014-2020. In order to access the funds, Member States are obliged to ensure at least the same amount of ESF funding. In addition, the general criteria for selection of operations, including the definition of target
groups and types of actions, have been determined by a legislative act (Regulation (EU) No 1304/2013). Therefore, similar to the Youth Guarantee, the underlying principles of YEI implementation at national level are uniform and mandatory for all Member States.

Taking into account the pre-defined eligibility conditions, two of the eight EXCEPT countries have not been granted an access to the YEI. These are Estonia and Germany. The main features of the implementation of the YEI in the other countries (Bulgaria, Greece, Italy, Poland, Sweden and the UK) are presented in the following table:

Table 4.3: Implementation of the Youth Employment Initiative in Bulgaria, Estonia, Greece, Germany, Italy, Poland, Sweden and the UK (2014-2015 monitoring data)

<table>
<thead>
<tr>
<th>Country</th>
<th>Youth Employment allocation (EUR)</th>
<th>Total public financial allocation to YEI operations approved for funding (YEI, ESF + national funds)</th>
<th>Number of persons in YEI-supported actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>YEI: EUR 55.2 mln. ESF: EUR 55.2 mln.</td>
<td>EUR 90.8 mln.</td>
<td>20 738</td>
</tr>
<tr>
<td>Estonia</td>
<td>No Estonian regions are eligible for funding under the YEI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>No German regions are eligible for funding under the YEI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greece</td>
<td>YEI: EUR 171.5 mln. ESF: EUR 171.5 mln.</td>
<td>EUR 109.0 mln.</td>
<td>38 398</td>
</tr>
<tr>
<td>Italy</td>
<td>YEI: EUR 567.5 mln. ESF: EUR 567.5 mln.</td>
<td>EUR 1 200.0 mln.</td>
<td>640 000</td>
</tr>
<tr>
<td>Poland</td>
<td>YEI: EUR 252.4 mln. ESF: EUR 252.4 mln.</td>
<td>EUR 331.9 mln.</td>
<td>87 826</td>
</tr>
<tr>
<td>Sweden</td>
<td>YEI: EUR 44.2 mln. ESF: EUR 44.2 mln.</td>
<td>EUR 114.9 mln.</td>
<td>8 396</td>
</tr>
<tr>
<td>UK</td>
<td>YEI: EUR 206.1 mln. ESF: EUR 206.1 mln.</td>
<td>EUR 91.0 mln.</td>
<td>Not available as the YEI operations are in early stages of delivery</td>
</tr>
</tbody>
</table>

Source: European Commission (2016a)

In the other 19 countries, funds for YEI are not allocated to Austria, Denmark, Finland, Luxembourg, Malta and the Netherlands. The YEI funds vary from 943.50 Euro million in Spain to 9.21 Euro million in Slovenia (both doubled by ESF); and the number of participants – from 276 880 in Spain to 754 in Czech Republic.

3.3. Quality traineeships and apprenticeships

In 2014, following the proposal of the European Commission, the European Council adopted a recommendation on the quality framework for traineeships (QFT). It introduces
a set of principles that cover the so-called open market traineeships (internships) and active labour market type (ALMP-type) traineeships. Traineeships, part of the curricula of formal education or vocational education, are not concerned.

Almost all of the countries under scrutiny have implemented specific measures promoting traineeships and apprenticeships. In some of the cases (Bulgaria, Greece and Poland) these measures are even incorporated in the national action plans on the implementation of the Youth Guarantee and ESF co-financed operational programmes.

In addition, almost all countries (with only one exception) have already introduced some changes in their national legislation in order to achieve better compliance with the QFT, or are currently planning such changes. The countries are split into four groups: (1) countries that have adopted new legislation; (2) countries that have adapted already existing legislation; (3) countries that have announced to change the legislation in near future; (4) countries that do not consider that legislative changes are needed.

Table 4.4: Changes in national legislative frameworks with reference to the QFT (as of 2016)

<table>
<thead>
<tr>
<th>Country</th>
<th>New legislation</th>
<th>Existing laws adapted</th>
<th>Laws planned or in the pipeline</th>
<th>Social partner agreements (existing and planned)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Belgium</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Croatia</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Cyprus</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Estonia</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Finland</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>France</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Germany</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Greece</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Hungary</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Ireland</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Italy</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Latvia</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
The table above depicts that in relation with QFT six countries adopted new legislation; five - adapted existing laws and six countries plan legislative changes. For sixteen countries QFT does not seem to be a significant innovation as they neither did nor plan to make legislative changes. Additionally there seems to be unanimity on the need to seek consensus with the social partners. Twenty five countries do not consider such agreements necessary and/or important. Only three countries (Luxembourg, Slovenia and Spain) confirm that the agreements with the social partners are either existing or planned.

The rationale for legislative changes in the countries engaged with them is quite different: Germany is one of the countries that have adopted new legislative requirements with regard the quality of the traineeship programmes. Due to the dual system, the country has a long tradition for traineeships and apprenticeships and the main challenge is to get young people into regular employment (National Report for Germany, 2016). As a step in that direction, the Minimum Wage Act in Germany initially implemented in January 2015, setting a minimum wage of 8.50 Euros (to be adjusted periodically) covers traineeships that last longer than 3 months (BMAS 2017). The other country that has adopted new legislation is Greece. A recent law (2016) implements works experience programmes for unemployed graduates of secondary and higher education (European Commission, 2016c).

Considering the countries where existing legislation has been modified, in 2014 Bulgaria has adapted its Labour Code and introduced a traineeship employment contract (National Report for Bulgaria, 2016). In Sweden, two traineeship programmes were launched in 2014 and 2015 respectively. The first programme (2014) is targeted at young people aged 15-24 registered at public employment services and unemployed for at least 3 months. The other programme (2015) is targeted at people aged 20-25 registered at

<table>
<thead>
<tr>
<th>Country</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Malta</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Netherlands</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Poland</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Portugal</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Romania</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Slovakia</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Slovenia</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Spain</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sweden</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>UK</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: European Commission (2016c: 7)
public employment offices and unemployed for at least six months. Both programmes offer employers a wage subsidy and their maximum duration is 12 months (European Commission, 2016c).

The United Kingdom has opted not to implement the QFT with regard to the open market traineeships (European Commission, 2016c: 74). However, the country has a tradition in implementing AMLP-type traineeships. They were introduced in 2013 to support 16-24 year old unemployed in preparing them for a job or apprenticeship (European Commission, 2016c: 74). Approximately EUR 200 million have been spent on such programmes and more than 470 thousand young people have participated (National Report for the UK, 2016).

However, these policy changes chase different objectives. For some countries, the challenge is to induce a major reform in their labour legislation (Bulgaria) in order to ensure better compliance with the QFT. For other countries (such as Germany and Sweden) these changes seek to address specific problems faced by young people (entering a regular employment, as it is the case in Germany or preventing the longer-term unemployment, as it is the case for Sweden). From that point of view, currently existing level of normative compliance with the QFT principles might to be considered as one of the major factors stimulating policy diffusion.

The next table shows the level of compliance of ALMP-type traineeships with the QFT of EXCEPT countries:

**Table 4.5: Compliance of ALMP-type traineeships with the QFT dimensions**

<table>
<thead>
<tr>
<th>QFT dimension</th>
<th>Bulgari a</th>
<th>Estoni a</th>
<th>German y</th>
<th>Greec e</th>
<th>Italy</th>
<th>Polan d</th>
<th>Swede n</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirement of a written traineeship agreement</td>
<td>Fully</td>
<td>Partial l y</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Partial l y</td>
</tr>
<tr>
<td>Learning objectives clarified</td>
<td>Partial l y</td>
<td>Partial l y</td>
<td>Partial l y</td>
<td>Fully</td>
<td>Fully</td>
<td>Partial l y</td>
<td>Fully</td>
<td>Fully</td>
</tr>
<tr>
<td>Mentor/ supervisor assigned</td>
<td>Fully</td>
<td>Fully</td>
<td>None</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
</tr>
<tr>
<td>Agreement clarifies whether there is health and accident insurance, and sick leave</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Partial l y</td>
<td>Fully</td>
<td>Fully</td>
<td>Partial l y</td>
</tr>
<tr>
<td>Agreement clarifies whether there is allowance/ compensation and</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Partial l y</td>
</tr>
<tr>
<td>Duration of a traineeship is limited to 6 months</td>
<td>Fully</td>
<td>Fully</td>
<td>None</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>None</td>
<td>Fully</td>
</tr>
<tr>
<td>Circumstances and conditions of longer</td>
<td>Partial l y</td>
<td>Partial l y</td>
<td>None</td>
<td>None</td>
<td>Fully</td>
<td>Partial l y</td>
<td>Fully</td>
<td>Fully</td>
</tr>
<tr>
<td>traineeships are clarified</td>
<td>Fully</td>
<td>Partially</td>
<td>Fully</td>
<td>Fully</td>
<td>None</td>
<td>Partially</td>
<td>Fully</td>
<td>Fully</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>-----------</td>
<td>-------</td>
<td>-------</td>
<td>------</td>
<td>-----------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Agreement allows termination by either party with advance notice</td>
<td>Partially</td>
<td>None</td>
<td>Partially</td>
<td>Fully</td>
<td>Partially</td>
<td>Fully</td>
<td>Fully</td>
<td>Partially</td>
</tr>
<tr>
<td>Proper recognition / attestation of traineeships through a certificate</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Partially</td>
</tr>
<tr>
<td>Transparency regarding allowance/compensation</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
</tr>
<tr>
<td>Transparency regarding health and accident insurance</td>
<td>Fully</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Transparency regarding hiring practices in recent years</td>
<td>Fully</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Employment services transparent on financial conditions of traineeships</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
<td>Fully</td>
</tr>
</tbody>
</table>

**Source:** European Commission, 2016c: p. 11.

### 3.4. EURES job

There is not enough evidence to conclude that the EURES (EURopean Employment Services) initiative has significantly influenced the development of the youth employment measures. For example, among the EXCEPT countries, in Bulgaria, Greece and Poland the support to the national EURES network is being provided under the ESF co-financed operational programmes, but no youth-oriented initiatives originating from the EU generated major policy changes. The only exception is Italy, where the EURES is considered to be particularly successful among youth (National Report for Italy, 2016).

### 3.5. Supported youth entrepreneurship

European Union promotes youth entrepreneurship mainly through the ESF and some forms of microcredit provision. Such measures exist in almost all counties, but their common feature is that they are not specifically targeted at young people. For example, schemes to support self-employment and start-ups are either incorporated in existing ESF co-financed operational programmes (Bulgaria, Greece and Poland) or are financially guaranteed through the national budgets (Germany, the United Kingdom). In other countries, such as Bulgaria measures to support young entrepreneurs are included in the national action plans on the implementation of the Youth Guarantee (National Report for Bulgaria, 2016).
Therefore, it can be concluded that there is insufficient evidence that that EU initiative has significantly influenced the youth employment policies in the respective countries with regard to youth entrepreneurship initiatives.

4. Main findings

The final section of this chapter tries to answer the questions posed in the beginning, namely to what extent these five EU youth employment initiatives have influenced the policy choices at national level and if yes, how this has happened.

4.1. Have EU youth employment initiatives influenced national policies?

The analysis provides some evidence to conclude that, indeed, EU initiatives which have been formally adopted by the European institution have a greater importance at national level. These are the Youth Guarantee, YEI and QFT. The Youth Guarantee is the initiative with the biggest influence among all other initiatives. This is not surprising taking into account its implementation mechanism – it has been adopted by the European Council and all EU Member States have been obliged to prepare and deliver national action plans. The same is for the YEI, despite the fact that several countries currently are not participating. As far as the YEI mobilizes a big share of the ESF resources that have been allocated to the EU Member States, its influence can be considered as significant as well. With regard the initiative towards achieving greater quality of traineeships and apprenticeship, it cannot be precisely determined whether the adoption of the QFT landmarked the spread of these measures across the EU or they have already existed before the adoption of the respective Council Recommendation. However, as table 4 shows, some countries have adopted changes or have announced that they are going to introduce changes in their legislation in order to ensure better compliance with the QFT principles. In that point of view, it can be considered that this initiative has also influenced the policy choices and content at national level in some countries.

Concerning the last two initiatives, namely EURES job and supported youth entrepreneurship, the evidence on whether they have influenced the youth employment policies at national level, and how, is insufficient to consider them as a major policy change drivers.

4.4.2. How has the EU youth employment initiatives influenced national policies?

For some countries, the influence of the EU youth employment initiatives is significant. For example, for Bulgaria and Greece, the YEI represents the most important source of financing for youth employment measures. As it is said in the national report for Greece “The YEI not only constitutes a main funding source of the Youth Guarantee in Greece, but also contributes to other pro-youth provisions in the national strategy for development” (National Report for Greece, 2016). The importance of EU initiatives has been acknowledged in the Polish and Italian reports as well. However, in these countries the EU initiatives are important, but policy actors at national level are very active in formulating and testing different country-specific policy choices. This is evident from the
Polish report where is said that the current “EU priorities and incentives are extremely important for setting the frames of active labour market policy” but “national government and regional self-governments are extremely active in looking for new solutions” (Source: National Report for Poland, 2016).

However, as far as in Poland, Greece and Italy positive results have been achieved towards improving the youth employment rate (and this is recognized by the Commission services as well), this is not the case in Bulgaria. Both qualitative and quantitative indicators provide arguments to support that statement, there are four consecutive youth CSRs for the period 2013-2016 (see table 1), the progress currently achieved is assessed as being unsatisfactory by the Commission services, and the current implementation of Youth Guarantee schemes is not convincing (schemes reach a limited number of NEETs and only less than ¼ of them receive a quality offer). In addition, Bulgaria is the country with the second lowest share of public expenditure on ALMPs as a percentage of GDP.

Estonia is another example. It has the largest amount of European Social Fund (ESF) funding per head of population among all countries under scrutiny, but the importance of the EU youth employment initiatives is not so significant as compared to the first group of countries. The reason is that the youth employment challenge in Estonia is not so severe and therefore the country is not receiving support from the YEI. Despite the low share of public expenditure on ALMPs as a percentage of GDP, Estonia is more successful in reducing the NEET share. Moreover, quantitative indicators regarding the Youth Guarantee implementation show that almost a half of the young people receive a quality offer of employment, education, training or traineeship. These results are better even than those in countries such as Germany and Sweden having strong traditions in implementing such youth policy measures. On that basis, it can be concluded that the influence of the EU employment initiatives in Estonia is also strong as the policy diffusion is taking place both in terms of its content and direct outcomes.

The third group of countries consists of Sweden, Denmark, Germany, the UK and others. For them it can be said that the role of the EU employment initiatives is not so important. There are at least two reasons for this. On the one hand, these countries are less reliant on EU funding compared to the other countries. On the other hand, they have well-developed and mature national public employment services. They have proven its efficacy in coping with the youth employment challenge long time ago before the adoption of the Youth Guarantee or the YEI. Moreover, these countries themselves are “providers” of policy solutions to be transferred at EU level and then – spread out across the other Member State. In fact, as it has been already mentioned earlier, Sweden is one of the first European countries where the youth guarantee schemes have been launched. German dual system, in its part, has provided valuable insights for the QFT principles. These considerations are well illustrated in the Swedish report: “The EU initiatives are not central to Swedish labour market policy, although successive governments tried to influence policy in the desired direction, mainly as a means of funding already existing
priorities and desirable initiatives” (National Report for Sweden). The same situation is observed in the UK – the country almost not dependent on EU funds where the YEI is available only for several regions. The data also show that funding from the YEI apparently is not central for the implementation of the UK national youth employment policies – as of 2016, less than a half of the available funding (and the corresponding ESF contribution) had been mobilized (European Commission, 2016b).

5. Conclusions

The short overview provides interesting evidence on the diffusion of the basic LM trends and the five EU youth employment initiatives. There are some findings that are worth to be emphasized:

First, the basic trends in LM policies are diffused more intensively and more quickly than the concrete interventions and they shape the way concrete interventions are diffused and implemented.

Second, policy initiatives that are formally adopted by the European institutions and provide less room for flexibility for the Member States in general have a greater impact. This is the case with the Youth Guarantee, YEI and QFT. EURES job and initiatives towards supporting youth entrepreneurship are important part of the EU youth employment agenda, but there is insufficient evidence that they have trigger policy change at national level.

Third, domestic factors matter as well and they shape the policy diffusion patterns. The reliance on EU funding, the severity of the youth employment challenge and the degree of development of national public employment services seem to be three of the factors that determine whether an EU initiative will cause big magnitude changes at national level or not.

The more severe the unemployment challenge is, more likely the country will adopt a policy approach elaborated at the EU level. This is particularly true for countries that have been struggling to find an efficient policy response to the problem of the youth labour market exclusion for a long period of time, i.e. which progress is not convincing enough and the problem consistently continue to exist.

Considering the other domestic factors, the less the reliance on EU funding, the lower the influence of the EU youth employment initiatives. But, on the other hand, the development and performance of national public employment services is also crucial. Two examples can be mentioned here. In countries, such as Bulgaria, where public employment services are not well-developed and not supported by the state, the EU initiatives are translated at national level only in terms of their content. Outcomes are far from expected.

In other countries, such as Denmark, Finland, Germany and Sweden, the reason why youth employment policies are not so strongly influenced by the EU initiatives is rather
different, but also inherently linked to the performance of the national public employment services. These countries have experimented with many policy approaches before the adoption of the EU initiatives and have found the policy directions best suited to their national context. Therefore, policy approaches induced from external factors are less likely to be adopted especially when the youth employment challenge is not so high.

***

So far, the report considered youth employment policy interventions: their different types, main characteristics, the process of their spreading, good practices, main LM trends.

In all these cases, political interventions have been described and discussed as decisions already taken. This broadly descriptive discussion does not provide a sufficient basis for assessment of the interventions. Two approaches are further used in order to introduce elements of assessment (evaluation)

The first is the transition from discussing interventions (the decisions taken) as such to discussing the decision-making process. The assumption is that if the decision-making process is "well-constructed" (if it does "right"), there are grounds to believe that the decisions taken are probably "correct" in the sense of being socially beneficial. Conversely, if problems are identified in the decision-making process, this would raise doubts about the solidity (societal utility) of the decisions made. Under "good" decision-making process we understand a process within the theoretical framework of social choice. However, as the sociological analysis within the social choice theory is still in its infancy, we use in the second part another established conceptual framework - the policy cycle.

Secondly, the conclusions of the second part are further examined in the third part, where the effects of the interventions are used as an additional basis for their assessment (evaluation).
PART TWO: Youth employment policies within the policy cycle framework

The following parts of this report are based on the policy cycle framework. As noted by Werner and Wegnich (2007) and other authors the policy cycle has developed into widely applied framework to organize and systematize the research on public policy. The framework allows considering public policy as a process and focuses attention on generic features of the process, rather than on actors or institutions. In this way the policy cycle emphasizes the significance of the policy domain as the key level of analysis and guides policy analysis to generic themes of policy-making, providing a device to structure the empirical material. The policy cycle framework suggests central research questions, such as questions concerning the impacts of particular interventions (evaluation) or concerned with the consequences following from the results of evaluations (termination, new problem perception and recognition) that are and will remain important ones. Of course, it is of central importance if and why a policy drifts away from the original design and why its effects could be different compared to the expected ones. Additionally, the cycle framework allows the use of different analytical perspectives (Werner. and Wegnich, 2007).

The policy cycle (Graph below) consists of several stages, usually defined as: agenda-setting; policy formulation and decision making; policy implementation; assessment of the effects, and possibly, redesign of the measures. (Werner & Wegnich, 2007; Wildavsky, 1978; Howlett & Ramesh, 2003; Bridgman & Davis, 2003; Albaek, 1998; Baumgartner & Jones 1993)
During the agenda-setting (problems recognition) the social problem (risk) and groups it affects are defined and the need of state intervention is expressed. An important aspect of this stage is that selections of issues may occur under conditions of scarce capacities of problem-recognition and problem-solving. For instance some studies show that it is not the objective problem load which determines the problem-recognition and problem-solving, but the plausible definition of the problem and creation of particular policy image allowing to attach a particular solution to the problem (Baumgartner and Jones, 1993). During the (second) stage - policy formulation and decision making, problems, proposals and demands are transformed into government programs. Among the main activities during this stage are information gathering and processing (analysis). Some studies emphasize that instead of rational selection among alternative policies, decision-making results from different interactions (bargaining between diverse actors within the policy subsystem).

The content of the stage of policy implementation is defined as “what happens between the establishment of an apparent intention on the part of government to do something, or to stop doing something, and the ultimate impact in the world of action” (O’Toole, 2000; 266). Policy research in the field of this stage is interested in patterns of state-society interactions and the institutional set-up of organizational fields in the wider society (e.g. education, health, science).

The last stage of policy cycle is connected with the necessity all programs to be periodically evaluated, designed, budgeted or – eventually - terminated. Studies on policy termination often are concerned with why implementation of policies and programs continues when they have “outlived their usefulness” (Geva-May, 2004; 309). The most important variables influencing the policy reversals (for instance, the economic policy changes since the late 1970s) are changing ideas and political coalitions identifying new problems and supporting new solutions.

Important aspect of policy formulation represents the role of scientific policy advice, perceived as a “diffuse process of enlightenment” in which politicians and bureaucrats (contrary to the conventional wisdom, especially in the academic world) are not influenced by single study, studies or reports. Instead policy advice has an impact on the middle- and long-term changes of general problem perceptions and world views. Something more, scientific research is only one of many sources of information and knowledge that are taken into account during the policy-making process (Werner and Wegrich, 2007).

Policy cycle framework is closely related to different theoretical frames, for instance social theories of risk and, in particular, to concepts for social processing of risks and its different and interrelated phases, such as the risk definition, analysis of (identified) risks (the creation of knowledge about them, their causes and consequences), defining actions for risk prevention or elimination of damages (strategies, policies, design of specialized (social) security systems etc., on the basis of knowledge concerning the risks).
The questions that can be derived from the policy cycle framework and the social theories of risk concern several requirements that policy interventions need to satisfy in order to cope successfully with the problem (risk). The presence or the lack of these requirements provides a basis for assessment of the “quality” of intervention which means the capacity of policy interventions to cope with the risks. The main questions and the related to them analytical perspectives concern: validity (reliability) of problem (risk) identification; adequate study of the problem identified in order to provide solid knowledge concerning the underlying causes of the risks; selection/formulation of interventions (measures) in a way that allows them to address the root causes of the risks; exerting sufficient impact to change the state of the underlying causes; assessment of the impact of interventions which allows identification of possible problems with former requirements (stages of the cycle) as well as identification of unexpected and unidentified (and possibly – unwarrantable) effects of the interventions and, where appropriate, redesign of the interventions.
Chapter 5: Identification of the problem

National reports describe the main actors, participating in the problem identification and the way they perceive the groups at risk of unemployment, as well as the load they ascribe to the risk of unemployment for different groups. They provide as well information regarding consistency of the aims of employment measures and drivers of youth unemployment.

1. Key risk groups identified in the national reports

Important insights on risk groups could be found in other EXCEPT work packages, especially in Work Package 1: “Conceptual framework and identification of risk groups” discussing their composition and construction (Rocicka et all 2015; Stasiowski & Täht 2016). The focus here is to identify the main risk groups in the labour market as defined by different political documents in the respective countries. The overview of the identified key risk groups in the national reports of the partner countries outlines some conclusions:

1. It seems that at national level there is a relatively high consensus about certain groups that are at risk. Statistical data, policy documents and research share to a certain extent the vision on the key risk groups at the labour market.

2. There are similar groups at risk recognized in the different countries. This applies above all to: Unemployed and young unemployed; Minorities & Migrants; Disabled; Long-term unemployed; Single parents and parents of young children; Persons with low or missing qualification; Young people entering the labour market.

Most of the countries point out NEETs as well. Since this is a group formed on a different principle – young people not in employment, education and training - it obviously could duplicate some of the risk groups above.

Obviously all these groups are somehow weak groups at the labour market and they need support and specific measures. Additionally, in some countries (Poland, Bulgaria and Ukraine) people over 50ies are pointed out too as a weak group for which special measures are taken, sometimes similar to the measures against youth unemployment. Polish national report, for example, depicts that “the problems of older workers and unemployed have been the subject of in-depth analyses while there are major changes in society age structure. Additionally, the labour market situation of parents has been the subject of broader national discussion.”

3. In most countries, all these groups are at risk. Only in Sweden the risk groups seemed to be more focused in unemployment pockets: low-skilled youth, immigrants and people with disabilities

4. The reports show that in most countries, these are groups at risk established relatively long ago and only new groups are added sometimes. Thus, despite the efforts, similar groups remain continuously among the most risky in the labour market.
At the same time, increasing concerns create the situation of the new graduates, especially in some countries (like UK and Italy). And the age group up to 24 years is especially identified in the UK, Estonia and Italy.

a. In some countries (DE, IT, BG) there are clear **regional disproportions** and this exacerbates the problems of the same risk groups.

b. Several reports state that there is a **gradual expanding** of the focus from **registered unemployed** (official unemployed) to **non-active** – Germany, Bulgaria, Poland.

c. **Gender issues** are mentioned in national reports, mainly as lower female employment rates. At the same time, there are some specifics:

   In Italy, “In addition, not having family responsibilities (wife and/or children) particularly penalises men; as far as having a family is considered an indicator of reliability unlike women who can be discriminated against in the labour market precisely because they have families” (IT NR);

   In Germany, “Youth unemployment in Germany is more prevalent among males, given their lower representation in higher educational strata. Furthermore, the move towards a service society has benefited women whose occupational profiles were more often in the latter sector (Kohlrusch 2012). ” (DE NR)

d. While there seems to be an overall consensus on the way risk groups are defined and present at the labour market, it could be argued that **some extremely important characteristics of the groups vulnerable at the labour market are often not focused in the official documents**. The way youth unemployed, migrants, minorities, etc. are defined as broad categories could be not sufficient and not well-reflecting the problems. The usage of socio-demographic characteristics for example may eventually blur the picture, as (just as an illustration) usually it is not about all minorities. It could be argued that placing different groups one next to another within different official documents could hardly outline the size and depth of some problems. Probably people who are characterized by more of these characteristics are likely to be more vulnerable at the labour market while this is often not reflected in the official documents. Additionally, the different characteristics may vary in severity in different countries and the enlisting of groups without the depth of vulnerability can make political interventions difficult or trigger the famous creaming effect in them. Although in many countries the importance of such factors as social origin & intergenerational transmission of unemployment and poverty are well-known they stay aside from the political documents. The same holds true for the high labour market segmentation and precarization as mentioned in the Italian report “allocating the worst jobs to the most vulnerable categories”. This leads to the question about the recognition of the importance of the structural versus individual drivers of unemployment and vulnerability.
1.1. General perceptions of the young people in society

The national reports’ answers to the question how are young people perceived in the society in general clearly divide the EXCEPT partner countries in **two main groups:**

**The first one** includes Germany, Sweden and UK where some vulnerable youth subgroups at risk are addressed but not young people as a whole. A possible explanation is provided by Eichhorst from the STYLES project: „The general favourable situation on the German labour market enables policy makers to focus more on rather specific subgroups, like disadvantaged or potential academics, instead of youth in general“ (Eichhorst et al. 2015: 4). Similar is the situation in Denmark, Austria, Finland, Hungary, Latvia, Malta, Portugal and Slovakia.

**The other group** – including Bulgaria, Estonia, Greece, Italy, Poland and Ukraine – perceives youths as a group that as a whole was exposed and continues to be exposed to high risk. Higher importance of all young people as a risk group seems to be ascribed as well in Lithuania, Netherlands, Belgium, Luxembourg and Spain. The reasons for such assessments are different. In many of these countries the assessment seems often to be connected to the massive “brain drain” – a phenomenon which generates specific attention to the youth group as a whole.

The report from Greece emphasizes two main concerns which characterize the second group of countries: a) „Young people are perceived as a very important driving force in the Greek society. They are seen both as potential economic and social actors, as well as the future citizens. For this reason the broader attitude has not changed and the interest in investment in their educational development and their professional integration remains high.“; b) „During the years of the crisis young people have been designated as a group that runs great risk for professional and social marginalisation and exclusion, while the dimension of “brain drain” has become a major issue of concern“. (EL NR)

Describing the youth labour market situation the Polish NR explains the pushing out factors for high youth emigration: „... young people were supposed to adapt to existing conditions and make their choice – take part in multiple internships with limited chances to find a job afterwards, work beneath qualification or on a minim wage, decide on the civil law or temporary contracts. Subsequently, access to European Union markets has changed the gravity of young interests and choices. The frequent youth emigration has been perceived as chance for a better life for many, but at the same time it brought other problems and difficulties. New dimensions have been identified as migration orphan hood, aspects of social transfers, loose of educational investments in youth or long-term side effects on taxation and social security systems“. (PL NR)

In Italy, “…the mass media’s rhetoric emphasises the “brain drain” from Italy to other countries, speaking about the resurgence of Italian emigration (Ricucci 2017).” Additionally the increased internal mobility in recent years from the South to the Centre-North especially involving young people is reported as well. (IT NR).
The same is echoed in the Bulgarian report: „Massive emigration of young people from the country as well as massive internal migration to big cities is worsening the demographic situation and opportunities for economic development. There is a vicious circle of pushing out young people and closing future economic and social prospects.” (BG NR).

Although this situation could have generated some interest to attract back highly qualified young people it does not seem to be the case. Only one such measure is reported in Estonia: “Bring talents back home” is a project launched in 2010 by Estonian Chamber of Commerce and Industry. Goal of the project is to provide well educated young people living currently abroad with decent and competitive jobs in Estonia so that they would return to Estonia.”(Estonian Chamber of Commerce 2010). Nevertheless, the Estonian national report states that: “However, young people as such are not perceived as the “solution” for serious current and future problems like population aging, labour market structural imbalances, growing regional inequality, immigration, foreign security, international mobility. There are nearly no programs or policies which would discriminate youth positively… This situation however differs from the situation some 20 years ago, when young people were seen as the “winners” in society… Today, young people are not considered winners anymore.” (EE NR).

**Public attention** to young people seems to be **fragmented according to specific interests of different stakeholders.** Especially obvious is the instrumental value of young people from a business point of view:

<table>
<thead>
<tr>
<th>Textbox 5.1: Instrumental value of young people from business point of view</th>
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<tbody>
<tr>
<td><strong>In Poland,</strong> „Media releases and researches confirm that there are two major stereotypes that affect the society. Young people are usually described as demanding, unwilling to involve into work/company, with strong orientation on personal development, promotion and work-life balance. Statements concerning employers often indicate short-term perspective, lack of development vision, high expectations of young employers qualification and work experience with minimum salary offered.” (PL NR).</td>
</tr>
<tr>
<td><strong>In Greece,</strong> „The employers do not seem to follow the new trends for cooperation with other stakeholders in the planning and implementation of measures for the support of young individuals to enter employment. On the contrary, they expect the state to promote various initiatives, but they are not always willing to participate proactively.” (EL NR).</td>
</tr>
</tbody>
</table>

### 1.2 Incidence of youth unemployment and its concentration among specific groups

Focusing on young people and youth risk groups, national reports reveal the **specificities of the situation in the individual countries.**
"Germany exhibits the lowest rate of youth unemployment, with around seven percent (Statistisches Bundesamt 2016, Rokicka et al 2015). [...] Furthermore, while many European countries experienced a decrease in employment following the 2008 financial crisis, the upward trend remained stable in Germany across age groups and genders. [...] Yet these figures should not overshadow that transitions into the labour market by youth are often marked by “fragmented transitions”, including shorter periods of unemployment (see Kohlrausch 2012: 6). The distance in the vulnerability of low and high educated groups is reported to be increasing. Simultaneously, the increase in the numbers of enrolment in the higher secondary schools is accompanied with decrease in the number of training places and jobs due to the transition from an industrial to service society.“ (DE NR),

In Sweden, where “the youth unemployment rate is currently at the level of about 23% in comparison to an OECD average of just under 15%. (OECD 2015).” (SE NR), the key youth risk groups replicate the general risk groups: low-skilled, immigrant background and people with disabilities. The situation worsens with the economic downturns and the crisis.

In UK where “the youth unemployment rate disparity runs at nearly four times than of those aged 25+ (Gregg, 2014)”, and “around 40% of the unemployed are under 25.” It seems that young people (up to 25 years old) are first to leave the labour market in economic downturns and last to return in it in economic upturns. “Young people have been the ones hit the hardest by the recent recession, with employment rates of those aged 18 to 24 falling by nearly 10 percentage points in the last decade. The UK economy has added one million jobs over the last two years but just 40,000 of this increase was among the under 25s.” (UK NR). Looking for solutions various policies were designed like Youth Contract, the Work Programme and the Work Experience programme. (UK NR).

In Poland, cyclical fluctuations of youth unemployment are traced with picks in 1998-2004 and the economic crisis. The dynamics of the youth unemployment rate are linked negatively (increasing) with the demographic peak in the mid-90s and positively (decreasing) with the EU integration and high emigration rate of young people. The NEETs, especially in the age group 25-29 age groups are considered as a main risk group. In Poland the share of early leavers from education and training and of the NEETs among young people aged 15-19 years old are both about twice lower than the EU average. “However, labour market participation rates for youth in Poland are approximately 10 percentage points lower than the EU average, which can be explained by high participation rates in higher education.” (PL NR)

In Estonia, “similar with many other countries where registered unemployment rate exceeds unemployment rate of older age groups”, and “Like other European countries, Estonia too has been moving toward policies of individual empowerment and social investment paradigm.” Although ALMPs are developing in compliance with “EC integrated youth policy in member states”, it is reported that the “overall expenditures to social protection are comparatively low. Low level of social expenditures means that both compensatory and social investment expenditures, which carry special relevance for youth, are comparatively low. (Lauri & Toots 2015)” (EE NR).
In Bulgaria “The youth unemployment rates have always been among the highest for the different age groups and much higher (approximately 1.5 times) than the average for the country, even during the periods with low overall unemployment.” Some sustainable trends are: Unemployment rates for the younger age group (15-24) are much higher compared to the situation of youth 25-29 years old; For the whole period from 2000 to 2015, long-term unemployment represents 50% of the total number of unemployment youth; There are sharp territorial differences in the youth unemployment rates; the share of NEETs is high while an important change occurred during the 2000-2015 period – the share of youth who are inactive but want to work dropped by 13 p.p. (from 66% to 54%) and the share of inactive who do not want to work increased from 34% to 46%...The Employment Strategy (2004-2010) identified youth unemployment as a major problem and a number of programs, projects and schemes operate, following EU initiatives, with unemployed young people gradually became one of the main target groups of the undertaken political measures” (BG NR).

In Italy, “The issue of youth unemployment has become central in recent years in the public debate and the attention of policy makers. Almost daily the major national newspapers, magazines and other mass media talk about cases of young unemployed people or young people with precarious jobs.” ... young people (aged 15-24) are four times more likely to be unemployed than adults (25-64)... in a scenario where the unemployment rate for young adults is among the highest in Europe (See ISTAT 2016; OECD 2016).” An important problem is the rate of long-term (i.e. more than 12 months) unemployed. “In 2014, it reached 59.7% of young people unemployed and 61.4% of the all unemployed (compared with, respectively, 41.1% and 47.5% in 2007) (Source: ISTAT). Thus, more than half of unemployed youth were looking for work for over a year while seeing their chances of re-employment diminishing.” with all the long term consequences including “an increased risk of the loss of human capital, difficulty to (re-)employ, a “stigma effect”, loss of motivation, marginalisation and social exclusion. (IT NR)

In Greece, “ youth as a whole constitutes a risk group,... and the unemployed persons of 15-29 years of age mount to 38.1% of the total labour force of the particular age group.” The NEETs are a clearly identified risk group with a different situation for the different NEETs sub-groups. More concretely, the rates of 25-29 years old NEETs are much higher. “According to Eurostat (last update 13.10.2016), the rates of NEETs who were 25-29 years old (36.2%) were bigger than those of NEETs who were 15-24 years old (17.2%) in 2015.” This is linked with the higher involvement of individuals ages 15-24 in education and training, and respectively lower rates of early school leaving “13.3% in 2005 and 7.9% in 2016, much lower than the national EU 2020 target”. This is explained by cultural stereotypes favouring educational qualifications and to the high unemployment rates that obliged young people to stay in education for longer periods of time in an attempt to secure more skills and official certification of their competences.“ (EL NR)

Having in mind the very high rates of youth unemployment in Greece, the national report points out the significant costs: “In 2011 the total cost of 419,102 NEETs 15-29 years of age aggravated the country’s finances with €7.1 bln. *-3.28% of GDP, almost triple the EU average (Eurofound 2012), thus hindering the national efforts for recovery.” (EL NR)

10 Author’s elaboration of data from the National Statistical Authority of Greece.
In Ukraine, “The evidence suggests that youth is clearly a risk group in terms of risk of unemployment... while youth aged 15-24 has both lower employment and higher unemployment rates compared to other age cohorts, whereas youth 25-29 performance on this statistics is not very different from the older ages.”. Together with different efforts undertaken (like guarantee to the first workplace, creation of youth job centres, and since 2012 – job quotas for young people, etc.) “Since 2005, the state adopts five-year programs of youth development.” (UA NR)

1.3 Relative importance ascribed to different risk groups

The national teams assessed the importance of distinct youth (sub)groups (recognized as ‘risk groups’) according to the three different perspectives of: a) public opinion/media; b) mainstream policy; and c) researches. The assessment is based on a rating scale varying between 1=no significant role to 5=very important.

The results obtained depict:

1. Despite the intensified efforts to mitigate the problems of youth unemployment, the overall average score is not high: in EXCEPT countries it is 3.26; a year later in the other 19 countries it is even lower: 2.68.

2. According to the estimates, the youth groups in total for the nine EXCEPT countries could be ranked by importance as follows in the next Table:

**Table 5.1: Ranking of youth risk groups in EXCEPT countries by importance and the respective score (on a scale between 1=no significant role to 5=very important)**

<table>
<thead>
<tr>
<th>Place: by 1&lt;sup&gt;st&lt;/sup&gt; most significant – 13&lt;sup&gt;th&lt;/sup&gt; least significant</th>
<th>Group</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Young unemployed</td>
<td>4.18</td>
</tr>
<tr>
<td>2</td>
<td>Young people without qualification</td>
<td>3.89</td>
</tr>
<tr>
<td>3</td>
<td>Young people with outdated</td>
<td>3.74</td>
</tr>
<tr>
<td></td>
<td>qualification</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Low-qualified young people</td>
<td>3.70</td>
</tr>
<tr>
<td>5</td>
<td>NEETs</td>
<td>3.55</td>
</tr>
<tr>
<td>6</td>
<td>Young people with disability</td>
<td>3.48</td>
</tr>
<tr>
<td>7</td>
<td>Migrants/ethnic minorities</td>
<td>3.26</td>
</tr>
<tr>
<td>8</td>
<td>All young people</td>
<td>3.15</td>
</tr>
<tr>
<td>9</td>
<td>Early-school leavers</td>
<td>3.11</td>
</tr>
<tr>
<td>10</td>
<td>Higher education graduates</td>
<td>2.85</td>
</tr>
<tr>
<td>11</td>
<td>Young people from remote/disadvantaged areas</td>
<td>2.63</td>
</tr>
</tbody>
</table>
Table 5.2: Ranking of youth risk groups in the other 19 countries by importance and the respective score (on a scale between 1=no significant role to 5=very important)

<table>
<thead>
<tr>
<th>Place: by 1st most significant – 13th least significant</th>
<th>Group</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NEET</td>
<td>3.89</td>
</tr>
<tr>
<td>2</td>
<td>Young unemployed</td>
<td>3.79</td>
</tr>
<tr>
<td>3</td>
<td>Young people without qualification</td>
<td>3.37</td>
</tr>
<tr>
<td>4</td>
<td>Low-qualified young people</td>
<td>3.26</td>
</tr>
<tr>
<td>5</td>
<td>Higher education graduates</td>
<td>3.05</td>
</tr>
<tr>
<td>6</td>
<td>Early-school leavers</td>
<td>3.00</td>
</tr>
<tr>
<td>7</td>
<td>Migrants</td>
<td>2.95</td>
</tr>
<tr>
<td>8</td>
<td>All young people</td>
<td>2.83</td>
</tr>
<tr>
<td>9</td>
<td>Ethnic minorities</td>
<td>2.79</td>
</tr>
<tr>
<td>10</td>
<td>Young people with disability</td>
<td>2.68</td>
</tr>
<tr>
<td>11</td>
<td>Young people with outdated qualification</td>
<td>2.53</td>
</tr>
<tr>
<td>12</td>
<td>Young people from remote/disadvantaged areas</td>
<td>2.26</td>
</tr>
<tr>
<td>13</td>
<td>Teenage parents</td>
<td>2.06</td>
</tr>
</tbody>
</table>
The comparison between the two tables shows:

- Young unemployed and young people without or with low qualification are considered again more important;
- Young people from remote/disadvantaged areas and teenage/single parents do not receive enough attention. Especially neglected again are the young people with cumulative disadvantages in their social background: from workless families
- NEETs, higher education graduates and early school leavers receive higher attention. This is at the expense of decreasing attention to young people with disabilities and ethnic minorities.
- An intense diffusion in the identification of risk groups could be noted. Groups that receive more attention seem to be sustainably established as well as risk groups that are neglected.
- Differences in the ranking of some groups may also be due to the fact that the two studies were conducted with a difference of about one year.

Of course, as presented in the next graph, the average estimates are differentiated by country.

**Figure 5.1: Average score on political importance of different risk groups per EXCEPT country (on a scale between 1=no significant role to 5=very important)**
The highest and the only one over 4.0 is the average score for the UK. Three other countries (Greece, Sweden and Poland) are rated with scores between 4 and 3.5. Ukraine and Germany have scores between 3 and 3.5. The other three countries - Bulgaria, Italy and Estonia - have a score below the average 3.

Similarly, in the other 19 countries these scores are as follow:

**Figure 5.2: Average score on political importance of different risk groups per non EXCEPT country (on a scale between 1=no significant role to 5=very important)**

Along with the overall average scores for all the groups and countries considered, there is a national specificity in the assessments which are the most significant and the least significant groups, as well as a differentiation in the scores given to the different measures.

**Table 5.3: Groups receiving the highest (in green) and the lowest (in red) scores in the different countries as well as their value (on a scale between 1=no significant role to 5=very important)**

<table>
<thead>
<tr>
<th>Group</th>
<th>BG</th>
<th>EE</th>
<th>EL</th>
<th>DE</th>
<th>IT</th>
<th>PL</th>
<th>SE</th>
<th>UK</th>
<th>UA</th>
</tr>
</thead>
<tbody>
<tr>
<td>All young people</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>2.33</td>
<td>2.33</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young unemployed</td>
<td>4</td>
<td>3.33</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Early school leavers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.33</td>
<td>2.33</td>
</tr>
<tr>
<td>Young people with low qualification</td>
<td></td>
<td>3.33</td>
<td></td>
<td>4.67</td>
<td>5</td>
<td>5</td>
<td>2.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young people with outdated qualification</td>
<td>4</td>
<td>3.33</td>
<td></td>
<td>4.67</td>
<td>5</td>
<td>5</td>
<td>2.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young people without qualification</td>
<td></td>
<td>3.33</td>
<td>1.67</td>
<td></td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As could be seen in the table above there are some country variations when assessing the political importance of different youth risk groups.

According to the national reports in the other 19 countries risk groups that receive highest scores in the different countries are:

In Austria – young people with low and without qualification, NEETs, young migrants, young people from workless families and young people with disabilities.

In Belgium – young unemployed and young people without qualification.

In Croatia – young unemployed and young people without qualification.

In Denmark – NEETs, migrants/ethnic minorities & teenage/single parents.

In Finland – NEETs & migrant/ethnic minorities.

In France - young unemployed & early school leavers.

In Latvia - young people with low, outdated or without qualification, NEETs, migrants/ethnic minorities, teenage/single parents and young people from workless families.

In Lithuania – the NEETs.

In Luxembourg - young unemployed, early school leavers, young people with low and without education, NEETs and migrant/ethnic minorities.

In Portugal and Slovakia - higher education graduates.

In Spain - early school leavers, NEETs & higher education graduates.
In the other 7 countries - CY, CZ, HU, MT, NL, RO and SI – there are no risk groups assessed by the highest scores. While countries’ different situations could be explained by many and quite different factors, the similarities in the identifications of risk groups suggest a common trend – to a certain extend that policy debates have enforced higher/lower importance of some groups and their inclusion in policy agenda. In such case, this could have some distortive effect on some groups where cumulative disadvantages could be traced. For instance, teenage/single parents and young people from workless families quite often receive the lowest scores; at the same time, young unemployed and NEETs never receive the lowest scores in any country and especially young unemployed often receive the highest score.

In most cases at national level there are no big differences between the scores of public opinion/media, policy and research. Quite often, the scores are equal or there is 1 point difference. Two and more points difference is rare and to some extend more present in Poland and Estonia. While this could be an indicator of an overall public consensus, other factors could impact as well.

At the same time, studies could contribute to widening the scope and focus when identifying risk groups. Rarely, national reports point out some dissonances.

**Textbox 5.2:**

**Examples of dissonances**

**In Poland,** „There is a noticeable dissonance between media coverage of themes connected with young people entering the labour market and results of multiple research on Youth situation. Problems of early school leavers, ethnic minorities, and teenage parents concern the limited number of young people in Poland and are usually invisible in media articles and programmes. Simultaneously, researches confirm the limited scale of those problems, but indicate that specific problems suffered by young people belonging to those groups are long-term factors directly influencing on their inactivity on the labour market or long-term unemployment.“ (PL NR)

**In Italy,** “Both political and media attention are devoted to young people and the issue of the increasing number of those who are unemployed and belong to the NEET category. However, despite the NEET phenomenon being highlighted by numerous studies, there are some difficulties in studying this particular juvenile sub-group and empirical studies on the subject are still scarce at national level... In general, scientific research seems to pay more attention to other potentially vulnerable groups, such as early school-leavers, highly-skilled youth ready to leave the country, and Migrants/Ethnic minorities. The first group is generally in the background of media news; the second is often portrayed by the media: it is not considered very credible that the country is not able to give jobs to potentially highly-qualified workers. As for young foreigners, while research emphasises the risks of the lack of education, policies ignore the issue, and public opinion mostly views them as potential “competitors”, as important resources and community members who are not likely to be included in the labour market. It is emblematic that the most recent school reform, “The Good School” (2015), did not at first
Overall, the results obtained depict an interesting issue. Despite the widespread identification of youth unemployed as a group at high risk, as already mentioned, the overall (average) score for this group is not very high: 3.26 (from 5 maximum). This assessment seems to correlate with results of other studies. For instance, Skans suggests that the crisis did not, in fact, hit youth harder than other groups and this seems to be approximately the same in all countries. Skans' final conclusion is “that the main lessons regarding youth unemployment from the Great Recession are that bad times are bad for youths and adults alike, that the policies which best help the youths enter the labour market in good times also help them best in bad times and youths who become unemployed in bad times (as well as in good times) on average fare better than other workers who become unemployed at the same time. (Skans 2011: 43). Results from other studies add to Skans' opinion stating that young people, although affected by higher levels of unemployment, often have more opportunities to avoid or mitigate the negative effects of unemployment. For instance some authors suggest that young people are more likely than adult workers to resign voluntarily and face a lower opportunity cost for resigning; they are less likely to have dependents and turning to higher education is a more viable for them than for adults (Gorlich, Stepanok and Al-Hussami, 2013). Youths also are more likely to use family support during “bad times” or to emigrate abroad looking for (better) jobs or to enter informal labour market. These results are also consistent with the results of other EXCEPT work package (WP3) that explores the autonomy of young people (mainly the continued use of parents' housing and other types of family support).

Of course, there are grounds the risk of youth unemployment to be considered high, since its rate significantly exceeds the rate of total unemployment and affects a group to which (at least a large part of) society attaches great importance. At the same time, there are obviously other vulnerable groups, including subgroups of young people who also need support and which should also be given importance.

1.4 Youth groups at risk that seem to be underestimated

In the different EXCEPT partner countries different groups present specific unemployment pockets\(^{11}\) that need much more attention in the political documents and political interventions. These groups are more focused and less in number in Germany, UK, Sweden, Italy and Estonia. Bulgaria, Greece and Poland enlist more groups that need particular attention. Table 5.4 below presents the risk groups which needs, according to the national reports, are not adequately addressed by national policies.

---

\(^{11}\) Similar to the widespread notion of poverty pockets
Table 5.4: Youth risk groups especially not adequately addressed by national policies in EXCEPT countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Young people with disabilities</th>
<th>Migrants</th>
<th>Roma</th>
<th>NEET</th>
<th>Low educated youth</th>
<th>Youth from peripheral rural, disadvantaged areas</th>
<th>Young people from disadvantaged background workless families</th>
<th>Youth employed in &quot;grey economy&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>DE</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Source: National reports

The National reports of the non EXCEPT countries also outline the youth risk groups especially not adequately addressed in their countries:

In Austria – ethnic minorities.

In Belgium many groups are enlisted – young people with outdated qualification, higher education graduates, migrants/ethnic minorities, teenage/single parents, young people from workless families, young people from remote/disadvantaged areas, and young people with disabilities.

In Cyprus as well many groups are assessed as not adequately addressed – early school leavers, young people with outdated qualification, NEETs, migrants/ethnic minorities, teenage/single parents, young people from remote/disadvantaged areas, and young people with disabilities.

In Croatia - early school leavers, young people without qualification, NEETs, young people from workless families & young people from remote/disadvantaged areas.

Denmark and Netherlands point out migrants/ethnic minorities.

Finland - migrants/ethnic minorities, teenage/single parents & young people from remote/disadvantaged areas

Hungary - teenage/single parents & young people with disability

Latvia - young unemployed

Malta - young people from workless families, young people from remote/disadvantaged areas.

Romania - all young people, early school leavers, higher education graduates & in-work poor young people.

Slovakia - migrants/ethnic minorities & young Roma.
Spain – young people with low qualification.
Additionally the national EXCEPT countries’ reports outline some necessary shifts concerning policy actions and initiatives.

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**Textbox 5.3: Examples of necessary shifts in policy actions**

**In Germany,** „Caliendo et al. (2011: 23) show that “the by far most vulnerable labour-market group are low-educated youths” which are “not sufficiently accommodated in the current policy set-up”... They also describe a “Matthew-effect”, i.e. the fact that successful support programs benefit most those with high initial education.” (DE NR)

**In Sweden,** “The great proportion of the unemployment group that is made up of foreign born (well over half) indicate that much more needs to be done for this vulnerable group on the labour market.” (SE NR)

**In Poland,** “ALMP provides measures to adequate support for most of the youth risk groups. However, the long term effectiveness of actions is highly related to economy condition and enhancements for employers to create new jobs. Simultaneously there are several youth groups that need broader support that should be connected with social inclusion actions or against-poverty enhancements. There is a large group of young people from peripheral rural areas, disadvantage areas or background, workless families.“ (PL NR)

**In Greece,** “In general, it can be argued that people with disabilities, migrants and Roma, although specifically mentioned in the policy documents, are not offered adequate opportunities to improve their skills and their employment prospects through the programs. The number of measures targeting at disadvantaged groups is very limited… “Migrants constitute a risk group that should receive greater attention and support, because of its particular social and professional conditions and needs.” (EL NR)

**In Bulgaria,** “There are different groups which needs are not adequately addressed: Young people with disabilities, Roma, NEETs, Young people from disadvantaged background - workless families, Young people employed in "grey economy", etc. are some of these groups... Especially unaddressed are the needs of groups that suffer from cumulative disadvantages. This has to do with the high inequalities in the country and the consequent increasing importance of social origin.” (BG NR)

**Source:** National reports for the respective countries

Difficulties seem especially pronounced when **wider approaches are needed:**

---

**Textbox: 5.4 Wider approaches needed**

**In Poland,** “Only comprehensive attitude and wide range of support including employment incentives, social inclusion measures, educational and psychological support may result in long-term positive effects. The support shall be accessible not only to the young person, but also should include the family, in order to make the change possible... A large group of young people from rural areas choose the KRUS insurance and work in 'so-called' grey zone (Eurobarometer 2014: 148-152). This problem cannot be resolved with employment incentives only.” (PL NR)
In the UK, together with NEET, the necessity of transport program is mentioned “Furthermore, currently UK policy does little to address the transport disadvantage of young jobseekers. Rising transport costs is one of the factors making it difficult for thousands of young people to participate in education, and training (Jones 2012)”.

The Italian National report points out another factor that could generate not enough attention to some risk groups (the lack of addressing specific youth risk targets in some interventions). “When the employment policies rarely address specific youth risk targets, as is the case in Italy with the exception of NEETs, than some groups could be discriminated, e.g. young people of foreign origin.. The Youth Guarantee Initiative – according to national documents – did not provide specific measures for disabled youth.” There are some regional efforts to address this issue... However, up to now this measure has been implemented by only one region” (IT NR)

Similar idea is found in the Ukrainian national report “However, the coverage of youth by the LMPs is rather wide and non-specific, and the services provided to young people are the same as offered for other age categories – professional orientation, training, assistance in job search, public works. There are no specialized labour-market policies for vulnerable youth. Besides, existing policies are not adequately funded.” (UA NR)

The lack of research and evaluations contributes to this as well. As pointed out in the Estonian national report: “In general, there is no research on the needs of particular target groups. Therefore, it is hard to tell objectively if the needs of a particular group have or have not been met... There is one group which is perceived as a risk group – NEET youth. This group receives policy makers’ attention but whether the group is addressed adequately, is not clear as there are no studies evaluating this.” (EE NR)

2. Aims of youth employment measures and their consistency with youth unemployment drivers

The main question to be answered in this part is whether and to what extent the objectives of the employment measures are related to (address) the root causes of youth unemployment.

The extent of this compliance is seen as the main determinant of the effectiveness of the policies implemented. The argument for this is obvious: if the objectives of policies' interventions do not address the root causes of the problem, interventions will not have a significant impact on these causes and the resources used will not contribute enough to solve the problem. In short, the measures can hardly be considered effective. Let us recall that this approach differs from the usual approach to studying and evaluating effectiveness, based on the comparison of the formally announced (explicitly declared) objectives with the results achieved. This does not take into account whether and to what extent the formulation of the objectives of the interventions themselves has been effective; to what extent the chosen and announced objectives are adequate to the underlying causes of the problem. Obviously, if the objectives of the intervention

12 As some studies show, another serious weakness of this approach is that focusing on achieving the stated aims could lead to overstepping effects of interventions that may be unexpected or even undesirable.
(program / measure) do not address the root causes of the risk, intervention cannot be considered effective even if the degree of achievement of the declared objectives is high. But precisely this reason for the inadequate effectiveness of measures (inappropriately formulated objectives) cannot be judged when the assessment of effectiveness is based on the degree of achievement of stated aims. Therefore, neglecting a possible mismatch between the causes of risk and the identified/addressed goals may lead to incomplete (narrow) performance assessments and distort the assessment: if the assessment is based only on the degree of achievement of the stated objectives, the programs may receive a good estimate, even if there are no significant positive effects.

The focus on justifiable formulation of intervention goals and on the relationship between intervention objectives and causes of the problem aims to avoid this possible weakness in evaluating the effectiveness of police interventions.

This leads to the question of the extent to which the objectives of the (youth) employment measures are adequate to the causes of youth unemployment.

The national reports provide information on the complex of causes of youth unemployment and this allows comparison with the main objectives of the employment policies.

National reports show numerous causes of young unemployment and social exclusion:

- Economic situation (negative changes in the dynamic and structure of the economy, lack of adequate numbers of jobs)

- Labour market deficiencies, including changes in the normative (legislative) construction of the labour market, which, in some cases, introduce discrimination elements towards the young workers (Greece, the United Kingdom, Ukraine, Poland, Estonia, Bulgaria, Italy).

- The level (quality) of the human capital of young people (respectively the impact of policies that have a particularly strong impact on the human capital formation), mentioned as:
  
  ➢ Skill-requirements connected to problems of human capital formation (weaknesses of educational system, including limitations in preschool education; limited participation in VET: Greece, the United Kingdom, Ukraine, Poland, Estonia, Bulgaria, Italy, Sweden (adding language issues and discrimination of foreign born unemployed));
  
  ➢ Social and cultural differences, youth attitude to work, also connected with Human capital formation (Germany, Poland);

- Specific attitudes of employers towards the young workers (influenced by the changes in the social construction of the labour market, changes in the aggregate labour demand and the overall unemployment rates);

- Specific behaviour of the youth when they enter the labour market; Youth reactions towards the labour market condition when it does not provide adequate
employment and social inclusion (relatively low wages, weaker social protection, and lower job security); To this causes some youth employment policy scholars often add the so-called “youth wages” (O’Higgins, 2001: 38).

- Fluctuations of employment of other age groups (particularly significant in the periods of collapse of available jobs), which are also an effect of employment policies of other age groups (pension policies);
- Increasing size of youth labour force (Poland);

Textbox 5.5:

Examples

In the Greek report, for example, is pointed out that: „the levels of consumption have fallen significantly and the companies’ financial turnover decreased, thus leading to limited investments. As a result, thousands of enterprises ceased their activities, while others were forced to reduce their personnel in order to confront the difficult circumstances and to survive. Young people, who had already been experiencing difficulties in their transition to the labour market, found themselves in a situation where very few jobs were available for them.” (EL NR)

In the United Kingdom the reasons are similar – the number of job vacancies available in the labour market falls sharply. As a result, young people are faced with a decreased number of available jobs. In this circumstance, with relatively limited experiences and qualifications, youth unemployment is highly likely to increase faster than other adult age groups (Staneva et al., 2015).

In Estonia: “…economic development with less than proportional job creation… The main factor influencing of youth unemployment rate is the situation of labour market. Social exclusion, when measured using disposable income, is determined by labour market situation”. (EE NR)

At the same time, the review presented in previous parts of this paper has shown that employment measures include the following main activities:

- Increasing employability (training and others);
- Stimulating more active job search (by reducing social protection and increasing the pressure for job search);
- Increasing the number of job places (job sharing, job subsidies).

Thus these aims stem from the identification of the following reasons for unemployment: a) the mismatch between the employability and the requirements of employment (insufficient employability); b) unwillingness to engage in employment and the availability of other sources of life; c / lack of sufficient jobs

Obviously, there are certain differences between the causes of youth unemployment, pointed out by the experts and the causes addressed by the employment measures.
These differences are a sign of possible inaccuracies in the formulation of the objectives of the measures. Therefore, the adequacy of the policy objectives chosen for youth employment interventions is discussed below.

A. Adequacy of the identification of mismatch of qualifications provided/demanded as a cause for youth unemployment

Intensive discussions about the mismatch are available in most EU member states, EXCEPT partner countries included and they are constantly stimulated and driven by reports, research, and positions by the European Commission, World Bank, OECD, and ILO.

National reports confirm that the mismatch of qualifications provided and demanded is widely recognized in EXCEPT Project countries and at EU level as important cause of youth unemployment:

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<th>Textbox 5.6</th>
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</table>

The mismatch of qualifications provided and demanded

As cited in the Greek report, “The qualifications acquired in different educational levels do not always correspond to the existing demand. The numbers of students in different specialisation fields are not always defined according to the actual demands in employment...The phenomenon of mismatch of qualifications has been observed in many EU countries for many years... In the next years the European labour market expects an increase in medium and high level skilled workforce, whereas the low skilled workforce is expected to decrease significantly (Cedefop 2010)”. (EL NR)

In Poland, “The mismatch of youth qualifications is one of the crucial problems on the labour market that is often indicated by employers and justified in multiple researches both on national and regional level (OECD 2016).... The rapid changes of Polish economy during last two decades, international development of communication and services supported by technological change resulted in an urgent need of better skills among population...“It has been an enormous challenge while schools provided overly theoretical knowledge.” (PL NR)

In Ukraine, “The issue of skills mismatch is very pressing – both for older workers and for youth. About half of the workers are employed in jobs which do not correspond either to their education field or their education level...A World Bank study (Del Caprio et al, 2017) shows that the graduates of higher educational institutions often lack skills demanded by the modern labour market – such as problem-solving, self-management or advanced computer skills.” (UA NR)

In Sweden, „According to the OECD Employment Outlook 2014, Swedish youth face difficulties in find jobs that match their skills and qualifications. Many jobs that young people find do not correspond with their field of their education (Statistics Sweden 2005)“. „OECD (2015) highlights connecting the education system to the labour market needs as one of the key challenges for the labour market policy in Sweden. OECD sees gaining work experience while studying as one way in which young Swedish could obtain the skills that employers want, but combining study and work is not very common in Sweden in comparison with other OECD countries.” (SE NR)

In Italy, “In 2011, according to OECD findings (OECD 2014) based on the Survey of Adult Skills (2012), 33% of workers suffered from a skills mismatch, in Italy, the highest percentage in OECD countries.” (IT NR)

In Bulgaria, “There are numerous discussions on the link between education and business, focusing usually on the labour market situation and the instrumental value of education. The challenge in front the country to "improve the overall quality and efficiency of school education and the capacity of higher education to meet labour market needs" is identified by the European Commission (2015:3). … World Bank analyses explicitly point out that "skills mismatch remains a barrier to employment", both at the beginning and after the global financial and economic crisis (World Bank, 2009; 2016). (BG NR)

**Source:** National reports for the respective countries

**Causes of the mismatch**

As main causes of the mismatch national reports usually mention:

A) Different visions of employers and educational institutions and insufficient cooperation:

**Textbox: 5.7**

In Italy, “According to McKinsey report, employers and providers have very different perceptions. 72% of education providers in Italy think that youths have the skills they need when they finish school; only 42% of employers agree. The perception gap reflects lack of communication between employers and providers. Only 41% of employers said they communicate regularly with education providers and, of them, only 21% considered this communication effective. (McKinsey 2014a, 66)” (IT NR).

**Source:** National reports for the respective country

B) In some cases differing visions of educational institutions and business on the discussed field are reported as unwillingness of universities to consider labour market options from employers’ perspective.

**Textbox: 5.8**

In Ukraine, “… there is very little cooperation between the educational institutions and businesses. Although formally the education system should be responsive to the labour market needs, in reality the quality of education (both its content and the quality of provision) does not match the expectations of employers.” (UA NR)

In Bulgaria, “In the field of higher education, the critical comments of the EC to Bulgaria are in terms of "quality problems, system’s inefficiency and limited labour market compliance" (European Commission, 2016: 48)”. (BG NR).
C) Another cause for the mismatch recognized almost everywhere is the insufficient effectiveness of Vocational education and training (VET). Problems with the competences provided by VET are widely reflected (EE, BG, EL, and PL):

**Textbox: 5.9**

In Greece, “In addition, the participation in VET remains very low compared to other EU countries and results in the country being unable to develop the necessary technical professions and the relevant economic sectors that would improve the country’s productivity and competitiveness.” (EL NR)

In Poland, “Basic vocational education has failed to provide many students with skills adequate to labour market needs.” (PL NR)

The identified causes also determine how the problems are solved. Besides the main solution – improving employability of unemployed youths, several other solutions are proposed and implemented to solve the problem following the recognized drivers of the mismatch problem. National reports provide several examples of such solutions.

- Reconstruction of education system:

**Textbox: 5.10**

In Bulgaria, “Early in 2016, one of the employers’ organizations called for "urgent action to speed up education reform", expressing concern about the "increasingly acute shortage of trained staff in a wide range of professions" and “the ever-growing illiteracy among young people in the country”. The call was also supported by another employer organization, which turned attention to another important business area of the education system - vocational education. Problems such as the deficiency of special secondary education, unattractive secondary education and career guidance, degraded content and quality of vocational education and training with inadequate practical applicability of acquired knowledge and skills are often mentioned.” (BG NR)

In Italy, “The current Italian government, led by Matteo Renzi, has tried to counter this situation. By means of school reform (Law 105/2015, called “The Good School”), school-work paths have been implemented (although already provided by Article 4 of Law Decree No. 53/2004). In an attempt to apply practices already developed in other countries, it is now possible for students enrolling in upper secondary schools to gain experience in private, public or non-profit working environments during their last school year.” (IT NR)

“…Poland has made a substantial progress in improving the quality of education system in recent years. Significant actions were taken to develop and support the educational counselling system at schools. Simultaneously, EFS support for education system reform resulted in important investments in vocational education and the system of high quality in-job trainings and internships. To support validation of qualification national

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14 Compare with regional projects e.g. Modernizacja kształcenia zawodowego w Malopolsce, [http://www.zawadowamalopolska.pl/Strony/default.aspx](http://www.zawadowamalopolska.pl/Strony/default.aspx) accessed 17.02.2016; Modernizacja kształcenia
Qualification Framework has been designed. However the validation system is not active yet. The economical and demographical changes on the labour market enhanced the cooperation between universities and employers." (PL NR)

In Ukraine, “State financing of educational institutions (so called “state order”) is based on five-year labour market forecasts produced by the Ministry of Economic Development and Trade. The law “On employment of population” includes provisions which aim at encouraging employers to offer internships to students. Moreover, the majority of higher educational institutions include a few months’ internship as a requirement for obtaining their degree. However, very often this requirement is fulfilled only formally. (UA NR)

Source: National reports for the respective countries

- Improvement of VET (including through dual systems, for example - Germany), development of cooperation of different institutions involved, providing financial support to programs and interventions linking educational and employment institutions (like internships, job-related practices, etc.), attempts to develop long-term forecasting in the field and involvement of different stakeholders.

Textbox: 5.11

Better links of education and business

In Estonia “OSKA is an ongoing initiative to develop a system of labour market monitoring and future skills forecasting. OSKA analyses the needs for labour and skills necessary for Estonia’s economic development over the next 10 years. The aim of the action is to build platforms of cooperation between employers and education providers; to analyse the development opportunities and needs of different sectors of the Estonian economy; to prepare labour market training requirements based on various activities or professions to facilitate the planning of education provision at different levels of education and by types of school as well as in the fields of retraining and in-service training. ‘Labour market training requirements’ are prepared as a direct result of these activities, taking into account the demand and supply of labour and skills and the demographic situation...It is monitored by a Coordination Council and funded by European Social Fund.15 (EE NR)

In Bulgaria, “The "dual form of education" is foreseen by the newly adopted Pre-school and School Education Act, which comes into force on 1 August 2016, and attempts are under way for its development.” (BG NR)

In Greece, “In an effort to avoid mismatches the Greek regulatory system provides for the definition of the specialisations offered in vocational education (upper secondary and post-secondary non-tertiary) through the tripartite cooperation of stakeholders at national or regional level: representatives from the education institutions, employers’ associations and employees’ unions meet in order to exchange well-founded opinions and expertise and to determine the fields of specialisations that should be included in (or excluded from) the VET curriculum with regard to the demand in the labour market. However, a regulatory mechanism that would affect the training offers or content or other aspects of the education-labour market interaction is missing. Also, the aforementioned tripartite
cooperation often lacks dynamism and cannot make the decisions which should be seriously taken into consideration in reforms. The approach remains mostly administrative and less oriented towards preventive actions.” (EL NR)

In Ukraine, “The technical and vocational schools (colleges) have rather developed cooperation with potential employers – often they have some programmes of “preparing future employees” financed by large enterprises. Besides, the State Employment Service organizes short-term trainings for unemployed on the basis of technical/vocational schools... The new law on higher education adopted in mid-2014 aims at stimulating competition among higher educational institutions. Since 2016, public funds are allocated to higher educational institutions proportionately to the number of applicants with high grades for external testing... An increased competition should increase the quality of higher education in the long run...” (UA NR)

Source: National reports for the respective countries

Still it is important to consider if other drivers of this mismatch are available as well. The mismatch is a weak link between the two sides - the education received and the needs of the labour market (business, economy). Therefore, it may be expected that the search for the causes of the mismatch should address the state of both sides with broken links - education and business. Instead, however, the review shows that education is identified as the main (even only) reason for the mismatch and therefore the main interventions (responses to the identified cause) are directed at the education: training of the unemployed; improvement of VET, changes in the educational system, etc.

Still there are indications that there are other reasons for the mismatch as well, and if these reasons are not the subject of interventions, they will likely continue to maintain the mismatch, and thus weaken the effectiveness of undertaken measures.

Such an indicator is the simultaneous presence of under-education and over-education of employees. This fact is mentioned in several reports (BG, EL, IT, PL, UK, UA). Some studies provide data about the scale of both phenomena:

Table 5.5: Share of overqualified and underqualified according different surveys

<table>
<thead>
<tr>
<th>Country (source)</th>
<th>Over-qualified</th>
<th>Underqualified</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL (ILO survey)</td>
<td>32% of the total employment and 16.6% of youth</td>
<td>23.7% of the total population; 7.1% for youth</td>
</tr>
<tr>
<td>IT (OECD survey)</td>
<td>18% of employees</td>
<td>15% of employees</td>
</tr>
<tr>
<td>UA (ILO survey)</td>
<td>23% of young workers</td>
<td>8.9% of young workers</td>
</tr>
</tbody>
</table>

Most of the national reports emphasize that young people strive to increase the level of their education as a reaction to unemployment or due to following of established patterns of education. According the National reports:
Examples of over-education

In Greece, “…over-education concerns 32% of the total employment and 16.6% of youth (ILO 2014). A problem arises when individuals tend to participate more in education, but the labour market does not provide adequate numbers of jobs for them, thus obliging them to accept work positions that often require lower qualifications than those obtained. It is obvious that this phenomenon has deteriorated since the beginning of the crisis, which has ignited a dramatic fall in entrepreneurial activities and thus in the available job positions. Of course, it has to be taken into account that a large number of university graduates or other groups of skilled individuals work in undeclared employment and cannot be included in the official statistics…Nevertheless, the greater danger is located more in the inability of the labour market to mobilise the existing labour force and deploy its talent and less in the actual lack of competences.” (EL NR)

In Poland, “The raise of educational expectations has been observed as both youth and their parents perceived university diploma as a crucial factor for finding employment. The percentage of population gaining a university degree almost tripled from 6.5 per cent in 1988 to 17 per cent in 2005 and later reached 28% in 2015. In 2015, 43% of population aged 25-34 had attained a tertiary degree and the majority of them graduated with master’s degree or equivalent (OECD 2016)”. (PL NR)

“The UK higher education system rapidly expanded from the end of the 1980s and until the middle of the 1990s. There continued to be further growth in student numbers by 2004/2005, participation rates reached 43 % and have stayed at that level, despite two major funding reform (Holmes and Mayhew, 2015). From this perspective, the UK has witnessed one of the highest rates of higher education expansion across Europe over recent decades. However, it has not seen an increase in high-skill jobs matching that expansion. According to the recent policy report by Flisi et al. (2014), there is a weak relationship between the growth of high-skilled jobs and the change in the proportion of the workforce who are graduate in the UK. This means that the growth of high-skilled jobs was outstripped by the growth of graduates and it raised concerns that many graduates are, in some sense, being underutilised in the labour market.” (UK NR)

In Italy, “In 2011, according to OECD findings (OECD 2014) … in Italy … 18% of employees were over-skilled… Only 62% of youth aged 25-34 with a university degree were employed (OECD 2016b).” (IT NR)

In Bulgaria, “However, the employment rates of graduates are lower than the EU28 average and a huge disparity has grown in the period after 1989 between the quality of graduates’ education and skills, and the requirements of employers… It is also important to note that, despite the trend towards mass higher education since the early 1990s, the relative share of the employed with higher education has stabilized at around 25-27%, which leads to the conclusion that not a small part of post-graduates emigrate in the search for chances of better professional and economic realization. Additionally, this leads to a limited opportunity for adequate professional realization of the higher education graduates, as a result of which they are employed at lower education levels… By the way, Bulgaria trains enough medical doctors and nurses, but their shortage is increasing because of emigration in search of better labour incomes”. (BG NR)

In Ukraine, “As shown by Kupets (2016), about 40% of young workers are overqualified for their jobs, and this proportion has been practically stable since 2004. The ILO survey (Elder et al, 2015), which applies a different methodology, suggests that in Ukraine 23%
of young workers are overqualified... “The causes of this mismatch are both the structure of the economy with the prevalence of low-skilled workplaces and the educational system with excessive number of higher educational institutions providing low quality education... The high incidence of over-education stems both from the supply side (too many higher educational institutions ...) and from the demand side (too little jobs requiring high human capital because sectors with the highest growth during the last decade were the trade and low-skilled services).” (UA NR)

Source: National reports for the respective countries

Simultaneous presence of over—education and under—education undermines the validity of the identification of the lack of appropriate qualifications and skills as cause of mismatch and raises the question: are weaknesses of education and training systems the only source of the mismatch or there are some other causes.

First of all, some studies show a new and very significant finding: “… levels of educational attainment did not predict improved labour market fortunes. Even the best qualified – those with degrees and diplomas – participated, at least at times, in ‘low- pay, no- pay’ churning labour market careers in the same ways as the least qualified.” (Shildrick et al. 2010; 5)

Second, it would be useful to take into account that almost all countries emphasizing the presence of education/employment mismatch underwent process of de—industrialization. De—industrialization generates changes of the available jobs’ structure and more precisely – differentiation of jobs quality (and requirements to education and skills of employed). Many studies emphasize diminishing share of “middle” jobs and increasing number (and share) of the jobs with low and high quality (respectively – requirements for qualification). In other words de—industrialization probably became significant factor of the diminishing share of “middle class” jobs (these jobs are mainly in industry) and in this way contributed to the mismatch phenomenon, as far as the education system (adapted to the industrial structures of economy) continued to “produce” staff for a large group of declining jobs. As a result, a significant proportion of graduates face the need to take up jobs with lower or higher education and qualification requirements. Some national reports (UK, BG) clearly state that due to deindustrialisation young people have difficulties finding a job.

National reports mention also that being unable to secure permanent jobs matching their qualifications many people, usually of young age, pursue better career opportunities in other countries. If labour markets do not provide suitable jobs for this people the situation stimulates this tendency. High youth emigration flows reported in EE, EL, PL and BG most surely are effects of “this other side” of the mismatch.

Such causes of the mismatch between demand – supply of education and qualifications differ significantly from the causes that are being addressed by the policies’ interventions to overcome the mismatch. Therefore, the solutions that are being applied (offering education and training, improving and expanding VET, re—structuring of the education system) are hardly the most adequate responses to the mismatch.
By the way, there are already indications that some of the proposed solutions to the problem may have negative consequences. This is mainly linked to the education system. Indeed, despite a certain delay in response, the education system adapted to changes in demand, as students when applying and choosing specialties make their choices on the basis of assessments of the labour market situation and perspectives to find jobs. Since this adaption occurred under conditions of de-industrialization, the actual result of the adaptation is the growing lack of qualified specialists in some branches – for instance, underproduction of engineers in Bulgaria is due to the lack of demand for engineers during the previous period. Other countries experience the same lack of labour force, at least in some branches. Thus, at least to some extent the current situation in provision of education is result of a short-sighted adjustment of the education to labour market demands. And the actual lack of specialists (and labour force) suggests what would happen during future economic fluctuations if education is adapted to the current needs of business - conjuncture.

It is important to underline still another important aspect of the link between education and employment that seems not enough or adequately discussed in the policy debates: having in mind that one of the Europe 2020 targets is ‘to increase the share of the population aged 30–34 having completed tertiary education from 31% to at least 40%’, the countries reports that the absorptive capacity of the labour market for university graduates is not sufficient needs specific attention.

That is why the policies’ interventions, whose main purpose is to improve qualifications and skills hardly address some of the most significant risks. Furthermore, the focus on this objective and the proposed solutions could lead to ignoring other important issues of the education system, such as the increasing inequalities in education and access to education, or those problems in education that are associated with poor performance in school and low level of functional literacy of students (which PISA studies establish in some countries).

However, it has to be reminded also that one of the most active (perhaps the most active) participants in the identification of the mismatch employability - requirements (needs of the business) was the business sector. The ‘business voice” presents the business view and insists on the necessity educational system to provide “ready-made workers” in the specialities, skills, capacity and at the time when business needs them. Probably this contributed the mismatch to be perceived as under-qualification of youths (and other workers) and under-qualification to be ascribed to weaknesses of educational system and its institutions, while fluctuations and deficiencies of labour market, especially in some countries, remain widely unaddressed. This raises the question of the need for a better balance between those involved in identifying risk and its causes and the opportunities for different stakeholders to express positions.
Summarizing, it is important to underline that there is an increasing recognition and public awareness of educational-employment mismatch and significant efforts are necessary to look for better solutions.

**B. Adequacy of the identification - reluctance to participate in proposed measures and employment**

The identification of this reason for unemployment is related to the interventions applied - activation by means of coercive measures to occupy the offered jobs. As some authors notice “Exercising a degree of compulsion by imposing benefit penalties on individuals who refuse to participate in programmes is becoming an increasingly common precondition of work experience, job training programmes and job search assistance” (O’Higgins, 2001: 114)

Identifying this cause of unemployment also raises some doubts.

Researchers studying the dynamics of poverty and marginal work across the life-course emphasize a key finding: their interviewees show lasting work commitment and resilience, despite the frustrations and setbacks associated with low paid jobs and repeated periods of unemployment. Researchers find out that interviewees deplored claiming welfare benefits. “Some avoided making claims altogether or at least for as long as they possibly could. This strong work attachment was learnt across generations. Interviewees were aware of the social and psychological benefits of a job, and of the personal negative consequences of being unemployed” (Shildrock et al. 2010: 5)

Of course, many young people postpone or avoid entering into formal national labour markets, but the reasons for this are others (mostly - lack of quality jobs, opportunities for their families to provide support for postponing inclusion in the labour market, opportunities for inclusion in informal employment segments) but the intervention does not address these other reasons.

Moreover, as some studies show, the increase in coercion to participate in programs reduces the effectiveness of interventions - it has been shown that schemes involving benefit sanctions are unlikely to be as effective as voluntary programmes (O’Higgins, 2001: 114). Exercising of compulsion can result in negative consequences for the job seeker – either (s)he is pushed to accept any job, or sanctions for refusing a job offer can be imposed. The foregoing data for the levels of over-qualification can provide idea about the possible scale and the consequences of compulsory measures.

Obviously, in such cases, the effectiveness of youth employment policies becomes too dubious, especially when it is established on the basis of the number/share of individuals who have started working after their inclusion in a program. The tendency of increasing degree of compulsion of employment measures usually has another negative effect: employers might view participants of “obligatory” programmes as being poorly motivated and/or of poor quality, and consequently be less willing to participate or to offer employment at the end of a programme (Fay, 1996; O’Higgins, 2001)
Measures containing strong coercion may have other consequences, similar to those discussed in the previous sections. Employers, for example, may see the participants in such programs as a cheap and unpretentious workforce whose use within the program is very profitable, especially if this type of employment can be reproduced within the same or similar program for hiring other unemployed individuals.\(^{16}\)

If the reasons for young people's reluctance to participate in employment are otherwise identified, this would target other reactions/interventions. For example, if the state of the labour market (lack of quality jobs, poor social inclusion capacity) is identified as a main cause for a significant proportion of young people to seek to postpone or avoid joining the labour market.

A number of sources emphasize the existence of such a cause. For example, a study of the European Anti-Poverty Network indicates that: “…increases in competitiveness and austerity measures have had a heavy impact on the quality of jobs and employment. Wages have been cut, contracts have become more precarious and unstable, employment rights have shrunk, and working conditions have worsened, while many jobs have disappeared altogether. In a time when re-launching the economy and tightening national spending is governments’ main concern, the social inclusion and anti-poverty dimension of employment seems to be forgotten, or treated as secondary.” (EAPN, 2014)

Assuming that these reasons exist and affect the reluctance of some young people to enter the labour market then other employment measures may be formulated.

For instance, if the application of sanctions can be expected, the underlying conditions must guarantee that a real opportunity is proposed to the job seeker, underpinned by solid quality frameworks, rooted in respect for the individual and the ambition to provide a dignified living”. (EAPN 2014: 34) If this condition is not met, then a measure or program cannot be considered effective, however large the number/share of individuals who have started work thanks to this measure. That is why the matching process is crucial for effective employment, and for the effectiveness of employment policies, including youth employment measures. And the effectiveness of employment measures can be improved through an effective mechanism for matching the quality of job offers and beneficiary profiles. Recognizing the importance of the matching process some EU member states have implemented IT processes for matching job offers and beneficiary profiles, but the improvement of the process needs more and larger efforts almost everywhere. And as some authors note: “…the dispositions regarding the definition of a “suitable job” in the different EU member states are not necessarily aligned with the principles of quality jobs and quality employment. The definition of a “suitable job” is also prone to subjective interpretation by the services and beneficiaries” (EAPN, 2014).

\(^{16}\) Some programs (subsidized employment) especially predispose to such behaviour, notwithstanding the existence of formal requirements for recruitment after the expiry of the measure. The presence of informal employment of emigrants and the widespread use of legal forms of labour and social dumping show that some employers tend to take advantage of such opportunities.
In order to support better matching of job offers and beneficiary profiles, EAPN for instance proposes other employment measures – reducing the mismatch between personal profiles and quality of jobs: reviewing the definition of a “suitable job”, and harmonizing its parameters with a clear definition of quality work principles (reducing the scope for subjective interpretation), and providing more and better trained staff, so the public employment services can improve the matching process (EAPN, 2014: 34). If these basic conditions really improve the matching process, they would also improve the effectiveness of (youth) employment policies.

All the above mentioned suggests another potential mismatch as well: the significant reduction of the social protection of the employees (conditions of receipt and levels of benefits) may reduce the impact of benefit sanctions as a means of coercion to employment.

**C. Adequacy of identification of the economic factors of unemployment.**

As mentioned above, the third main objective is to subsidize employment. The reason for this is the lack of sufficient jobs. This is indeed an important reason, as to rely on some success in employment programs, there must be a fundamental prerequisite - economic growth, which allows jobs to be created and to improve or at least preserve the quality of jobs and employment. It is therefore recommended: “In order to adopt the appropriate form of policy and programme, a country’s general economic situation needs to be analysed. In addition and of vital importance, up-to-date and accurate LMI is required.” (O’Higgins, 2011; 164). Indeed, for most of the last decades, employment programs have been implemented without the essential prerequisite for their success. The most significant cause of (youth) unemployment is poor macroeconomic performance – lack of growth affects everyone in the economy and youth are more affected because youth unemployment tends to be super-cyclical and fluctuates stronger than adult unemployment (Ryan, 2001; Gorlich, D. et all., 2013)

Usually, as a reason for poor macroeconomic performance, several crises (1980s, 1990s, 2007-8), most commonly the crisis of 2007-2008, are pointed out.

The identification of crises as causes of unemployment is justified because data show that, for example, the 2008 crisis has had a significant impact - immediately before 2008, unemployment, including youth unemployment, declined before 2008, then increased considerably (for which, incidentally, some of the anti-crisis measures could have contributed). Still the explanation does not seem complete enough and could be even misleading if it concludes that by overcoming the crisis the functioning of the labour markets will automatically improve. Despite the growth achieved in recent years, for example, the expected change in wage dynamics does not occur. In all likelihood, only the achievement of higher rates of economic growth will not suffice for significant changes in the labour market performance without any change in the type of growth.

In fact youth unemployment was identified as a problem well before the 2008 crisis, and therefore (and at least part of) the reasons for unemployment existed before the 2008
crisis. This fact is clearly seen in the data on unemployment dynamics showing that the average level of unemployment (percent of labour force) in 11 most developed European countries has increased significantly in the period 1950-1998: 2.6% (in the period 1950-73); 6% (in the period 1974-83); 9.2% (during 1984-93); 10.7% (during 1994-98). (Maddison, 2006: 134).

These data refer to the total unemployment, but as is well-known the dynamics of youth unemployment follows the dynamics of the total unemployed and usually the levels of youth unemployment are higher than the levels of total unemployment.

Obviously, other factors have influenced the dynamics of unemployment on a long-term basis and judging by the unemployment rates, this impact is stronger than the impact of the 2008 crisis - long before the crisis, the average unemployment rate increased more than four times between the first (1953-73) and the last (1994-98) period. The data also show that there has been no significant and sustained reduction in unemployment over the last decade of intensive employment programs. Since 2000, when unemployment declined, its levels did not fall significantly below the levels achieved in the 1994-98 period (in 2016 the level is quite close to the average level in 1994-1998).

Some researches confirm the doubts concerning the impact of the crisis on youth unemployment. When Oskar Skans (2011: 40) isolates the impact of recession on youth unemployment (by removing factors which caused some countries to be hit harder by the recession than others as well as permanent differences among countries) he proposes two important lessons. First, the crisis has not resulted in systematic increase in the relative youth unemployment rate. The second lesson proposed by Skans is that countries that experience high relative youth unemployment rates during the crisis are first and foremost characterized by high relative youth unemployment rates before crisis.

EUROSTAT data seem to support (at least – partially) these lessons. For instance, the EU-28 youth unemployment rate and the indicator for euro area were very close before the crisis - in mid-2007 (the closeness after 2008 could be attributed to the impact of the crisis). Afterwards the indicator moved more sharply in the EA-19 than in the EU-28, first downwards until mid-2011, then upwards until the end of 2012. In the middle of 2012 the euro area youth unemployment rate overtook the EU-28 rate, and the gap increased until the end of the year. The gap became even larger in the second part of 2013 and during 2014 and 2015, when the rate for the euro area went down less than the rate for the EU-28. This gap remained at relatively high level during 2016.

Therefore, when discussing poor macroeconomic performance as a cause of unemployment, it is good to take into account what some analyses remind: “But we also need to remember that the policies that have got us where we are today were not just responses to these drivers of changes but often deliberate choices. All the countries in the region are ultimately facing similar challenges, despite differences in time frames and national contexts. And many citizens are experiencing a growing feeling of insecurity and inequality” (ILO, 2017: 37).
The analysed correspondence of the aims of youth employment measures with the youth unemployment drivers could be summarized as follows:

The overview of the main aims of the employment programs: increasing the employability of youth through training; pressure (coercion) to start work; subsidizing employment (jobs), depicts that there is a certain mismatch between these aims and a broad set of factors of (un)employment, such as: decline in economic growth rates, changes in the type of growth, decline in aggregate labour demand, reducing social inclusion capacity of the labour markets; unfavourable trends in the formation of human capital (child poverty, narrowing access to education).

Such a mismatch means that the link between the measures and the root causes of unemployment is hardly strong enough to provide a significant usefulness of the measures, especially for the group targeted by the measures. The implementation of measures can be effective only in the sense that it ensures entry into the labour market of individuals and groups that are out of employment but, to a much lesser extent, can achieve two other goals: a significant and sustainable reduction in unemployment and particularly social inclusion of the employees.

Because of the specific identification of the aims, employment measures are likely to change the functioning of the labour market unfavourably as well - by increasing underemployment and thus contributing to worsening labour market performance and outcomes.

Information from national reports confirms the conclusion about the discrepancies between the objectives of the measures and the most significant causes of unemployment, which is why the main causes of risk continue to generate it. Answering the question „Do existing policy interventions address the main causes for unemployment and social exclusion of young people and target the risk groups among young people?” reports often mention that youth employment policy measures do not address the main causes of youth unemployment.

The reports (except for Germany and to some extent – Sweden), on one hand show the strong influence of the structural factors on youth unemployment, but on the other hand it is underlined that most of the measures that are currently implemented are focused on the supply side of labour market (measures mainly attempt to offer education and training opportunities to young people in order to help them improve their competences and to acquire certified qualifications).

The UK report mentions that many of the measures have focused on improving the job entry rate of young people through short-term measures rather than investing in their human capital via long-term education and training programme.

According to the Ukrainian report “Existing policies are insufficient in addressing the main causes of youth unemployment and social exclusion”.

(UA NR)
The Estonian report states: „Statistical data show presence of structural features. Policies are targeting mainly individual level. So it could be said that youth unemployment and social exclusion is not addressed specifically well”. (EE NR)

The Italian report mentions that according to the interviewed stakeholders, the main cause of unemployment and social exclusion of young people is structural. The report continues: „However, there are many small interventions that – in bottom-up logic – are attempting to change, or at least reduce, these structural problems: they are a great resource for Italian society and many Italians – thanks to the local initiatives – and are surviving at some national or macro level. However, the country's problems are serious and only a systemic approach can drastically reduce the significant social, economic and employment inequalities that affect young people”.(IT NR)

It seems that the main reason limiting the effectiveness of youth employment policies is that they are unable to change the impact of other policies in order to achieve a socially significant change (improvement) in macroeconomic terms. Achieving such an improvement is a matter of changes in a wide range of policies - many researchers have long supported this vision. Again, for the same reason, if such changes are not made, youth employment policies, however effective or improving, are unlikely to achieve significant improvements in employment and social inclusion of the employed.

This is related to the question of how policy formulation takes place.
Chapter 6: Aspects of policy formulation

The National reports depict the established institutional design in reference with the policy formulation process in the field of LMPs. As a rule, it includes taking decisions within the respective ministries, following strictly high level policy direction (decided by Parliament, Council of Ministers, etc.).

**Textbox 6.1:**

**Institutional design of policy formulation process**

**In Sweden,** „The policy formulation process is complex... As the labour market and unemployment is a salient arena for the political discourse and the conflict lines in the political arena policy is very much driven and suggested by the political side with the budgetary limitations setting the framework for what is possible or not.“ (SE NR)

**In UK,** „The policy formulation process in the UK is usually coordinated with relevant ministries within the government. However, the generation of initial policy ideas comes primarily from the political parties and wider political debate, rather than the civil service. Ministers remain pre-eminent in deciding which policy objectives they wish to pursue (Hazell and Waller, 2009).“ (UK NR)

**In Poland,** „The responsibility for formulating the priorities of ALMP is based on the dominant role of the state (central government)...The coordination of ALMP priorities belongs to the Ministry of Family, Labour and Social Policy in cooperation with the Ministry of Development that is responsible for overall strategic planning coordination... The decision-making competences concerning the employment law are distributed among the public authorities - the Council of Ministers (the initiator of the law/bills), the Parliament (adopting the Act) and ministers - functional in charge of areas such as regional development, labour and social policy or education.... National strategies are adopted by the Council of Ministers on the basis of drafts prepared by ministers in charge of functional area e.g. Minister of Labour and Social Policy for Human Capital Development Strategy 2020, or Ministry of Culture and National Heritage for Social Capital Development Strategy 2020. The process on the level of regional self-governments is organized in the same manner... “ (PL NR)

**In Italy,** “Every Italian government has its own approach to the definition of policies and the involvement of stakeholders. To understand the orientation of the current government, it is useful to present the case of Youth Guarantee. The government’s employment policy for young people is essentially included in the Youth Guarantee, even if there are some local initiatives financed mostly with funds from the European Social Fund (ESF). The Youth Guarantee in Italy is targeted at unemployed young people aged 18-29. The process of implementation follows top-down logic and does not involve key stakeholders.” (IT NR)

**In Greece,** „In general, the process is highly centralised and to a great extent policy making is guided by the aforementioned commitments of the country to proceed to significant labour market interventions.... The selection of the target groups of the policy interventions is based on the state estimations regarding the size of the various groups and the challenges that these groups face. The definition of each target group is in accordance with the general definition and the guidelines of the EU, as well as with the

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17 In the other EU countries, it generally involves youth under 25.
In Bulgaria, “The Ministry of Labour and Social Policy (MLSP) is the managing body of OP “Human Resource Development” (OP HRD) and as such, it delegates responsibilities and tasks for the fulfilment of certain priorities to the following intermediate units: The Employment Agency and its 9 Directorates entitled Regional Employment Office and 98 local directorates entitled Employment Services; The Ministry of Education and Science; The Social Assistance Agency and its 28 Regional Social Assistance Directorates and 147 local Social Assistance Directorates.” (BG NR)

In Estonia, “Horizontal coordination is based on exchange of information and collaboration between ministries and other public agencies. The role of central coordination of ministries is relatively weak. Vertical coordination of policy implementation is strong, ministerial departments have public agencies subordinate to them for carrying out public policy measures. This means that Estonian public administration in general has been characterised by a relative strong and independent, “silo” like units which add up into a relatively fragmented system lacking common goal and coordinated action. (Sarapuu 2012)” (EE NR)

Source: National reports for the respective countries

An important aspect of the stage of policy formulation is the inclusion of different stakeholders and the establishment of different advisory bodies in the field. In all countries, attempts are made to ensure the involvement of social partners - employers' organizations and trade unions, and, although to a lesser extent, NGOs. Nevertheless, the role of governments is decisive and the impact of other actors seems to be limited.

Textbox 6.2:

Inclusion of different stakeholders

In Poland, „Social partners participate in the decision making processes, most often with an advisory vote, due to their cooperation in Social Dialog Council.... The process of formulating a national strategy includes public consultation of the strategy draft.” (PL NR)

In Greece, „The Greek law encourages the participation of stakeholders in a tripartite organisational form (state-trade unions-employers’ associations; civil society only in limited cases) in the decision making regarding interventions in employment. The social partners’ participation is usually related to the provision of information on the labour market needs and on details concerning certain aspects of ALMPs (i.e. work placements for practical experience or skills in demand). However, their role is mostly advisory and less operational.” (EL NR)

In Estonia, “In general, stakeholder groups are involved in drafting main policy documents like sectoral development plans.... A range of social actors was involved in drafting the development plan; most of them represent public sector and non-governmental sector: 14 ministries, other public institutions or affiliated organisations, 7 NGO umbrella organisations, Estonian Trade Union Confederations and Estonian Chamber of Commerce and Industry.” (EE NR)

18 Heaolu arengukava: ettepanekutega arvestamise tabel (seisuga 18.02.2016), https://www.sm.ee/sites/default/files/content-
In Bulgaria, “Different advisory bodies are established and there are some attempts for improving cooperation. However the effects of these developments are not well assessed.” (BG NR)

**Source:** National reports for the respective countries

It could also be argued that there are improvements in the coordination of activities between different ministries, regional and municipal administrations, etc. Of course, especially in some countries, improvements in this direction are not enough and more efforts are needed.

**Problems with coordination**

**Textbox 6.3:**

In Bulgaria, “The Ministry of Labour and Social Policy controls and coordinates the implementation of state labour policy for promoting and maintaining employment and reducing unemployment. However, there is a lack of structured cooperation and data exchange between employment and social authorities (European Commission 2016: 32).” (BG NR)

In Ukraine, “Formulation and implementation of youth-related policies is scattered between several ministries (Youth and Sports, Education, Social Policy). Local authorities also are partly responsible for youth policy implementation. However, the coordination between these bodies is rather weak. And the participation of the “third sector” in policy formulation is marginal.” (UA NR)

**Source:** National reports for the respective countries

Another aspect of the coordination is the consistency between specific youth employment policies and universal labour market policies. According to the national reports of the EXCEPT Project partner countries these two groups of policies, where available, seem to be in overall coordination and mutually supportive. Not neglecting the country differences the statement in the Swedish national report more or less characterises most of the reviewed countries: youth employment policies are an integrated part of labour market policies. They were developed within the general labour market policies and adapted to youths. Thus the youth employment policies could be regarded as a prolongation of the logic, design, strengths and weaknesses of the universal labour market policies, in some cases targeted to a specific age group, in other cases remaining in the overall mainstream with some special attention to age groups and/or some of them more appropriate for young people. The political efforts take different forms: from Estonia and Ukraine where there are almost no specific youth unemployment policies to countries where the number of youth targeted programs is relatively large and growing.
The embeddedness of the youth employment policies, to the extend they are available, in the universal labour market policies, is mainly connected with common paths in both policy groups:

**Textbox 6.4: Consistency between universal and youth specific labour market policies**

**In Bulgaria:** “The level, tendencies and effectiveness of youth employment policies follow the level, tendencies and effectiveness of the universal employment policies and to some extent they a function and a mirror of the latter – as the level and tendencies of youth employment follow the employment levels of the 15-64 age group” (BG NR)

**In the UK** the coordination seems to be rooted in the activation spirit of the pro-employment policies which “emphasise work-first strategies and focus on entry into labour market. Thus, benefit conditionality and sanction regimes have increasingly become stricter in the UK within general labour market policies.” This is characteristic for both: universal labour market policies and youth employment policies... In this sense, it seems that these two policies’ features are relatively similar and their aims and purpose are mutually supportive in the labour market.” (UK NR)

**In Poland:** “The most important change, both in universal and youth employment policies, concerns the individualized attitude to unemployed and economic inactive and designing tailored support path. It’s a positive trend, although shall be stronger supported by connecting employment and social inclusion tools.” (PL NR).

**In Greece:** “In terms of consistency it can be argued that the programs do not always achieve satisfactory levels of coordination. From a different point of view, the creation of policies especially targeting youth and the mobilization of EU and national funds exclusively for them seem to exercise a positive influence; they allow for especially designed interventions to be established and minimize the danger of contradiction or contradictory interests between them and other groups.” (EL NR)

At the same time, national reports point out different problems relating to the policy coordination. Firstly, it is about the resource availability and therefore – the likelihood that the prioritization of youth employment as a policy problem to cause lowering of importance of the other groups. This is clearly stated in the Italian report: “Recently, there has been greater emphasis on the active labour market policies level addressed to young people under 29 years old and less on the adult population. Sometimes this creates, according to the stakeholders, problems with those beneficiaries close to the age limits. Often Public Employment Service operators have to abandon youth completely because they exceed the age limit by a few months. Greater integration and continuity between adult and youth labour market policies would be desirable, although it would require additional resources, which have not been easy to find” (IT NR).

The risk of confrontation of different groups is mentioned in the Bulgarian and Ukrainian reports as well. Some groups of young people (including young people who have just graduated) enter the set of "vulnerable" categories, which are considered as insufficiently competitive in the labour market (Article 14 of the Law on Employment [VRU 2012]) and are provided additional guarantees in facilitating employment. These additional measures include 5% employment quota for all "vulnerable" categories and possible
compensation of social contribution payments. However, young people comprise a very small share of participants of these programs. (UA NR).

The UK report points out: “Still, while these active labour market policies are considered as an expansion of wage-setting regulation in UK wage policy, different publications, for example, Otto and Taylor-Gooby (2014) point to the latest pattern of an increasing number of workers with zero-hours contracts and/or the scope of statutory minimum wage regulations that exclude people with apprenticeship contracts – particularly young people…. Furthermore, there have been debates on the various minimum wage rates, affecting different age groups and their negative effects on the rising wage gap between young people and their counterparts (Stewart, 2004; Stewart and Swaffield, 2008). In this case, the National Minimum Wage seems to neutralise youth employment policies’ effect and such impacts may discourage young people from entering the labour market.”

Summing up the picture presented in the National Reports on policy formulation process, along with national specificities, it could be stated that:

- With regard to youth unemployment policies (and especially ALMPs,) the process is centralized, with a high subordination in relation to the formulation of basic policy guidelines (including for some countries distinctly supranational) and strengthened horizontal coordination at lower levels. The space for bottom-up impacts on the broad policy guidelines remains uncertain.

- The horizontal coordination between different ministries seems in a process of improvement. However, as a rule, it concerns ministries in the field of social policy, education, regional development, health, sport, etc. (in line with the organizational design of the executive power in the different countries). It is important to note that one partner is missing in all the reports - the Ministry of Economics, whatever it is called in the respective country and despite the fact that in the history of some of the partner countries the social ministries at some point were parts of the economics ministry.

- Another important feature of the stage (at least in some countries) is the fact that the Ministry of Finance is in a hierarchical rather than in an equal position with the other ministries. There are no assessments on the extent to which such a mixed model of subordination and coordination has a positive impact on ALMPs.

- Although the access of different partners to different established bodies is improved, the activities of these bodies are quite often only advisory and there are no clear mechanisms to ensure impact on decisions taken. As above, there are no evaluations to what extend these bodies do contribute to the policy formulation process. Weak attention is paid to the participation in the decision making of the target groups themselves.

- Good identification of the causes of unemployment is important precondition for effective policy formulation. Many of the reports note that high officials and policy documents sometimes provide specific (more or less – misbalanced) identifications/interpretations of the causes generating risk of youth unemployment. The
combination of misbalanced identification with a high degree of centralization of the policy formulation could be a source of distortions of the process.

- The consistency of youth and universal employment policies is at the level of the general logic of programs aiming to provide stimuli to the unemployed to start work and extend opportunities for this. Concerning the correspondence regarding the objective-setting, there is insufficient clarity about to what extent the programmes trigger competition between different groups in connection to the usage of the resources available for active labour market policies.

- The existence of signs that some policies contradict each other shows that there are significant opportunities of improving the coordination between employment policies. The degree of contradiction between some of the policies poses the question about the relationship between the publicly manifested policy objectives and their real effects. There are not enough analyses and studies about the causal relationships and regularities in the implementation of both types of policies (youth and universal). It is not clear whether a synergic effect can be achieved if the policies are not resource backed, if they are not synchronized and if they are implemented without sufficient planning – sometimes causing opposing effects with delayed counter-responses to mitigate already created disproportions. For both types of policies, it is important to address their mutual interrelation as well as what employment prospects could be provided in the long term.
Chapter 7: Policy implementation: trends in public employment services

The EXCEPT partner countries retain their national specificities in terms of governance of public employment services. At the same time, there are controversial trends in centralization/ decentralization and similar reforms in terms of involvement of private actors (social partners, private job centres, etc.) in employment services delivery.

In the EXCEPT partner countries public employment services are based on an established organizational complex including different levels. Reforms in the sector try to address outlined shortcomings and seek improvements. **While the organizational complex everywhere is embedded in the national culture and practice, similar trends could be observed as well.**

### Textbox 7.1: Examples of reforms

**In Germany**, the very important „Hartz IV reforms included the re-orientation of former employment offices towards the principles of a managerial bureaucracy, thereby also reducing the influence of the social partners. The previous social assistance and employment assistance programmes were merged into the new “secondary unemployment insurance” scheme. Public Employment services in Germany are organized on three levels (see ILO 2015: 3ff): a national “head office”, “regional directorates” at the level of federal states and 156 local employment offices with 604 branch offices at the district level which administer the unemployment benefits. The secondary unemployment II benefits are administered by the Federal Employment Agency in collaboration with the municipalities. (ibid.). Despite its original intentions, though, the reform did not establish a “single gateway” for potential benefit recipients, but still led to a notable “in-congruency between spending and decision powers at the different levels of government” (Konle-Seidl 2008: 30). (DE NR)

**In Sweden**, “The employment office was essentially reorganised and centralised in the mid-nineties and has over time been given increased responsibilities by successive governments. This culminated … in 2010 gave the employment office the main responsibility also for integration of immigrants. The motivation was that integration starts with labour market integration….” (SE NR)

**In the UK**, “The public employment services are delivered mainly through Jobcentre Plus (JCP). The JCP has traditionally operated as public organisation to administer working age benefits. However, the role of the JCP has expanded over the last two decades and now it provides a one-stop-shop service offering advice in job search, benefits and training opportunities for claimants of Job Seekers Allowance (JSA).” (UK NR)

**In Poland**, “The public employment services (PES) from 2000 are decentralised. The main institutions are spread all across the public authorities comprise of the Minister responsible for labour and Ministry of Family, Labour and Social Policy (national level), Voivodship Labour Offices (WUPs- regional self-government), Poviat Labour Offices (PUPs - county level). WUPS are responsible for regional employment policy and allocate the Labour Fund resources, received from the central level, to the local labour offices. Support for unemployed is carried out by the local labour offices. They are also
In Estonia, “Currently a major reform is being carried out – the State Reform.\(^{19}\) This is a comprehensive reform which includes all public sector institutions – ministries, local governments and related organisations. The reform includes a reduction of the public sector and making it more efficient in delivering services, strengthening the autonomy and capabilities of local governments and municipalities in delivering public services. In 2016, implementation of the reform has received grades 3-, 4- and 2 on five-point scale.\(^{20}\)” (EE NR)

In Italy, “The current model of governance for the management of labour-market interventions is a co-ordination between the Ministry of Labour and Social Policy (MLPS) and the Regions and Autonomous Provinces, which are committed to the implementation of active policies at local level (the subsidiarity principle). This system was schematised with the introduction of the new National Agency for Active Labour Market Policies (“ANPAL”).” (IT NR)

In Greece, “Until now the governance of Public Employment Services (PES) is centralised, although there are several different local offices all over the country. The decisions are taken in the capital and the social partners do not play a significant role in the delivery of services, except for when they get involved in guidance services. In some cases certain municipalities try to establish some form of such services, but usually without coordination with other potential actors...Currently, the Greek PES are under a big reform, as all similar public services are encouraged to do in all member states, in order to increase the effectiveness and the coordination of the measures. This reform – which is an obligation according to the memoranda of understanding– has been planned in cooperation with other services (PES of Sweden, United Kingdom and Germany, as well as the EU Directorate of Employment, Social Affairs and Inclusion and representatives of the Task Force for Greece) and includes a roadmap organised in different axes... A significant part of it focuses on the improvement of the ALMPs, of the programmes and of the feedback procedures, in order to establish a better overview of the projects and their short- and long-term outcomes.” (EL NR)

Source: National reports for the respective countries

The main actors of delivery in the nine countries differ to some extend:

**State** is important actor in Bulgaria, Greece, Italy and Ukraine. It has an important role in Poland to some extent as well. In the UK the state is less important actor.

**Municipalities** are basic actor for delivery in Sweden, UK, Poland, Italy and Greece. Additionally **regions** are mentioned in Poland, Greece, UK and Ukraine.

Other important actors of delivery considered are **educational institutions** (in Bulgaria, Greece and Poland), **NGOs** (in Greece, Italy, Poland and Ukraine); **private sector** (in Greece, Italy and Ukraine) and **church** (in Italy).

In all EXCEPT partner countries, **institutional complexes link national, regional and local levels, and a process of integrating activities is observed.**


In all EXCEPT partner countries, the most widespread trend in the institutional design of policy implementation seems to be decentralization. The countries also tend to retain their national specificities, including reverse movements – for example, in Italy and Poland. Even when high levels of decentralization are implemented, some coordination functions at national level remain.

**Textbox 7.2:**

**Two contrasting examples**

**In Germany,** “The head office of the public employment service implements regional pilot projects in order to test new concepts for the unemployed. at the same time, a recent strengthening of local and regional structures of employment services suggest there are also notable decentralization processes.” (DE NR)

**In Poland,** “During last decade there was a tendency to decentralise public employment services and to include private job agencies into the policy by the outsourcing of employment services. Nowadays, the conservative government announces the centralization of PES” (PL NR)

**Source:** National reports for the respective countries

Simultaneously, there is a clear general trend in involving private actors and including different stakeholders (social partners, NGOs, etc.) in employment services’ delivery.

**Textbox 7.3:**

**Growing involvement of private actors**

**In Germany,** “[…] the involvement of private actors in job placement has increased since the 1990s. According to available sources (e.g. Eichhorst et al. 2011: 59ff.), there are subsidised placement services, private recruitment agencies outside publicly subsidised placement as well as temporary work agencies controlled by the state that promote job placement besides public employment services.” (DE NR)

**In Italy,** “The system of services consists of public entities and private institutions, which are formally recognised and accredited…The entry of private agencies into the intermediation market should fill the public employment service gap in demand for highly specialised facilities. The coexistence of these two components of the system does not always take the form of cooperation or functional integration and their role and importance are determined by the patterns of governance implemented, the users and the local labour market characteristics.” (IT NR)

**In the UK,** “In order to provide various supports including job service, benefits and training opportunities, the JCP works with many different voluntary organisations and private companies including training providers, housing associations, and Work Programme providers. However, the JCP is itself a public actor. In recent years, some JCPs have had to close down due to insufficient demand which has been driven by the historically low levels of unemployment that the UK is currently witnessing.” (UK NR)

**In Poland,** “Besides PES there are other labour market institutions are such as: Voluntary Labour Corps (OHP – public specialised institution acting on national and local level), training institutions, private job agencies, social partners and local partnerships…” (PL NR)
In Estonia, “For implementing concrete policy measures, subcontracting of NGO and business organisations are used widely by municipalities, ministerial agencies and other public or semi-public agencies. Some of the contractual relationships may be of more permanent nature while others are more temporary.” (EE NR)

**Source:** National reports for the respective countries

Regardless of the improvements outlined in certain aspects, the most unclear is whether these trends have led to improvements in the quality of services. According to the national reports some aspects in the different countries need special attention:

- **The organizational capacity:** In Greece, „The small numbers of public employees in the Greek PES and the lack of expertise for the confrontation of the new labour market demands in combination with the unfavourable business environment made the situation worse...“ (EL NR)

- **The coverage:** In Germany, „according to the German statistical office, a considerable number of youth seem to „fall through“ the grids of training support, given that the number of those who do not find a training position is still high, as is the number of those who terminate training before completion (Destatis 2013).“ (DE NR)

- **The loosing of focus:** In Sweden, „A very large centralised organisation that had very diverse tasks (as compared to the earlier strong matching focus) and has led to a demoralised and in part dysfunctional organisation. The employment office has in line with this been pointed out as the most unpopular government agency in surveys.” (SE NR)

- **The need of evaluations:** In Estonia, “It is impossible to tell how does the current level of coordination, compared to earlier levels (change in the coordination level), affect the quality of national labour market policies (change in the quality of national labour market policies) because … There is no repeated evaluation of effectiveness or quality of the national labour market policy measures. Hence, characteristics of this change are not available either. Because neither of the key variables has been measured, there is no way to draw conclusions on their covariation. “ (EE NR)

- **The financial constraints:** The Ukrainian National Report enlists different initiatives aimed at youth support, although many of them stay just on paper due to financial constraints. „The existing programs on youth development are hardly implemented in practice due to the shortage of financing. Moreover, many young people are either unaware of the existence of such programs or do not want to apply to them.” Nevertheless „Officials constantly stress that youth is important for the country development.” (UA NR).

Additionally, there is no report providing direct and positive answer to the question whether enough is being done.
### Textbox 7.4

Gaps in provision

Assessing the gaps in provision of support for young people, the report from Greece emphasizes significant lack of positions for apprenticeships and traineeships; the use of vouchers does not include provisions for the continuation of employment after the conclusion of the training period and the lack of coordination among the different implementation actors. (EL NR).

The UK report suggests: “Given that structural deficits have contributed to high rate of youth unemployment, there should be more sufficient level of demand-orientated support to create new jobs. Furthermore, policies to increase the occupational and geographical mobility of labour would be beneficial”(UK NR).

The Estonian report suggests “Clearly youth employment and unemployment rate are more sensitive to fluctuations of economy than the rates of older age groups, unemployment rate is higher too. Should they both be reduced? Answering the question would need a political decision based on understandings of social justice that takes into account long-term development needs of the entire society.” (EE NR).

In Sweden “More can be done in the form of high quality training and support for second chance education. A key is here economic security with a planning horizon”. (SE NR)

The German report mentions “…a stigmatization based on young people’s assumed future perspective, as well as lack of support programs for multilingualism” (DE NR).

In Poland there is a need to provide a specialist and interdisciplinary support for youth from disadvantage groups, including instruments oriented on psychological and motivational support, advisory or assistance to the whole family in order to influence on the environment and provide long-lasting improvement. (PL NR).

The report for Ukraine identifies that the poor coordination of education, youth, social and employment policies undermines even positive effects which could have been reached with existing measures. (UA NR).

Source: National reports for the respective countries
Chapter 8: Policy evaluations

While youth employment policies are widespread and implemented during a long period of time, research work on the evaluation of those policies was going rather slower. In 2012, reviewing evidence on the effectiveness of 25 policies tackling youth unemployment, researchers found that “…there is a general lack of rigorous evaluations of such policies in most EU countries, although “evaluation cultures” differ greatly between Member States.” (Eurofound 2012: 2). The same conclusion has been drawn in 2016 after another systematic review on the effectiveness of youth unemployment policies was conducted and the authors found out the very few reviews have focussed specifically on programs and outcomes for youth. The same study brought to notice that in 2016 as well, the most relevant review of labour market interventions for youth that has served as the basis for technical assistance and policy advice worldwide is Betcherman et al. from 2007. (Kluve et al. 2016).

Still, researchers’ attention towards the effects of youth unemployment programs grew up, and in 2015 the number of research done is significantly larger in comparison to the period 1990-2000. This change seems to be a signal for gradual trend towards developing a culture of evaluation.

1. Implementation of policy evaluations

National reports show that among the EXCEPT partner countries evaluations are better developed in the UK, Sweden and Germany.

<table>
<thead>
<tr>
<th>Textbox 8.1: Examples of countries with established system of evaluation</th>
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<tbody>
<tr>
<td><strong>In Sweden</strong>, “the evaluations are mainly carried out by the Institute for Labour Market Policy Evaluation”. (SE NR)</td>
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<tr>
<td><strong>In the UK</strong>, “…the government produces a regular formal evaluation on policy interventions. Government guidance on evaluation distinguishes process evaluation (how the policy was implemented); and impact evaluation (what difference the policy made) and cost-effectiveness or economic evaluations (which measured and monetised effects of a policy are, relative to its costs)... Such a process applies to all labour market policies available in the UK”. (UK NR)</td>
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<tr>
<td><strong>In Germany</strong>, “…after a long-period of the virtual absence of programme evaluations, evaluating labour market policies has become very widespread (Kluve et al. 2007: 3). Presently, ALMP are regularly evaluated by the Institute for Employment Research and the Federal Employment Agency” . (DE NR)</td>
</tr>
</tbody>
</table>

**Source:** National reports for the respective countries

In the other countries there are mainly partial evaluations for some types of measures. Non-availability of any evaluations for some types of measures is pointed out in Estonia (for Vocational guidance and career counselling and Employment incentives, subsidies for employer), in Greece and Poland (for (Re-) orientation courses, preparation for
training or employment and Vocational guidance and career counselling), in Bulgaria (for Start-up incentives, self-employment programs) and for the most of the measures in Ukraine.

Still, in the **catching-up process Poland** seems more advanced.

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**Textbox 8.2:**

**Evaluations in Poland**

„Labour market programmes have been subjected to on-going monitoring and effectiveness verification during last decades. However, complex programme evaluations including direct opinions of participants shall be connected with European Union standards. Ex-ante, mid-term and ex-post evaluations expected in the sphere of structural funds policy resulted in wide spreading the idea of comprehensive verification of programme effectiveness. National programmes usually are subjected to, at least, ex-post evaluation.“ (PL NR)

**Source:** National report

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The other EXCEPT partner countries are moving, although slower, in the same direction.

**Textbox 8.3:**

**Evaluations in the other countries**

**In Italy,** „There is a regular evaluation of regional and national policies (Ministero del Lavoro e delle Politiche Sociali 2013). In particular, the Italian Youth Guarantee is monitored in its implementation process and under evaluation according to the following criteria: the number and characteristics of beneficiaries, expense progress and Project effects on the employment situation of beneficiaries... However, the evaluation of policies is still not widely used and developed/optimised in Italy“ (IT NR)

**In Greece,** „The labour market policies implement the required assessment processes according to the EU guidelines and demands, as most of the actions that are undertaken receive EU funds through various funding schemes (especially the ESF and recently the Youth Employment Initiative). However, there is a continuous effort of the national authorities to improve the existing assessment processes and to develop additional and more flexible evaluation tools in order to enhance the involvement of the social partners, to contribute to the greater effectiveness of the schemes and to strengthen the establishment of the evaluation processes in the broader social mind-set.“ (EL NR)

**In Estonia,** “In general, in Estonian public administration system evaluation of policy measures is considered necessary. However, this feature is not particularly far-developed/is underdeveloped. To a large extent, the reason is not that specifically labour market measures are not evaluated but that general analytical capacity of the entire public administration system is low.” (EE NR)

**In Bulgaria,** “Usually there are some internal ‘evaluations’ or ‘evaluations’ commissioned to some organizations (often one and the same in subsequent years)... Thus there are some reports, and to a certain degree there are in a process of improvement as sometime they try to assess creaming effect, substitution effects and deadweight loss. However these are hardly evaluations in the true sense of the word.” (BG NR)

**Source:** National reports for the respective countries
However, there are too many problems with the available evaluations, which are far from negligible. Major issues relate to the quality of the evaluations, their purpose, scope and transparency.

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**Textbox 8.4: Characteristics of evaluations**

As mentioned in the German report "Kluve (2007: 3) highlights that “almost every evaluation study exclusively discusses microeconomic treatment effects and that only very few macroeconomic studies exist”. (DE NR)

In the UK, the National Audit office report in 2013 argued that the UK government spends significant amount of resources on evaluating the impact and cost-effectiveness of its spending programme but evaluations are not often robust enough to reliably identify the impact. For example, only 70 of 305 government evaluations between 2006 and 2012 have cost-effective data and only a third of evaluations reviewed provide sufficient evidence of policy impact (The National Audit Office, 2013). Also the report suggests that the governments and departments should publish details of the datasets that they hold and explain their priorities for addressing their policy aims. In the case of active labour market policies measures for young people in the UK, the government should provide more detail evaluation evidence in the context of strategic resource decisions such as spending review and overview of the impact. Furthermore, they should publish a list of significant evaluation gaps in their evidence so that such gaps can be filled with strategic priorities." (UK NR)

The Polish report draws attention to the capacity to make quality evaluations: "However, ALMP evaluation process sometimes meets difficulties connected with non-adequate level of researchers’ specialist knowledge, especially when labour market institutions decide to outsource the whole evaluation under public procurement procedure. Holistic programme impact assessment needs comprehensive knowledge on target group situation, internal and external factors influencing on individual support paths and the programme implementation, adequate evaluation methods including qualitative and quantitative research and shareholders involvement. As there are limited research centres that are able to provide high quality and comprehensive evaluations, some institutions decided to conduct mostly internal evaluations, other are trying to combine internal and external analysis...Another important factor, also connected with EU funds guidelines, is considering including counterfactual evaluations and meta-analysis. (PL NR)

The Ukrainian and Bulgarian reports point out the formal way of making evaluations which reminds rather reporting than real and useful assessment: In Ukraine, "Lack of efficiency estimates is a common drawback of all state-level programs. As an example, the KPIs of the targeted program "Youth of Ukraine" for 2016-2020 include the number of people attending certain events (seminars, round tables, etc.) or the number of local government organizations working with youth but no outcome measures such as, for example, smoking or other addiction rates among young people. (UA NR)

In Bulgaria, "These evaluations are fragmented - measure by measure and/or very narrow, for example considering how many people were enlisted, how many events were organized, etc. While the need of assessments in order to estimate how and which measures work and achieve the desired effects, and whether they are not linked to
unforeseen negative effects is widely recognized, studies assessing the real and long-term effects of the implemented reforms are lacking and yet to be undertaken." (BG NR)

The Greek report draws attention to the lack of transparency: “Unfortunately, one can become aware of the lack of assessment reports. This, combined with the great diversification of authorities implementing the programmes, results in the absence of relevant evaluation documents regarding the entire volume of programmes or at least to a great difficulty in locating and accessing them (INE/GSEE 2016).” (EL NR)

The Bulgarian report addresses as well the lack of independent assessments and long-term effects assessment. “However independent impact assessments are not available and there are no even attempts to consider to what extend the LM interventions impact on labour market inclusion. Thus there are some reports, and to a certain degree there are in a process of improvement as sometime they try to assess creaming effect, substitution effects and deadweight loss. However these are hardly evaluations in the true sense of the word.” (BG NR).

The analyses of the National reports suggests that all the enlisted above problems linked to the evaluations’ quality and approach are more or less characteristic in different degree in all the partner countries and special efforts are needed to improve and make better activities in this important field. From this point of view, the process of evaluating the implementation of different types of measures does not seem enough advanced and it clearly needs improvement in most of the countries.

Having said that it is necessary to underline that the development of evaluation culture and the quality of evaluations are not the same across the EXCEPT partner countries. Simultaneously, the different countries could impact differently to improvements in the state of evaluations of youth ALMPs:

- The three countries with the established system of good quality evaluations (Germany, UK and Sweden) could be used as good practices to enhance developments in the other countries. Additionally, they could impact by: a) better balancing of evaluations aimed at microeconomic effects with evaluations considering the macroeconomic effects; b) more attention to evidence-based evaluations; and c) better addressing the evaluation gaps;

- The other six countries, which are at a different stage on the path of quality evaluations, need to learn from the good practices and continue the process of catching up. At least some of them, especially the group of countries that highly depends on EU funding and most types of measures are clearly linked to EU initiatives could be supported by outlining clear requirements to quality evaluations on EU level.

Evaluations of the youth employment policies in the other 19 countries also did not seem quite intensive in order to improve the measures implemented. According to the experts’ assessments, evaluations are generally applied partly or not at all. In eight countries, the answers “partly” or “yes” prevail: DK, FI, FR, LT, LU, NL, & RO. In the other 11 countries - AT, BE, CY, CZ, ES, HR, HU, MT, PT, SL, SK - the answers are usually “partly” or “no".
2. Involving young people in policies’ evaluations and improvements

In EXCEPT partner countries there are some attempts and efforts to address the young people vision on ALMP. Some efforts are being made to involve beneficiaries, and youth in particular, in improving the quality of employment services, although the activities in this respect remain too short.

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<tr>
<th>Textbox 8.5: Examples of young people’s involvement</th>
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<tbody>
<tr>
<td><strong>In Sweden,</strong> “A continuous work is carried out by the employment office to measure customer satisfaction in relation to the programs. There are also survey questions to the general population on their view of the employment office.” (SE NR)</td>
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<td><strong>In Germany,</strong> “There seems to be no programme aiming to systematically involve youth in the implementation of public employment services. They have punctual evaluations of the career counselling programmes, which often report on positive assessments of young people, though space for improvement remains” (see for example Sommer et al. 2017, Messner &amp; Otto 2013, BA 2010) (DE NR)</td>
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<td><strong>In the UK,</strong> “There are several outcomes measures available to evaluate effectiveness of the Youth Contract programme such as the job outcomes rate and survey results of the employers who involved in the Youth Contract programme (Coleman et al., 2014) but there seems to be a relatively scarce evidence on the level of satisfaction with the programme among beneficiaries (OECD, 2014).” (UK NR)</td>
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<tr>
<td><strong>In Poland,</strong> “Available evaluations of ESF programmes and national programmes often concerns direct participants opinions… Some Labour Offices conduct the surveys among beneficiaries to assess the quality of services and clients satisfaction, although it is not a standardized procedure. There are also the evaluations of separate measures carried by the Ministry. The national surveys on beneficiaries’ satisfaction had been conducted once in 2015.” (PL NR)</td>
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<td><strong>In Estonia,</strong> “Surveys of satisfaction with youth work services have been conducted. Young people have expressed their degree of satisfaction with different aspects – e.g. satisfaction with location, opening hours, teacher, and the like – of a range of youth work services like hobby education, youth centres, youth camps, youth projects etc. Similar surveys have been carried out also about education and career, job counselling… There is a mechanism for involving young people in implementing the youth prop-up program, run by the Association of Youth Centres in selected individual youth centres. Apart from this, there are no programs involving beneficiaries in improving the quality of employment services. “ (EE NR)</td>
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<td><strong>In Italy,</strong> “Evaluation of the Youth Guarantee Initiative carried out a CAWI survey on a quarterly basis on a sample of users of the programme. Also at regional level, there were studies of quality and availability varying from one region to another.” (IT NR)</td>
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<td><strong>In Bulgaria,</strong> “In different studies, reports and media publications fragments concerning young people opinion about individual measures could be found… Additionally, clear and transparent mechanisms for beneficiaries to impact on the quality of employment services are not established, although some such formal attempts are often reported.” (BG NR)</td>
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In Ukraine, “There are periodical surveys of youth aimed at finding out youth values and attitudes to certain issues. Among other, young people are asked about their experience with the employment service and/or youth centres... Local governments sometimes also conduct youth surveys with the purpose of development of youth centres in their regions. We are not aware of any other instances of active involvement of youth into improvement of employment services.” (UA NR)

**Source:** National reports for the respective countries

In the other 19 countries, with the exception of Latvia and Slovenia, the positive answer to the question: Is youth/participant feedback used to improve the delivery of measure? is quite rare.

**Some progress can be noted** with regard to the idea of a more adequate involvement of the young people in the ALMPs’ assessments and improvements. **Still the incorporation of the young people views is highly insufficient at least in two dimensions:**

- There is a lack of systematic efforts in the field

**Textbox 8.6:**

**Lack of adequate efforts**

**In Sweden,** “There are no proper studies of this.” (SE NR)

**In the UK,** „There is also limited attention given to young people's view on the programmes.“ (UK NR)

**In Greece,** “We were not able to locate any relevant research on youth experiences regarding policy initiatives, programmes and individual measures on employment activation.” (EL NR)

**In Bulgaria,** “Still, there are neither systematic research on young people visions and experience with policy initiatives, programmes and individual measures nor in-depth discussions leading to adequate political reforms.” (BG NR)

**Source:** National reports for the respective countries

- There is not enough evidence on the impact of such surveys, when young people visions are studied, for improving ALMPs

**Textbox 8.7:**

**Lack of impact**

**In Sweden,** “The survey questions (for the general population) on the view of the employment offices activities are generally very negative” (SE NR)

**In Poland,** “The overall conclusion of multiple conducted evaluations and researches is clear – young people are more willing to appreciate measures that can be easily linked with finding employment as subsidies for establishing an enterprise, financial bridging support for newly self-employed, loans, internships. Additional support as identification of young person needs, career counselling, psychological support, skills development is underestimated, despite the fact that those actions are crucial for establishing the adequate support plan.” (PL NR)
In Ukraine, “The „Youth of Ukraine -2015“ (2015) survey shows that 50% of youth have not heard about any state policies related to youth, and only 10% mention some employment policy. Of the 40 young people interviewed within the framework of EXCEPT project none knew about any proactive labour market policy. Almost all of them were aware of the State Employment Service but only 12 were actively using its services.” (UA NR)

Source: National reports for the respective countries

There is well-established need to improve the feedback in the design and implementation of ALMPs, research on young people's views on ALMPs, enhancing participative social impact assessments and establishment and implementation of adequate mechanisms to integrate these views in improving political interventions.

3. Deficiencies of policy evaluations

Since policy evaluations can contribute to improvement of policy making and are considered an important stage of the policy cycle, they are supported by decision makers and researchers permanently try to improve their methods.

However, the progress made in evaluation research does not solve some problems of this type of studies.

In policy evaluations dominates the objective based approach (assessments of effectiveness). This approach is applied, even when certain conditions for its application are missing - as it has been mentioned in the previous parts of the report, many of the measures applied do not contain the information that is necessary for such assessments). Another review of the researches confirms that: “About half of the reviewed measures did not set themselves quantitative output targets, such as the number of programme participants. Only three of the measures outlined measurable targets regarding their intended outcome, such as the proportion of participants reintegrated in the labour market. This made it hard to assess success and effectiveness, especially from a comparative meta-perspective” (Eurofound 2012: 2).

Besides this, it seems that objective based approach is linked to some constraints:

For instance, evaluations of the effectiveness of policy interventions are carried out (as the definition of effectiveness itself requires) based on a comparison of the achieved results with the declared objectives of the interventions. Since effectiveness is perceived as producing the intended or expected result and the emphasis is on the degree of achievement of the objectives set, the discussion of the objectives themselves is implicitly excluded. This feature of the concept of effectiveness is clearly evident in a clarification, which is often used: being effective is about doing the right things. However, in order to check whether the things that are being done are really the right things, the objectives of the measures taken, and more precisely the relationship between the objectives and the causes of the problem (risk), should be explored. In this case,
effectiveness will depend on whether the objectives address the most important causes of the risk (the cause-to-objectives relationship is a major indication that the things that are being done are really the right things). Furthermore, checking whether the right things are being done also involves identifying various `side effects`, some of which may be unfavourable. Often these effects are not covered by the studies on the effectiveness of the implemented measures. In fact, even some of the announced objectives of the policy interventions may remain outside the scope of the studies. For example, employment measures were expected to build bridges to self-sufficiency through entering gainful employment and encouraging mobility to better paid and more stable jobs (making "work pay"); to be the major instrument to combat poverty as for the most families paid work remains the most important source of income, to improve financial and fiscal balance of the welfare states, etc.

But achieving these objectives is usually ignored in evaluations of the effectiveness of employment-enhancing measures.

At the same time, some effects of policy interventions remain unnoticed, for example, some of the impacts of the interventions on the functioning of the labour markets or on the human capital formation (this issue is discussed in the next part of the report). Thus, the notion of `effectiveness` is created based on a limited range of effects. Creating such a notion also means something else - the notion of effectiveness is created from the opinions (points of view) of a part of the affected stakeholders. However, the main purpose and the main effect of the employment programs (the non-working people to start working) may be related in different ways to the objectives, needs and expectations of different stakeholders, and the point of view of some of them (in particular, of the target groups) may have little influence on the judgments compared to the point of view of other stakeholders. This is quite possible, as employment measures have a different impact on the two sides of the labour market – the demand and supply side. Within a measure/program, the demand side can get a fully adequate outcome - namely, availability of sufficient workforce with a certain level of employability and the achievement of this result may determine the effectiveness of the program/measure. However, the objectives and expectations of program participants: quality jobs, quality employment (adequate income, living standards, and social inclusion) may not be met adequately through the program/measure if the programs do not contain objectives/requirements for quality of jobs and employment. The extent to which employment programs will meet the objectives and expectations of participants depends on the state of the labour market and economy. However, evaluations of the effectiveness of employment programs rarely take into account the state of the labour market and the impact of programs on the supply side of the labour market. Therefore, changes in employability (in the narrow sense - as qualities of the individual) and directing unemployed to certain jobs can meet the needs (expectations) on the demand side, but may not correspond to the needs (expectations) of the program participants, if,
for example, the change achieved through the program is a transition from a status of unemployed to a status of working poor.

Thus, if the evaluation of the effectiveness of programs/measure is made based on changes in employment (number / share of the participants who started work), this evaluation will be relevant to the demand side, but it does not contain any judgment from the aspect of the target group, and such judgment may be negative. In fact, if unemployment is voluntary and involves some equilibrium state of labour demand and supply, then obviously, employment measures, especially if they contain an element of coercion, will have a negative impact on the employed and probably on some of those involved in employment under the influence of the measures applied.

Briefly, the effects of implementing the programs in respect of both sides of the labour market are different, but these different effects are deleted and effectiveness is evaluated primarily, if not only in terms of the demand side when the evaluation is built on objectives such as changes in employment (number/share of participants who started work).

The theoretical frameworks of the studies have certain peculiarities. For instance, some of the effectiveness studies are related to the “theory of change,” which hypothesizes that participation in “…ALMP, will ultimately improve the employment and earnings outcomes for youth”. (Kluve et al 2007: 4). Research done within this theoretical framework would determine a certain measure to be effective even if only 800-1000 out of (for example) 150 000 unemployed young people have found work, never mind the fact that during the same period the number of unemployed youth might have grown up to 165 000 people. Scientific conclusion derived from such research might justify continuation of the measure as it is considered to be effective but it certainly will not stimulate the political conclusion that the same measure is not enough and some other measures might be found and implemented to tackle youth unemployment.

Another theoretical peculiarity is the assumption of some economic models (of frictional unemployment) that “…if some workers increase their job search effort, this generates additional employment creation. The remaining workers are not displaced from existing jobs because in the process, the total pool of jobs increases enough to absorb the extra labour supply”. The overall employment increases with the inflow of “newcomers”. There are many reasons to expect that economic realities are different from this picture. And if so, what happens with different subgroups of employed and unemployed, and the general employment dynamic? Looking for answer of this question researchers considered another model, assuming that job creation does not adjust fully in equilibrium. “This model has the realistic feature that production technology exhibits diminishing returns to scale. As a result when an unemployed worker increases her search effort, she imposes negative externalities on other workers, because “…untreated job seekers are at least partially displaced by treated ones” (Crepon et al. 2012). In contrast, standard search models with a flat labour demand (Pissarides 2000) produce no such externalities”.
Researchers also suggest that: “If all a policy does is to lead to a game of musical chairs among unemployed workers, then the impacts estimated from a standard randomized or non-randomized evaluation will overestimate its impact for two reasons. First, the treatment effect will be biased upwards when we compare a treated worker to a non-treated worker in a given area. The employment rate among workers in the control group is lower than it would have been absent the program, leading to a violation of the “Stable Unit Treatment Value Assumption” or SUTVA (Rubin, 1980, 1990). At the extreme we could (wrongly) deem a policy successful if it only negatively affected those in the control group. Second, the negative externalities themselves must also be taken into account when judging the overall welfare impacts and cost effectiveness of any policy” (Crepon et al. 2012)

The second point is important, because the model, implemented by Bruno Crepon et al. “.. features the additional prediction that externalities should be stronger when the labour market is slack…” This prediction is very different compared to the widespread finding that “rigid” labour market decreases effectiveness of youth employment policies: “Youth programs have a lower likelihood of having positive impact in countries where labour markets are not flexible although the magnitude of the effect is small. In the OECD, for example, youth programs were almost twice as likely to have positive impact in Anglo-Saxon countries where labour markets are flexible as in continental Europe, where they are more rigid. Research has shown that protective employment rules create barriers for new entrants and our results suggest that employment programs do not significantly overcome these barriers. The meta-analysis finds that the rigidity of employment protection rules is associated with a lower probability of positive employment benefits to participants, although the magnitude of the effect is very small. In any event, policymakers need to take a comprehensive approach to improving youth employment, implementing well-designed interventions and also, ensuring that labour market policies and institutions do not block access for young people”. (Betcherman et al. 2007: 66)

The recommendation is obvious – for the better access of young people to employment, all barriers (protective employment rules) should be removed. This recommendation is based on empirically established facts, but does the recommendation itself provide a sound foundation for elaborating really good policies?

The problem is that the recommendation is made based on limited information. The shortage of information affects at least two issues: are there other reasons for lower employment / higher youth unemployment; what other effects are caused by 'removing barriers'. Expanding information on these two issues could lead to another conclusion and another recommendation on labour market policies and youth employment. Research into the causes of high youth unemployment may, for example, establish that not only protective employment rules but also activation can contribute to increasing youth unemployment if it extends too much the range of job seekers. For example, such an effect could be caused by increasing the retirement age, as in many cases the likelihood of young people to replace older workers is not high. Such impacts
undoubtedly contribute to an increase in unemployment, particularly youth unemployment, especially when the number of vacant (and quality) jobs stagnates or grows insignificantly. If these effects (and other similar) are taken into account, the recommendations for reducing youth unemployment could look different.

The recommendation for ‘removing barriers’ may not be so categorical when taking into account other possible effects of its implementation, except the inclusion of more young people in employment. In fact the “rigid” labour market – strong, effective employment protection - could reduce the opportunities for displacement effects of some employment policy interventions. We do not rise the question what is better (which outcome is better – displacement or impeding and reducing displacement), but suggest that effects of labour market and (youth) employment policies could be larger and very different compared to those established by some researches. Obviously there are reasons to expect that displacement effects increase when interventions are implemented under conditions of economic crises (and relatively high unemployment rates). And just this was the case during a long period of time. Then the next question is: are youth employment interventions – and their possible displacement effect - capable to exert pressure on the market price of labour? Especially when interventions supporting youth employment are coupled with measures providing incentives for employers to hire youth employees. If the (matching) interventions provide opportunities for reduction of labour cost, employers obviously could profit of these opportunities and intensify intentionally displacement effects of youth employment policies in order to reduce the cost of labour (by substituting better paid workers by cheaper workers). This is very probable especially under conditions of low average levels of human capital and weak Employment Protection Laws when the substitution is relatively easy.

Another aspect of the same problem is related to the fact that the evaluations take into account mainly the impact the interventions have on individuals (groups) who are the target of the intervention, but the impact of the intervention on other groups often is neglected. When individuals, who are not subject of the intervention are used only as a control group while experimental or quasi-experimental research work is done, the impact of the intervention on other (non-target) groups and general employment dynamic slips researchers’ attention (i.e. there is no evaluation of the impact of interventions not only on those covered by the intervention, but also on young people of the same target group, but not covered by the intervention; the larger group with similar characteristics (young people - unemployed and employed); and the impact on nonworking, unemployed and employed of all ages). In fact, the effects of the interventions studied on the target groups (which is the case when a study on the effectiveness of employment programs is performed), may vary significantly (and they vary indeed) from the effects of the interventions on other groups. Moreover, review of the literature leaves the impression that the effects can worsen (sometimes - significantly) in the transition to larger groups and ignoring this fact distorts the assessment of the policies’ effectiveness.
Last but not least, in some cases, the ‘narrowing’ of evaluations of the effectiveness of policy interventions arises from the fact that the research work is done on a micro level and examine the changes in personal situations taking place during certain (more or less limited) period of time and coming as a result of the implementation of certain intervention (program, measure). Although certain aims justify using such approach, it ignores the impact of the economic and social context, as well as the impact of the employment interventions themselves on this context.

However, it is well known that sound macroeconomic conditions, investment climate etc. (and the relevant policies) are crucial preconditions for youth employment opportunities. Ignoring the impact of the context relativizes assessment (increases the relativity of the evaluation of effectiveness).

In fact, the importance of the interaction between youth policies and other policies (shaping the socio-economic and political context) and the impact those interactions have on the effectiveness of youth policies are well known. Studies emphasize dependencies between the contextual environment and the (effectiveness of) youth employment programs, and found evidences for interactions between different policies (for instance -activation policies and other policies, Bassanini and Duval, 2006). It is known that the effectiveness of interventions depends on a combination of several types of impacts - a combination of several impacts on key factors of unemployment (exclusion) is more effective than single ‘isolated’ impacts. The change of the effectiveness of policies when a coherent “bunch” of policies is implemented (improving efficiency in combining impacts) rather than partial (individual) interventions highlights the presence of interactions (synergies) between various interventions and the impact of these interactions on the effectiveness of the implemented policies. But the problem seems to arise from the fact that context-related studies often focus on some of these links and interactions (for example, the positive links between labour market deregulations and employment), but ignore others. Therefore it is difficult some of the other policies to be identified as possible risk generators for youth exclusion and unemployment. As an example may be given some of the mentioned studies of the interactions between labour market deregulations and activation or effects of the employment measures on investment in the early phases of human capital formation and ultimately - on youth inclusion. Other policies affect the chances of a certain individual to join the workforce – both through the level of human capital formation or through its influence during the implementation of the examined intervention, etc.

Furthermore, the focus of effectiveness research on one intervention also could contribute to a disregard for the specific contextual environment. As a result research capacity to make adequate proposals decreases. In such case the research does not ask and does not tackle the question if the same or similar (or may be better effects) could not be reached through changing other policies and whether such changes may be more effective and not as costly as the examined intervention. Difficulties other policies to be identified as possible risk generators for youth exclusion and
unemployment make researchers (M. Nico) to plead for integral, holistic youth policies, but not for reformulation of other policies that shape the economic and social context.

After all, usefulness of research seems to decrease when outside the attention remain issues that are certainly important for evaluating the effectiveness of an intervention - for example, how this intervention is ‘embedded’ in the complex of other existing policies and how the intervention interacts with other policies, or whether some positive synergistic effects arise, or on the contrary - the effects neutralize each other. Thus, research has not sought and offered possible alternatives of youth policies for social inclusion.

This explains why an opinion could be found that “… in general the quality of ALMP evaluations is low”. (Taru 2016:15). Other researchers also support the opinion about the low quality of evaluations of the effectiveness of employment programs. Rebecca Boden and Debbie Epstein forged the concept ‘policy-based evidence making’ as a corollary to evidence-based policy making. Boden and Epstein published a paper in which they wrote:

“Intuitively, basing policies that affect people’s lives and the economy on rigorous academic research sounds rational and desirable. However, such approaches are fundamentally flawed by virtue of the fact that Government, in its broadest sense, seeks to capture and control the knowledge producing processes to the point where this type of ‘research’ might best be described as ‘policy-based evidence’.(Boden and Epstein, 2006)

The validity of this conclusion seems to be acknowledged, because in United Kingdom a special Committee issued a report (October 2006), where a statement is made, that policy makers “…should certainly not seek selectively to pick pieces of evidence which support an already agreed policy, or even commission research in order to produce a justification for policy: so-called "policy-based evidence making". (Paragraph 89, House of Commons Science and Technology Committee: Scientific Advice, Risk and Evidence Based Policy Making)

4. Contradictory results and unanswered questions

Many studies suggest that overall youth programs have positive effect sizes. Researches identifying such effects as deadweight, substitution, replacement, make corrections to the assessment made on the scale of the positive effects, but they do not deny the existence of such effects. “The interpretation of this result is not that youth employment programs, in most cases, do not work. Instead, much of the difference in performance seems to be related to design and implementation factors, as well as the characteristics of the country and population of beneficiaries”. (Kluve et al 2016: 37)

Many of the studies on macro level reviewed by Martin (2014) also show that effective activation can reduce the structural unemployment rate. Most of the other studies of employment policies effectiveness also identify positive effects of employment policies.
When significant and sustainable decreasing of unemployment at macro level is missing, the lack is explained through the invisible impact of employment policies: unemployment would be higher in the absence of employment policies.

According to other data, the youth and overall unemployment rate trends do not seem to be influenced by the implemented programs at macro-level and due to this in certain periods youth unemployment rates in Europe were “dramatically high” - in 2011 around 5.5 million young people were unemployed throughout the European Union. This equalled an unemployment rate of 21.4%, a rate that at that time continued to rise, having hit the 22% mark in the first half of 2012… (when) Europe employs 3.4 million fewer young people than in 2007, which makes youth unemployment one of the greatest challenges faced by the continent today”. (Eurofound 2012).

Martin points out that critic of activation claims that this instrument can work only when labour demand is buoyant, making it easy to impose benefit conditionality. When labour market is depressed, they claim it makes little sense to activate job seekers since all it will achieve is to reshuffle the queue of the unemployed. Supporters of activation suggest that critics ignore the evidence that countries which have been successful in implementing activation have weathered the recent storm of the Great Recession relatively well. They have experienced more moderate increases in unemployment since 2007-8 than would have been expected on the basis of previous cyclical patterns. This suggests that effective activation strategies can help make labour markets more resilient to adverse demand shocks (Martin 2014: 26). Other recent studies suggest that countries with better social protection systems (implementing more moderate activation) have weathered the crisis better than the others.

Relatively small number of studies identifies growing importance of precarious work for the lives of some young people. Some of them suggest that getting precarious low-paid job may entrap youth in economic marginality and long-term processes of downward social mobility. They suggest also that for some young people, growing up in communities stripped of traditional employment routes to “respectable”, working class adulthood, become constitutive of lasting precarious economic marginality (Shildrick et al 2010: 98). McKnight (2002: 98) points out that over the past 25 years the number and proportion of low-paid jobs have increased in the UK but the relative earnings of low-paid workers have fallen.

Studies of economic marginality add something else - economic marginality has become also indicative of many working-class adults experiences of the labour market in contexts where until recently labour markets provided opportunities for skilled, lasting regular employment. This is perhaps one of the most significant observation of labour markets developments and the rise of precarious work.

Different results of evaluations seem to be connected with different types of studies. MacDonald emphasizes one of them: the disjuncture between social analyses (theory/empirical studies) and empirical labour force data: labour force surveys cast
doubt on commonly held assumptions of rising rates of precarious employment, including for youth. Precarious work that is detected in qualitative surveys appears oddly marginal in general surveys because of the gap between wide and narrow definitions of precarious employment and because the averages produced by national labour surveys mask the higher significance of precarious work amongst economically marginal workers (MacDonald 2009: 173). It is possible to add that the type of the evaluation and more precisely – the dominance of objective based evaluations (assessments of effectiveness) seem to be important cause of the disjuncture. As far as economic analyses prefer this type of evaluations and sociological research use other approaches, it turns out that the scope of identified effects is different. In this way, the dominance of objective based (economic) evaluations could explain the dominance of positive evaluations of youth employment measures and neglecting of negative effects. As MacDonald suggests only some qualitative studies have revealed the growing importance of precarious work for the lives of some young people.

Differing and even contradictory results allow different interpretations of empirical data: Although it is widely acknowledged that significant part of youth is involved in precarious employment, the interpretation is that precarious employment provides necessary and normal “stepping stones” into and then upwards in the labour market (MacDonald 2009: 174). The radical restructuring of youth transition in industrialized societies over the later third of twentieth century and the consequences of this for young people – extenuation, fragmentation and increasing individualization and complexity of pathways to adulthood are well known, but the focus on these consequences seems to be insufficient.

Besides the contradictories of policy evaluations there are several questions that need answers. Reviewing macroeconomic literature on the employment measures’ effectiveness J. Martin (2014) points out one of them (“a first, very topical question”) concerning the ability of activation to deliver good labour market outcomes in a steep downturn when the supply of job vacancies is reduced significantly. Obviously this question remains unanswered when evaluations are focused on the impact of employment measures on unemployment.

According to other researchers: “Little evidence was available concerning the global impact of the implemented measures, for example the impact of a policy on rates of youth unemployment or social exclusion. Moreover, the common belief is that valid assessments are impossible to be made - given the small scale of most measures and the influence of other factors, such as the macroeconomic context, an assessment of the global impact of the analysed policies cannot be provided” (Eurofound 2012). Such statement is not groundless (a research on the macro-level impacts is really difficult to be done), but on the other hand it seems to be an overstatement as there are macroeconomic studies available (Martin 2014, presents review of such studies). But the conclusion of Eurofound publication is important because it emphasizes the lack of enough solid knowledge about the effects employment measures generate at macro level. The “counterfactual” explanation (unemployment rate would be higher in absence
of measures) is not enough convincing, because the lack of significant changes obviously could indicate that the pace of increasing of the number of unemployed is equal or higher than the pace of decreasing achieved by the employment policies.

Some studies focus on youth involvement in precarious employment in local communities that are in economic depression. This raises the question are their results valid only for such communities. If this is so, may be in other communities the same measures can produce better results and if these communities prevail at national level, then at national level positive outcomes could prevail also.

Research results rise also other questions, for instance: are precarious jobs really natural part (“stepping stones”) of youth’ routes to normal employment and getting out of poverty; what is the impact of measures not only on those involved in measures but also on other individuals – employed and unemployed; do measures take into account the interests of participants

Summarizing, two stages of the policy cycle are strongly affected by deficiencies of policy research: policy formulation and policy evaluation.

Weaknesses of policy research reduce problem-solving capacity during the policy formulation and contribute to decreasing of measures’ usefulness. The gap (discrepancies between the causes addressed by employment measures and causes, mentioned by national reports and other studies) indicate that probably some of the causes of the risk are neglected. Since the cause-to-objectives relationship is a major premise for successful addressing of the risk and indication that the things that are being done are really “the right things”, the neglect of causes undermines in a fundamental way the effectiveness of interventions.

In some cases policy formulation process relies on scientific findings and recommendations whose validity seems to be doubtful under some conditions (for instance, the economic argument concerning the link between youth unemployment and relative wages of young workers).

The stage of policy evaluation is negatively affected mainly when researches miss unintended and unfavourable effects of given interventions. Such researches neglect possible gaps between the stated objectives of interventions and their real effects (for instance the impact of employment measures on the balance between demand and supply of labour). Obviously such peculiarities of policy research hinder improvements of policy interventions.
PART THREE: Effects of employment policies

Chapter 9: Economic context in which youth employment interventions are applied

1. Dynamics and type of economic growth

It is well known that economic growth is considered to be a key factor in the success of policy employment interventions, including youth interventions. Growth is also an important component of the conditions (factors) that define job quality, labour market performance and its outcomes.

Many researches show significant changes in the dynamics and state of the economy in the recent decades. One such change is the low rate of growth of the entire world economy over a long period: from 1973 to 2001. The average rate of economic growth during this period was significantly (twice) lower than the average rate in the period 1950-1973.

These figures refer to the world economy, but European economies are no exception to the general trend. Data for European countries also shows weak, zero or negative economic growth over significant periods after the 1970s. Since 2001, growth rates in the EU (real GDP per capita, percentage change on previous year) has been positive but low, with a decline between 2008 and 2013 and then (in 2014-2016) again reaching positive values (below 2.0% compared to the previous year), and the growth achieved in 2017 was declared a record.

These changes in economic dynamics play a role in monitoring the effects of policy interventions as the changing conditions in which interventions are applied change their effects.

This research is mainly based on information on the period with low growth prevailing in most countries during and after the 1980s, as the period of implementation of the policy interventions (mainly activation) coincided in the most part namely with this period, and additionally there is relatively more information for this period while it is not sure how sustainable and significant the new economic growth trends (beyond 2012-2014) will be. However, data on periods of positive economic growth are also used in the discussion.

Of course, the low rates or the lack of growth limit the aggregate labour demand and could contribute to the relative excess of labour supply, even without special policy interventions to increase labour supply. But in combination with activation, it could be expected that the impact on labour supply will be greatly enhanced.
Another important feature of the economic dynamics is the specific **type of economic growth**. The short review below does not cover the well-known features of economic growth (relevant economic policies) over the last decades\(^1\), but focuses only on those that appear to be most directly related to employment/unemployment and in one way or another are mentioned in the national reports:

- **Deindustrialization.**

Studies show that the key structural change of European economies in the period under scrutiny was a slow but steady deindustrialisation and the converse increasing dominance of services. The process of deindustrialisation had a generally negative polarising effect on the employment structure, destroying employment in the middle layers of the occupational structure, an effect that is particularly obvious in (but not restricted to) recessions (Eurofound 2015: 48). The same survey also emphasizes differences between countries. For instance in the UK, deindustrialisation contributed (negatively) to polarisation; in Germany, after an initial expansion, manufacturing was largely stagnant and polarising in recessions In Sweden, a consistent decline in manufacturing after 1975 until 1996 contributed to decreasing low-paid jobs and to polarisation after 2003 (decreasing mid-paid jobs)

As EU LFS data show the largest group of occupations in the EU-28 in 2016 is personal services’ and sales’ employees, at 9.5 % of the work force, or 21.4 million persons. They outnumber the eight smallest occurring occupation groups taken together, which includes all agricultural employees, food processing workers, members of the armed forces and others. In the service and sales group, most numerous are clerks, followed by business and administrative associate professionals.

Some national reports (UK, Greece, Bulgaria) also indicate a trend towards deindustrialization, which in the considered period (although to varying degrees) occurred in almost all EU Member States. The trend (mentioned also in a special study supported by the EC) has undoubtedly had an impact on both employment and unemployment. Of this impact can be judged by the data for declining employment in industry and the differences (in some cases - significant) between the dynamics of total employment and employment in industry (World Development Indicators 2017)

National reports suggest that the decline of employment in industry (particularly in UK, Bulgaria, Greece, Estonia and to some extent in Italy) contributed to the decline of aggregate demand (absorptive capacity of labour markets) in these countries. Some reports emphasize another impact of deindustrialization on employment: reduction of the share of jobs of “middle quality” and – as a result – increasing differentiation of quality of jobs and employment. Other studies often mention these changes of the available jobs structure. An important issue is also the connectedness of the changes of available jobs structure and the mismatch between demand and supply of skills possessed by young

\(^1\) Such as: privatization of state-owned enterprises and pensions; maintaining low inflation; liberalization of trade; deregulation of foreign investments and capital markets; etc.
workers. For instance, some NR (UK, BG) suggest that deindustrializion generated additional requirements to the young people - to change their skills in order to adapt them to the new structure of available jobs.

- **Reduction of investment activity.** Some empirical surveys show, that unemployment has risen in the last twenty years due to insufficient investment and that policies that are aimed at stimulating investment may have a permanent effect on unemployment. (Arestis and Mariscal 2000). Indeed, the weakening of investment activity typically accompanies situations of excess labour supply. For the EXCEPT partner countries (International Monetary Fund, World Economic Outlook Database, April 2017. Data for UK and Greece is missing) the provided picture of investment activity is as follows: 5 of the countries depict a clear drop from their respective values in 2008 which in principle is considered a good year; the value in Germany is near to its value in 2008; Sweden is a clear exception by total investment almost reaching the share in GDP in 2016 as it was in the best years presented (1980, 1989, 2008). Taking into account data for more countries, it could be noticed that 2008 has served as a mobilizing year with regard to total investments for most of the EU countries, and that the share of total investment in GDP in 2016, with the vivid exception of Ireland and Sweden, is still lagging behind from the one in 2008 with only Germany and Austria close to reach it.

- **Export orientation of growth** is considered a driving force in booming economies (global exports raised from 5,600 billion dollars in 1999 to more than 18,000 in 2012). Growth rates in the EU over the same period do not fully confirm that the strong export-oriented growth is capable to reach high pace. Additionally, this type of growth seems to neglect the domestic market and the stagnation of salaries (Casertano 2013).

- **Growth and welfare systems** - countries with such type of economic growth usually keep salaries and taxes low to favour exports, and as a result they are facing problems in financing their welfare systems, especially healthcare, education and pension systems. Fiscal austerity programs implemented in most (around 90%) of the advanced economies, also contributed to the reduction of welfare systems. It seems that fiscal retrenchment contributed also to decreasing of rates of economic growth - some studies suggest that “there is a significant correlation between the general government structural (or cyclically adjusted) fiscal balance and the contraction in GDP. Those countries with highest changes in structural balance in the EU have also been the ones with the highest contraction in GDP”. Macro econometric models also suggest that the fiscal entrenchment is associated with negative employment growth of 0.2% in medium term. (ILO, 2012; 4-5)

Various sources point to another specific effect of such economic dynamics - **concentration of incomes and wealth and increasing inequalities.** Studies provide a lot of data concerning inequalities and other phenomena related to inequalities, including unfavourable changes in human capital formation.
Finally, the combination of economic growth and stagnating or increasing unemployment and poverty distinguishes this growth model from the development processes characterized by a combination (considered as normal) of economic growth and declining unemployment and poverty rates. This type of economic dynamics has manifested itself as a global phenomenon and has attracted the attention of many scholars, who name it in different ways: rent seeking, jobless growth, wageless growth (jobless and wageless), immiserising growth.

The conclusion that could be made is that economic growth (its type and rates) during most of the monitored period was not a favourable environment for the implementation of employment policy interventions and more specifically for the activation.

Another conclusion is that some still persistent characteristics of the type of economic growth are the most likely reason why despite the recovery of growth rates, the crisis-specific differences between GDP dynamics on the one hand and on the other hand wages, consumption and investments still remain. According an ETUI's study, despite the recent indices for economic growth recovery, the living standard levels before the crisis have not been restored yet: “The peak pre-crisis GDP level that the EU as a whole reached in 2008 was surpassed by 4.8% in 2016..., but private consumption remains barely above its pre-crisis level while the investment level is significantly lower”. (ETUI, 2017: 22). The persistent characteristics of the type of growth are probably the most likely explanation for the lag in the rate of growth of wages compared to the rates of economic growth.

2. Scale and nature of the activating impact

This section focuses on a relatively poorly researched problem: the ability of activation to deliver good labour market outcomes in a steep decline when supply of job vacancies is reduced significantly.

The real ‘activating’ impact described in the previous parts, achieved through the shift from a passive strategy of reducing labour supply to a policy approach aimed at higher employment, has a certain specificity.

The primary goal of this activating impact is not just a reduction in unemployment but an increase in employment. Policy interventions for the mobilization of latent labour supply are not just a means of reducing unemployment. The real impact is generated not only by the reconstruction of unemployment insurance systems (and some directly connected benefits), but also by the wider "retrenchment of welfare state". The circle of individuals (groups) covered by the actual activating effect is much wider than the impact of activation (in the narrow sense), as it also covers groups of unemployed people who had not previously been considered as such.

Because of these characteristics of the real activating impact, the perception of activating policies as a means of achieving ‘full employment’ also does not sound sufficiently precise, meaning a situation where all those able and willing to work can find a position
in a relatively short time (EAPN, 2017: 3). The point is that the actual activating effect is not directed only (and not even mainly) to facilitate the unemployed to find jobs, but it significantly increases as well the number and share of jobseekers. Therefore, the achieved reduction in unemployment is not a sufficient benchmark for assessing the effectiveness of policies that generate actual activating effect.

Thus, in order to gain a broader picture of the effects of the real activating impact, it is necessary to cover not only the increasing labour market entry and participation but also other effects whose monitoring allows supplementing and extending the judgments based solely on the achievement of the specific objectives set for individual employment measures.

The direct effect of the actual activating impact is the significant and relatively rapid increase in labour supply, also by groups that previously had profited from the opportunity not to offer their labour on the labour market. This effect in turn generates many other effects.

Among the many other effects of large-scale activating impact, changes in labour markets stand out in the foreground. Unlike the measures to reduce unemployment that aim to facilitate the functioning of the labour market by addressing barriers hampering the operation of the market mechanism, the real activating impact is a significant intervention that can have a strong influence on the market mechanism itself by increasing labour supply and changing the ratio between labour demand and supply, and the price of labour.

Obviously, the central “link in the chain” of possible effects of a strong activating impact is the emergence of excess labour supply, especially when economic dynamics is unfavourable, labour demand is weak and the market cannot absorb the increased labour supply. In this case, another effect that can be expected is the deterioration of job quality. Since the relationship between excess labour supply on the one hand and the quality of jobs (particularly the price of labour) on the other hand is well known in the economic analysis, it follows that critics of activation are probably wrong when claiming that under conditions of adverse demand shocks, active measures only reshuffle the queue of the unemployed. There are good reasons to expect that the continued application of an activating impact (over two decades) also raises other consequences. Ignoring these consequences gives grounds for those who like Martin (Martin, 2014) think that the impact of activation on labour markets is not well known, and in particular - that governments have paid little serious policy attention to the impact of “the tsunami of labour market developments, generated by activation”. (EAPN, 2017: 3)

Empirical studies on the impact of increased labour supply in the United States (caused by other reasons - immigration) treat the increased labour supply as a labour supply shock, which generates permanent effects on the labour market participation and average wages of natives and immigrants. Certainly, the effects of increased labour supply are differentiated according to criteria such as education, skills, etc. For example,
the effects of influx of migrant workers increase in the case of low-educated individuals and decrease with the increase in the education level of the employed. (Ottaviano and Peri 2012). Another important effect of increased workforce influx and increased competition among individuals is an increase in wage inequalities.

Increased labour supply can generate such effects, even under conditions of economic growth, as companies can improve their economic performance by taking advantage of increased labour supply while maintaining relatively low labour cost: either directly (by retaining real wage growth or reducing other associated costs) or indirectly (by maintaining low quality of jobs and employment). A sign of such behaviour can be a low investment activity of companies, even if their business is experiencing expansion.

But the economic context during the period of strong activating impact is characterized by relatively low rates of economic growth. In times of economic depression and labour market deregulation, the impacts of increased labour supply are stronger and less favourable for both the unemployed who benefit from the programs and the employed (Jenkins 2010). Firms usually do not increase their productive capacity (and investments in it) not only in periods of recession but even in the early stages of recovery, when they are uncertain that the demand growth will be robust and enduring and the extra productive capacity created will be justified. Empirical studies suggest that in period of recession firms usually tend to reduce the scale of their main activities because they face sales constraints (due to a lack of demand) and their profitability driven logic restrains their capacity (during and even – for certain period after a recession) to keep their potential and the workers they have hired (for instance in the UK and Germany) where unemployment has risen in the last twenty years due to insufficient investment (Arestis and Biefang-Frisancho 2000)

Moreover, the period of activating impact coincides with liberalization / deregulation of labour markets. The purpose of deregulation is to achieve good labour market outcomes by releasing the market (market forces) from the restrictions previously imposed by regulations, but the direct effect is strengthening of the power of management in the firms.

Quality of unemployment pool and the effects thereof

It is known what happens if the firms augment the number of employed in a period of recession. Companies are unlikely to change their profitability driven logic and accept to decrease their profitability. Rather, they find ways to be profitable when absorbing the excess labour supply created by the activation. To this end, companies can hire new workers mainly through nonstandard forms of employment and thus increasingly create ‘secondary’ jobs (low quality jobs - low-skill, low-pay, part-time and other similar types of jobs) which are aiming at overcoming the (re)employment economic barriers. Economists suggest that ‘primary’ and ‘secondary’ jobs seem to be functionally related - the secondary jobs allow firms to make adjustments without disturbing the employment structure of the primary jobs. In such a situation, the chances of new recruits/re-employed workers to occupy really productive jobs are small and it can be expected that
the more unemployed transit to the status of underemployed, the more pressure will be put on job quality and in particular - on wages in the economy. When discussing this topic, some economists use the term "quality of the unemployment pool". Usually this term means the capacity of unemployment to restrain workers’ wage demands. Indeed, unemployment can not only curb wage demands, but can also achieve a wider range of effects, which generally consist in the fact that, in conditions of rising (high) unemployment, the propensity of workers to accept deterioration also of other dimensions of job quality increases. Of course, limiting demands regarding wages (and curbing salaries themselves) is a central aspect of the impact of unemployment, which is related to the possibility those who want salary increases, to be replaced by unemployed people who would agree to work for relatively lower wages. It is also argued that "quality of unemployment pool" is related to unemployment duration and at some point the long-term unemployed cease to exert any threat to those currently employed. Consequently, the long-term unemployed do not discipline the wage demands of those in work and do not influence inflation, because they are more distant from the wage setting process. Some documents and relevant studies emphasize the impact of unemployment and different effectiveness of long and short-term unemployment in pressing wages down. For instance, Bank of England points out that: "The longer that people are out of work, the more their skills will deteriorate and as a result, the probability of them finding a job decreases — those who have been unemployed for over a year are, on average, around a third as likely to find work as the short-term unemployed. That is likely to mean that they will exert less downward pressure on wages…." (Bank of England 2013: 28) "The empirical evidence in general supported a more powerful role for short-term unemployment in putting downward pressure on wages. Some studies suggested that only short-term unemployment mattered. But recent Bank research had suggested that, although short-term unemployment was more important, the potential downward effect of long-term unemployment on wages should not be disregarded."(Bank of England 1997: 8-9). Researches by some economists, including a dispute over the effectiveness of employment programs, have greatly contributed to clarifying the reported effects of unemployment (Watts and Mitchell 1990; Mitchell 2001; Sawyer 2003; Ramsey, 2002-3; Mitchell and Wray 2005). Mitchell emphasizes that the range of the groups which define ‘quality of the unemployment pool’ (i.e., can affect the restriction of salaries) is wider than the unemployed: if short-term unemployed may be proximate enough to the wage setting process to influence price movements, there is another significant and even more proximate source of excess labour available to condition wage bargaining – the underemployed. Researchers suggest that underemployed represent an untapped pool of potential working hours that can be included in the labour market in a relatively costless way if employers wish. To this can be added: and if the unemployed are forced to engage in employment. It allows expecting that the underemployed pose a threat to those in full-time work who might be better placed to influence the wages in the economy, and as a consequence can generate stagnation or decreasing of wages. In fact, underemployment is related to the expansion of areas of precarious employment,
which include part of the employed, especially in periods of economic depression. Mitchell suggests that this argument is consistent with research in the institutionalist literature that shows that wage determination is dominated by insiders (the employed) who set up barriers to isolate themselves from the threat of unemployment and that Phillips curve studies have found that within-firm excess demand for labour variables (like the rate of capacity utilisation or rate of overtime) is more significant in disciplining the wage determination process than external excess demand proxies such as the unemployment rate.

It is plausible that while the short-term unemployed may still pose a more latent threat than the long-term unemployed, the underemployed are likely to be considered an very effective excess labour pool. In that case it might be expected downward pressure on wages to emerge from both sources (short and long term unemployed) of excess labour. When they become re-attached to the employed labour force, they may influence wage setting via underemployment, given that they will often only have nonstandard forms of employment (part-time jobs, etc.) available to them.

The pressure of the unemployed who have made a transition to the status of underemployed on the employed is not just about disciplining their demands for wage increases. The pool of underemployed could increase the propensity of all employed to accept stagnation and even declines in real wages, and also accept other unfavourable changes in working conditions.

This pressure, of course, increases significantly if to the groups that are re-attached to the employed labour force are added also such that are usually considered excluded from these groups. For example, competition for available jobs would increase significantly if older workers, rather than being taken out of employment, are detained by increasing the age at which they can leave (retire).

Of course, the most vulnerable groups most often occupy 'secondary' jobs and become underemployed: "...women, youth, the low skilled and migrants are disproportionately represented in these nonstandard forms of employment. For them, these forms of work facilitate labour market entry, but do not offer security or protection" (ILO 2017: 44) The sick, people with disabilities and elderly people could definitely fall in this group if they are forced into the labour market without themselves wanting to do so.

Considering all of this, it can be assumed that, under certain conditions, activation can contribute to labour market fragmentation, where workers increasingly compete for jobs whose quality in many cases declines, real average wages are also restricted, working time limits become vague, and responsibility for social protection and pensions is increasingly being transferred to the individual, etc. (ILO 2017: 44). Ultimately, a set of conditions can be defined under which the above mentioned causal links can take effect. These conditions include: relatively low economic growth and low investment activity; a liberalized labour market and increased vulnerability of the employed, due to weaker legal and trade union protection at the workplace and in case of unemployment; limited
labour market potential to absorb labour supply - labour is absorbed mainly within existing firms; intensive activation (pressure on the unemployed to engage in employment, through reduction of social protection and other social benefits). It can be expected that this set of conditions is closely linked to results such as increased employment rate (or at least maintaining relatively high rate of employment), increase in precarious employment (deterioration of jobs quality, increasing secondary jobs, reduction of hours worked per worker; stagnation or reduction of real wages and increasing the share of working poor); poor quality of employment; stagnation or even decline in labour productivity; reducing the share of labour in income; increasing income inequalities; increase in poverty, etc.

Of course employment measures (in particular, activation) influence labour market outcomes in combination with other factors. Therefore, the effects observed are the effects of the combination of different factors that influence the functioning of labour markets or, as stated in the introduction to the report, the effects we observe are the result of interactions between employment measures and the context in which they are implemented.

Therefore, the effects cannot be attributed solely to employment measures (mainly activation), but we can certainly say that these measures are an essential part of the whole set of factors giving rise to certain labour market outcomes. Based on the information from the national reports, the presence of the specified combination of conditions (factors) determining the labour market performance is checked. Thus, both country variations and the existence of a “universal pattern” in the labour market dynamics of the surveyed countries can be monitored, as can be expected from the discussion of the diffusion of employment measures in the previous parts of the report. The monitoring period covers the years from the 1990s to the time of the national reports (2016-17). This period allows for changes in the labour market, employment and impacts of employment measures (mainly activation) to be seen in the context of a “steep downturn when the supply of job vacancies is reduced significantly”. Moreover, during this period, the gradual (cautious and avoiding blaming) implementation of policy interventions has been applied to a considerable degree and covered all countries.
Chapter 10: Changes in labour markets performance and their outcomes

1. Jobs security

As it was pointed out, the combination of workplace (in)security and activating impact can have a strong influence on the way the labour market works. Since over the past 2-3 decades many studies have shown that high job security is associated with higher levels of unemployment, weakening job security (protection) is considered an important means of reducing unemployment. As national reports show, this tool has been widely applied if judged by the deregulations passed and the changes in jobs protection legislation, (including, regulation vs. deregulation, flexibility vs. rigidity) and the changes in the role of collective bargaining (its coverage, impact on jobs security, negotiating wages).

Since the early 1980s deregulation of labour markets is the main change, which in one way or another has been implemented in many countries. But even when deregulations were very limited, the level of labour market legal regulation has decreased due to the increase in the share of labour contracts that are not covered by the existing regulation (temporary, etc.), or the increase of informal employment or failure to comply with existing regulation (perhaps, most interesting cases are Bulgaria and Ukraine). Additionally important changes have affected a significant part of the social rights (social protection) of the employed – rights have been reduced.

There is a group of EXCEPT partner countries where these changes are particularly clearly highlighted in the national reports.

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<th>Textbox 10.1:</th>
<th>Examples on changes in existing regulations</th>
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<td><strong>In the UK:</strong> “... from the 1970s the UK labour market has undergone a major transformation.... Deregulatory labour market policies became a key element in the UK labour market strategy... in the 1980s and 1990s, employment protection diminished rapidly... Statutory requirements for trade union recognition were abolished in the early 1980s and a series of laws were introduced to make industrial action more difficult...” (UL NR)</td>
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<td><strong>Estonian report</strong> emphasizes that “...one of the principal goals of the employment law reform was to increase labour market flexibility and improve labour reallocation (Ministry of Social Affairs (2008). A key change was the reduction in the cost of terminating an employment relationship through a reduction in the notice period and the amount paid in severance payments.(Malk 2013) After the reform, induced by the economic recession which started in 2008, it can be said that labour in Estonia does not enjoy a high level of protection. On the contrary, traditional institutions of protection against labour market risks (trade unions, employment contracts law, social security transfers) are weak.(Eamets 2013)”. (EE NR)</td>
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Polish report mentions similar changes: “…Polish law is rather less restricted… The role of collective bargaining trade unions in Poland is limited to specific branches… a significant number of union members are in small local unions not affiliated to any of the main confederations.” (PL NR)

In Italy, “Over the past two decades, the Italian labour market has undergone substantial reforms. In the 1990s, Italy was among the countries with the highest OECD employment protection legislation index\(^{22}\); however, in 2010, the level changed and is now about average… there was only a low level of social protection for fixed-term workers (e.g. no unemployment benefits between one contract and another”). (IT NR)

In Greece, “During the years before 2008, when the financial crisis has started, the national labour legislation had been very rigid. It was strongly regulated and many of its operational dimensions were determined by the collective bargaining processes with the participation of the employers’ associations, the trade unions and the state authorities. The crisis and the country’s obligations due to the Memoranda of Understanding\(^{23}\) have led to gradual reforms in the legislative framework, which are still under development and aim at greater flexibility”. (EL NR)

In Bulgaria, "The reform of the Labour Code carried out at the beginning of the 1990s radically restricted the legal protection and resolution of labour disputes in private enterprises is generally ruled in favour of the employer. Besides the legal reform and the weak influence of the trade unions, the decline in the level of labour protection is largely due to the non-observance of the labour legislation, the significant share of informal employment (without labour contracts) and temporary employment contracts”. (BG NR)

Close to this situation is Ukraine, albeit with some peculiarities – formally, there is considerable legal protection for the employed, but the rules are not observed – a situation similar to Bulgarian one: „On the one hand, the employment legislation is very protective. There is a market where official employment is very secure. However, violations of the employment law are widespread since benefits outweigh the risk of fines and there is no protection in courts either. So there is another market where jobs are not secure and one can be fired any moment. This situation has not changed during the last two decades” (UA NR)

Source: National reports for the respective countries

Compared to this group of countries, the labour markets structure in Sweden and Germany is quite different, although these two countries also have been affected by some changes in labour market.

Textbox 10.2:

Different examples on existing regulations

In Germany, “protection against dismissals is comparatively high by international standards (see for example OECD 2018). Procedural inconveniences against dismissals inscribed into German law (the so-called “Act on Collective Agreements”) are among the

\(^{22}\) This index measures the procedures and costs involved in firing individuals or groups of workers and the procedures involved in hiring workers on fixed-term or temporary work agency contracts. For more information see [www.oecd.org/els/emp/oecdindicatorsofemploymentprotection.htm](http://www.oecd.org/els/emp/oecdindicatorsofemploymentprotection.htm)

\(^{23}\) The financial assistance programs for Greece are provided on the basis of signed agreements (Memoranda of Understanding) between Greece and the relevant European Institutions.
highest in OECD countries (OECD 2013) and make it legally difficult for employers to dismiss employees (DE NR)

In Sweden, “According to the OECD Employment Outlook 2014, Sweden is ranked as one of the top ten OECD countries in terms of overall job quality, measured in terms of both overall working conditions as well as earnings... However, labour marker security is ranked as about average. One of the reasons for this might be a rather high proportion of workers with fixed term contracts, which increased dramatically over the last two decades in Sweden”. (SE NR)

Source: National reports for the respective countries

In some of the reports, these trends are presented by the changes of the indicator ‘Strictness of employment protection legislation’. Although it is not entirely certain that the indicator reflects precisely the main trend of employment protection (mainly because of the periods for which it was defined), its values could be of interest (OECD, Strictness of employment protection).

Another significant change that affected the social structure of labour markets is the weakening of the influence of trade unions and trade union affiliation. The change is emphasized for Poland (instead of the former „Solidarity” trade-union, now numerous, small scale trade unions are available in the country) and Bulgaria (“Workers in the country have never received significant ’active’ (trade union) protection because trade unions were too weak to play such a role”).

The role of trade unions in Germany and Sweden seems to be more significant and in Italy, unlike the other countries “the number of wage and salary earners who are members of a trade union increased over time; according to the OECD, there were 5,177,000 in 1999”. (IT NR)

The information from the national reports leads to the conclusion that in all countries, albeit to varying degrees, protection (security) of jobs has been reduced. The weakened protection of jobs undoubtedly increases the vulnerability of employees to possible pressure that underemployment and unemployment have on them to accept unfavourable for them changes in employment conditions (mainly - changes in wages). The weakening of trade union positions further increases the likelihood of such pressure, and activation (changes in social protection systems, putting pressure on the unemployed to take up jobs regardless of their quality) results in underemployment. This set of impacts certainly increases the propensity of employees to accept changes in terms of employment and labour that they themselves consider to be negative.

2. Changes in forms of employment

It is logical to expect that increased labour supply and employment growth in unfavourable economic conditions, combined with the changes of the labour markets legal construction stimulate wide spreading of precarious forms of work and underemployment. Statistics and national reports provide information on such changes.
in the forms of employment and increase in the share of precarious jobs (precariousness of employment).

Employment growth in a context of slowly growing or stagnant productivity of companies affect the dynamics of the average number of hours worked per worker. According to OECD data, the average annual hours actually worked per worker decreased during the period 2000 - 2016 - from 1829 hours to 1763 hours. The constant decrease of the indicator is interrupted only in three years - in 2006 remained the same number of hours as in 2005; in 2004 the number of hours increased by one hour compared to the previous year; in 2015 the number of hours increased by two hours compared to the previous 2014. However, these episodic interruptions do not change the tendency to reduce the number of hours worked, which is characteristic of the period (2000-2016).

The dynamics of underemployment and precariousness of employment can be observed by the decrease of more stable forms of contracts (e.g. open-ended contracts) and the increase of other forms of contracts, more unstable and insecure (e.g. fixed term contracts, agency work, self-employment, etc.).

The evolution of fulltime versus part-time contracts also translates the effect of precariousness, especially when part-time employment is not due to a worker’s preference, but to the unavailability of full-time work positions.

A report of ILO Director-General (ILO 2017) emphasizes what can be expected: increasing jobs in companies when the economic situation is not favourable generates nonstandard (‘secondary’) jobs: “…in many cases this is accompanied be severe restrictions on their participation in decision-making and the shifting of variety of risks to individual workers, who often lack representation to help assert and enforce work-related rights”. Statistical data and results from numerous studies confirm this conclusion.

According EU LFS the proportion of the EU-28 workforce in the age group 20-64 years whose main job is part-time increased from 14.9 % in 2002 to 18.9 % in 2016. In 2016, the proportion of part-time workers is highest in the Netherlands, Austria, Germany, Belgium, the United Kingdom, Sweden, Denmark and Ireland, where part-time work accounted in each case for more than 20% of those in employment. The share of part-time workers was relatively low in Bulgaria (1.9 % of those in employment), Hungary, Croatia, the Czech Republic, and Slovakia (between 4.8 % and 5.7 %).

EUROSTAT data show that in 2016, the proportion of employees aged 15-74 in the EU-28 with a contract of limited duration was 14.2 %. In some countries (Poland, Spain, Croatia, Portugal, the Netherlands), the proportion of temporary contract is between 20% and 27% Among the remaining EU-28 Member States, the share of employees working on a contract of limited duration ranged from 71.0 % in Slovenia down to 1.4 % in Romania. EUROSTAT emphasizes also that for most of the countries the managers are the least likely to have limited duration contracts, and the lower status employees are the most likely to have it. The levels for lower status employees differ markedly among the countries: 44.1 % of the lower status employees in Poland are in this situation whereas
the corresponding number for Romania is only 3.2 %. EUROSTAT mentions also that the propensity to use limited duration contracts between EU Member States is connected with the supply and demand of labour and employers’ assessments regarding potential growth/contraction and the ease with which employers can hire and fire.

There are a number of other hiring practices, which are also forms of underemployment (precarious employment). In Bulgaria, for example, there was practice for workers to go to work every day and there to be told whether on that day there will be work for them or not. A similar practice is also found United Kingdom, where the concept of “zero hour contract” means that people are on a constant on call basis, waiting to be contacted for infrequent working hours as well as insecurity of income. In Germany, “mini-jobs” reflect short-term employment with a pay no higher than 450 Euro, weaker employment protection and reduced contributions to social security (such as pension and unemployment insurance).

An EAPN study (2013: 30) states that according to the majority of EAPN national networks, precarious forms of work present a clear correlation with deprivation and hardship. The negative impact of this correlation is enhanced by the increasingly structural dimension of precariousness. This means, an unstable job can no longer be considered a transition to a more stable form of work, but as a state in itself. Due to a revolving door effect between periods of unemployment and work, the access to secure employment is becoming more difficult, especially to the more vulnerable groups of our societies. When employment is insecure and the contract’s duration is unstable, the risk of not being eligible for social protection benefits also raises. The same study also emphasizes that low quality jobs might imply no access to severance and redundancy pay; it is not possible for a person to have the resources needed for a new phase of unemployment and trying to find another job. In the medium term, low-quality jobs imply a level of instability and insecurity that limits a person’s capacity to face the multiple challenges inherent to the different cycles of life.

3. Wage dynamics

National reports (as well as a number of other studies) show that precarious forms of work and underemployment are frequently associated with low wages and instability of income.

Weakening of both statutory (legal) and trade union protection of the employed, together with the high levels of unemployment, has significantly changed the ‘balance of power’ on the labour market. At corporate level, these changes have caused imbalances that have led to significant changes in the distribution of income. Information from different sources confirms the view that under conditions of underemployment and insecure jobs (weak protection of jobs) firms can devise a new way of creating labour slack, which allows them to restrain the growth in wages and pursue higher profits.
As a result the dynamic of wages in most EU member states during the last three decades was dominated by two tendencies. The first one is towards restraining of the increase of real wages and the other is towards increasing wage inequality. As Eurofound publication mentions “It is well established that wage inequalities have been growing in many advanced economies in the past two or three decades, although there are important exceptions and differences in terms of the extent and timing of the change across countries. The clearest and most intense expansion of wage inequalities took place in the USA and the UK in the 1980s (OECD, 2011), extending in a generally more moderate form to many European countries in the 1990s and 2000s (with some noteworthy exceptions such as France)”. (Eurofound (2017; 12)

As for the restrictions of real wage levels, The European Trade Union Institute released (July 2013), an overview of wage developments in the European Union (2000-2012), in the form of a “visual map”. The findings show that austerity measures are causing rising unemployment, combined with wage cuts. The map describes wages as main target of austerity measures across Europe. As the study points out the trend didn’t solve the problem of “competitiveness” (ETUI 2013).

Although statistical data and the national report describe Bulgaria as the most pronounced example of low wages, it is possible to see similar developments in other countries. For instance in Germany wages’ dynamic also was associated with prolonged constraints of wages (for about 20 years, from 1990 to 2010). In different periods and degrees, Poland also experienced reduction of real wages. The ‘patterns’ of the changes in the UK, Italy, and Greece have similarities to those in Poland and Bulgaria, but without achieving so significant stagnation in real wages, respectively - so high levels of working poor and absolute poverty (a shortage of basic goods and services). In Italy, the cost of labour has been reduced; the decline was suspended back in 2010 when wages started to grow. The UK national report describes the following dynamics: “From a low of just 15% of employees in 1975, the proportion of low paid workers in Britain peaked at 23% in 1996 (Corlett and Whittaker, 2014:6). Since then, the proportion has changed little – as one in five employees (22%, or just over five million individuals) in the UK earned less than the low-pay threshold in 2013 (Ibid). According to the OECD statistics (2016), the proportion of low-paid work in the UK has been greater than in the other western European countries over the past two decades. Furthermore, the number of workers earning less than a living wage - the amount that is assumed to provide a full-time worker (average across household types) with the means to achieve a minimum standard of living as defined by members of the UK public - has increased from 3.4 million (14 % of all employees ) in 2009 to 4.9 million (20%) in April 2013 (Whittaker and Hurrell, 2013). In particular, the proportion of young people who are classed as low-paid has more than tripled over the past four decades (Pennycook, 2012).”

This means that “… women, ethnic minorities, long-term disabled, part-time workers, lone parents, seasonal and casual workers, and temporary agency workers are disproportionately affected by low pay” (Clegg, 2016). (UK NR)
UK report mentions also that the job characteristics associated with low-pay were manual work, work in private/voluntary sectors and retail and wholesale trade, work in establishments with no trade union recognition and work in small establishments (under 25 employees). In addition, Pennycook et al. (2013) argue that those in low pay employment are more likely to be in zero-hours contract than those who are not. Since a zero-hours contract is a type of employment contract under which an employer is not required to offer an employee any defined number of working hours, those low-paid workers are at a higher risk of being in vulnerable positions in the labour market with their income insecurity, job instability and poor working conditions (Dynan et al., 2007).

In contrast, the report for Sweden, mentions that: “The real value of labour remunerations in Sweden have been very strong over the last 20 years, and this development was not affected by the international financial crisis. The ultra-low inflation environment meant that real take home wages on average have increased around 2% per year since 2009”. (SE NR)

National reports allow to conclude that the drop in labour costs and the persistence of low labour costs (low levels of a large part of individual wages) usually are connected mainly to two kinds of policies – direct restraining wages dynamic (Germany is the most clear example) or indirect restraining – through deregulations of labour markets (changing the social and legal structure of the labour market) and as a result – changing the way labour markets function (the case of most of the surveyed countries, except Sweden and in some extent - Germany).

From this point of view, it can be said that specific functioning of the labour markets in this group of countries is due to mechanisms that are of different nature compared to those in Germany - politically directly managed (and better controlled) restraining of the cost of labour in Germany v/s the “spontaneous” drop of wages in the countries, driven by a deregulated labour market with distorted social and legal structure. Probably this difference contributed largely to much more significant drop of the labour costs in this group of countries than in Germany and Sweden. Moreover, other policies (especially social protection) for mitigating the negative social consequences in Eastern European countries are weaker and less effective, and as a consequence, during the period under consideration, the countries in this group have some common features, for example - high levels of labour emigration, high levels of informal employment, sizeable and sustainable poverty, including in-work poverty.

Despite the differences, in all countries (perhaps with the exception of Sweden) the same characteristics are noticed - as a solution to the growing unemployment: strong pressure on unemployed to accept available jobs; real wage cuts; expansion of the absorptive capacity of labour markets through increasing number of precarious jobs in the existing economic entities (and under conditions of unfavourable type and rates of economic growth, instead of developmental type of growth, increasing investments and expansion
Employment measures (in particular, activation) obviously make a significant contribution to this dynamics. Moreover, the legacy of unemployment reduction mechanisms, and especially the combination of activation, changes in the legal constructions of labour markets and precarious jobs, will probably hamper the achievement of a developmental economic growth and, in particular, will make it difficult to achieve positive changes in wage dynamics. Economists suggest that wages have to grow in order to break a cycle of weak demand, low inflation, stagnant capital deepening and low productivity growth (Schulten and Luebker 2017). Institutions such as the ECB, the IMF, the European Commission also support this diagnosis and point out the need for wage growth. But wage growth is weak, as the pressure to accept underemployment (precarious contracts, part-time employment, etc.) and its impact on the wage-setting process remain widespread, and wage-setting institutions are severely weakened.

Widening of income inequalities is an important outcome of labour markets performance and wider socio-economic dynamics over the last decades – studies identify “…a general pattern since the mid-1980s in European countries at the national level where top deciles capture an increasing part of the income generated in the economy, while the poorest 10% are losing ground. A similar evolution has occurred in most of the OECD area,
including the United States where the rise in top incomes has been particularly strong. A few European countries stand out from this pattern..." (Bonesmo 2012).

4. In-work poverty

Several studies have explored the issue of in-work poverty in detail, looking at definitions, causes, enabling policies, as well as ways forward. A study of EAPN shows that “low wages, often being below the poverty line, are not enough for a person to satisfy the needs of a life in dignity. Sometimes, wages are so low that being employed just does not pay off, meaning that a significant part of the wage is destined to pay expenses related to work, like transport from home to work or childcare/adult care. Subsequently, having a job sometimes leaves a person worse-off in terms of poverty. Additionally, low wages mean low social security contributions, including towards future unemployment benefits and pension, which means that a person is condemned to poverty both in the present and in the future” (EAPN 2013).

The information from most national reports generally confirms recent ETUI's observation that in many countries living standard levels still are below the levels before the crisis..

### Textbox 10.3: In work poverty

In **Italy**, despite the 7-year wage growth period, the report points to a significant increase in the share of working poor: “Italy has had to cope with the increasing phenomenon of the *working poor*, especially among the young, self-employed and professionals (Bertolini 2011; Carrieri 2012; Meo 2012; Saraceno 2015). Stressing the lack of precise data on this phenomenon, according to the most recent estimates around 3.7 million belong to this category, receiving less than 6.2 euro per hour worked, while just over 780,000 self-employed are paid less than 4.8 euro per hour”. (IT NR).

The **Polish report** mentions that: “The average hourly labour cost in the EU was estimated at EUR 25.03 in 2015, while in Poland that indicator is about one third of EU average. Moreover, about 25% of Polish employees belong to the group of low-wage earners244” (PL NR).

In **Greece**: “The in-work poverty has remained rather stable, although there has been a peak in 2012 (2010-2015: 13.9%, 11.9%, 15.1%, 13.1%, 13.4%, 13.4%). It has to be underlined that during the same period of time the rates of people at risk of social exclusion in general increased substantially (2009-2015: 27.6%, 27.7%, 31.0%, 34.6%, 35.7%, 36.0%, 35.7%)25x. (EL NR).

The report for **UK** notes: “Moreover, as low pay continues to be a main feature of employment in the UK, there has been increasing attention in recent years to the phenomenon of the ‘working poor’. Working poor is often described as those who are in employment but remain below a defined poverty threshold. The Office for National

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25x Hellenic Statistical authority, Greece in figures, July-September 2015 and July-September 2016.
Statistics (2013) indicates that the proportion of all paid employees (working at least 15 hours per week) who are ‘poor’ (below a low-income threshold of 60% of the national median equalized income) is 8% of people in employment, equivalent to around three million people. This suggests that extensive number of workers, particularly those in low-paid jobs are at a high risk of facing various challenges such as income insecurity, job instability and in-work poverty”. (UK NR)

In Estonia, where wage growth started relatively early, there is also no steady decline in the share of working poor: “The share of working poor, defined as working people whose income is less than 60% of median equalised yearly disposable income, has been 8.7% on the average with the lowest of 6.4% in 2009 and the highest of 11.8% in 2013. The share of working poor did not increase during the economic recession but started increasing immediately after that”). (EE NR)

In Ukraine: “…if several household members are employed there is no guarantee that the household is not in poverty, although, as should be expected, employment lowers the probability of being poor”. (UA NR).

Source: National reports for the respective countries

Against this background, Germany and Sweden stand out

Textbox 10.4:

In Germany, “the cost of living is only marginally higher than the EU average. In 2016, prices for products and services were around 3.3% higher than the average of all EU member states. Still, these levels still lie well above that of many Eastern European countries (e.g. Serbia, Bulgaria, Macedonia), where price levels clearly fall below the European average (Bestatis 2018). (DE NR).

In Sweden as it has been mentioned, because of the “ultra-low inflation environment” real take home wages on average have increased around 2% per year since 2009”. (SE NR).

The review of the set of conditions that form the impact of employment measures on labour markets shows that in the surveyed countries, although to varying degrees, the conditions were not favourable and in combination with the measures to increase employment, they have produced a number of unfavourable effects.

All countries have experienced a period of relatively low economic growth and low investment activity (stagnation or reduction of vacancies), a liberalized labour market with (low / reduced) job security and increased vulnerability of employees; weakened legal and trade union protection at the workplace; policy interventions for employment rely mainly on existing firms to absorb labour supply and on their capacity to expand their activities and achieve growth.

Under such circumstances, the implementation of intensive activation (pressure on the unemployed to engage in employment through reduction of social protection) has given rise to a number of consequences that were not favourable to the employees. Implementation of activation under these conditions is accompanied by: increasing employment, increasing underemployment / precarious employment (deterioration of jobs quality due to increase in secondary jobs and degraded quality of employment),
reduced hours worked per worker; stagnation or even decline in labour productivity;
weakening the social inclusion potential of the labour market (stagnation or reduction of
the average real wage per employee in addition to the degraded quality of jobs and
employment); increased share of the working poor, reducing the labour share of income
and increasing income inequalities; rising poverty, etc.

There are sufficient grounds to assert that these unfavourable changes do not simply
`accompany` the above-mentioned set of conditions in which measures to increase
employment and, above all, activation play an important role. It can be argued that the
negative tendencies in the performance of the labour market and its outcomes are largely
due to the activation itself - the strong pressure to increase the labour supply that was
provided by the employment measures and mainly by the activation.

5. Labour Share of Income

The already mentioned dynamics of wages generated as well other changes: since the
early 1980s, significant changes had taken place in the functional income distribution.
The scale and nature of these changes have increased the interest of researchers in this
issue. ((EC, 2007; Glyn, 2009; ILO, 2008; IMF, 2007; Ryan, 1996; Wolff, 2009, Hein,
2011, Guerriero, 2012) “Focussing on the changes of factor shares over time,
researchers find a general reduction in the labour share over the last few decades. An
overall moderate increase in the labour share in the mid-1970s has been followed by a
stationary pattern in the late 1970s and early 1980s. Subsequently, labour shares fall
considerably” (Guerriero, 2012)

The reduction of the LSH of income raises the question of what exactly causes it –
decrease in the labour market capacity to absorb the labour supply (decrease of
aggregate demand and increase in unemployment), reduction of the compensations
(reduction in wage levels and social protection), which is also a decrease in the labour
market capacity to ensure social inclusion of the employed or some kind of combination
of these two types of changes?

Although in different degrees all countries participating in EXCEPT experienced decline
of LSH in incomes. National reports indicate that the dynamic of labour share in incomes
is a result of different combinations of decreasing of employment and labour costs. With
few exceptions the surveyed countries have experienced periods of significant
fluctuations of labour cost (constraints and wage increases) and the dynamics of real
wages is connected in various ways to the dynamics of (un)employment.

In some countries both declines (of wages and employment) are significant and the
periods of both kinds of changes more or less coincide in the time, in others the decline
of wages seems to be more significant than the drop in employment (Germany) and in
others (Sweden) – the drop in employment is combined with relatively sustainable and
even rising levels of real wages.
The duration and "depth" of the two kinds of declines were particularly significant for instance in countries like Bulgaria and Poland, where the restraints of real wages seems comparable to degree of decreasing of employment, at least for certain periods.

Greece also has a steady downward trend in wages, and it is the only country where the trend persists so far (due to measures to overcome the debt crisis).

Information from the report on Ukraine shows that despite temporary declines (real wages were falling during both 2008-2009 and 2014-2015 crises) the cost of labour has not declined (at least in the recent decades): “...the nominal wage has increased almost 18 times over the period, the real wage growth has been slightly over 3 times within the last 15 years with two periods of decline in 2008-2009 and since 2013 onwards”.

In Sweden, the decrease in the share of labour in income (significant drop between 2000 and 2010) seems mainly due to the increase in unemployment and to a quite lesser extent the actual levels of wages have been affected. Data indicates that unemployment rate in Sweden has grown 4 times for about a decade (from 2.3% in 1974-1983 to 9.2% in 1994-98), but real wages have steadily increased over the past two decades.

In some of its peculiarities, the dynamics in Estonia is similar to that in Sweden (of course, at very different level) - the decline in the share of employment income appears to be much more closely related to the extreme drop in employment (the above-mentioned reduction in the number of jobs) than to the dynamics of labour costs.

In Germany, the decline in the share of labour in incomes is associated mainly with long-term constraints of wages, but the employment rate is maintained through policies aimed at equitable ‘distribution’ of the reduced demand for labour (jobs sharing). Therefore, in contrast to Sweden, in Germany there is a clear link between the decline in the share of labour in income (at macro level) and the levels of individual employment income. Both countries implement policies that are geared towards limiting the negative social consequences of the economic dynamics, respectively of the economic policies, and these policies seem to have been relatively effective if we judge by the data on the poverty dynamics and in-work poverty.

6. The specifics of youth (un)employment

It is well known that “... a number of features of youth unemployment are remarkably constant in quite different national contexts”: youth unemployment is higher than adult unemployment in almost every country for which figures are available, and this is the case whether aggregate unemployment in a country is high or low; youth unemployment is closely linked to adult unemployment (a coefficient of linear regression of the youth unemployment rate on the adult rate in the OECD countries - 1.8, for transition economies - is 1.5). “Thus, a one percentage point rise in adult unemployment is associated with an increase of almost two percentage points in the youth unemployment rate in the OECD countries and a one-and-a-half percentage point increase in transition economies. In other words, youth employment appears to be more affected by shocks
hitting the aggregate labour market than adult employment” (O’Higgins, 2001: 11). The average of the EU (28) youth unemployment rate (15-24) in 2016 is 18.7%, more than double of the unemployment rate of the active population (8.5%). However the high values of youth unemployment are hardly enough to explain the specifics of youth (un)employment. Rather it could be argued that young people experience a ‘double’ influence from policy employment interventions. On the one hand, interventions affect job demand and entry into the labour market. On the other hand, young people start working in an environment (labour market situation) that is also influenced by employment policies. Thus some effects of the impacts appear to be less favourable especially for young people. Similar considerations can be found in the information from the national reports outlining the main characteristics of the impact that the policy interventions to increase employment have on youth, as well as on the quality of jobs and employment in which young people enter through employment programs. The information confirms the view that young people’s positions in the labour market are significantly unfavourable, compared to other age groups: quality of jobs youths occupy is lower, young workers usually have lower wages, job and social protection and higher job insecurity.

Textbox 10.5: The vulnerability of youth employment

The report for Greece mentions that young people are “…often obliged either to take up a job that is subsidised by the state and usually is not permanent, or to accept unfavourable working conditions. In addition, the lack of jobs due to the limited economic activity often results into young people being employed in jobs that require lower qualifications or even in unskilled jobs as a means of remaining in the labour market and coping with the needs of everyday life”. (GR NR)

In Poland “Experts often indicated that the insecurity level was extremely high for young people who were mainly offered temporary and civil law contracts”. (PL NR)

In Italy, “a very rapid introduction of temporary employment, combined with very low and targeted social protection, affected the life of young people differently than in other countries where such changes were slower or accompanied by higher levels of social protection (Bertolini, 2011). The reform process of the 1990s and early 2000s created a labour market that was fairly flexible for workers entering the labour market, namely youth and women. At the same time, prime aged workers, belonging to the “breadwinner generation”, were completely insured by the reform process. The reform process was thus marginal – in the sense that it applied only to new jobs, and asymmetric – in the sense that it affected only a fraction of the population; in other words, the reform process acted mainly through the labour market flows” (Garibaldi and Taddei 2013, 19)*. (IT NR)

An important fact is that in many cases the employment rate of young workers didn’t improve in a radical way, despite relatively lower wages of young workers and the general decreasing of wages after 1990s. Something more – in the countries where the levels of real wages are low (close to or even below the cost of living) young workers are “over represented” in the group of working poor.
Studies show also that young workers are less likely to be subject of employment protection legislation. Almost invariably such legislation requires a qualifying period before it can be invoked, and compensation for redundancy typically increases with tenure. So, for this reason too, the more recently engaged employees will be cheaper to dismiss. And this affects young people disproportionately (O’Higgins, 2001; 41). Assessing the effectiveness of income benefits supporting the long-term unemployed, national experts of European Social Policy Network define as “very good” the systems just in 4 out of 35 countries. In DE, EE, EL, BG, PL, UK effectiveness is seen as “very weak” (Vanhercke, Natali and Bouget 2016)

National reports confirm these findings and show additional evidence on weaker protection for young workers. The review suggests that labour market situation of youths compared to the older workers is relatively unfavourable and this is not only result of possessed skills, experience, productive capacity etc. These relatively unfavourable positions of young workers are not “stepping stones” to better labour market positions. Youths’ positions in labour market are connected with the general trends of labour market dynamic, shaped by changes of legal frame; level of unemployment and most precisely - underemployment; employers’ behaviour; etc. It seems that without radical changes the impact of these factors will continue to determine youths’ relative positions even when youth become adults. The problem is that the weak link between participation in employment and social inclusion affects not only young people but the labour market positions of all workers.

More specifically, the problem is the emergence of large areas of precarious employment and the significant part of the employed working in these areas. When young people are included in employment, many of them also enter areas of precarious employment. This happens not only because of the specifics of the young people’s entry into employment (precarious employment is not just ‘stepping stones’ to better employment conditions). Of course, in such a situation, young workers are in a less favourable position - wages of young workers as a rule are relatively low. National reports confirm that low relative wages of young workers are widespread phenomenon. The report for UK for instance points out that: “…there is a different rate of the National Minimum Wages according to age groups. For example, for 16-19 years old, the National Minimum Wage rate is £ 3.87 which is significantly lower than the main minimum wage of £7.20 for those over 25. Hence, this can discourage young people to move into work”. UK report also mentions that “…many workers, particularly young people, have found that gains from work have not kept pace with the increase in overall economic output and productivity over time... In the age group 25 years old or younger, the average income is the lowest. It is close to the age group 63 or older but still 64 euros lower (approximately 10% of its size and 6% of the average).” (UK NR)

Explaining the low relative wages of young workers, economists often point to the argument, that the higher the relative wages of young workers with respect to those of
adults, the more incentives there are to employ adults as opposed to young people. Studies contest the validity of the argument about the impact of relatively low wages of young workers - as O'Higgins mentions “The argument relies on the assumption that young workers are close substitutes for their adult counterparts. In many cases, this may not be true, particularly as regards skilled adult workers. If young people and adults are complementary in the workplace, reflecting different skills requirements, the wages of young people with respect to adults should have no influence. In such a scenario, both youth wages and adult wages with respect to other input costs will have a negative effect” (O'Higgins, 2011; 42). Blanchflower and Freeman found that “…the almost universal fall in the relative wages of young workers observed in the OECD countries during the 1990s, despite being accompanied by a sharp reduction in the relative size of the youth cohort, did not lead to any increase in youth employment rates, which also fell over the period” (O'Higgins, 2001). Despite the doubtful validity of the economic argument concerning the link between youth unemployment and relative wages of young workers, it seems that policy formulation process largely relies on this argument and in some countries the effect noted by Blanchflower and Freeman in 1990s didn’t change in a radical way during the next 25 years, despite the recent trends of rising wage levels. And young people still tend to have lower wages.

Many young people have not benefited from employment measures – “individuals who are among the most vulnerable groups most often take ‘secondary’ jobs and become underemployed, along with women, low skilled and migrants, and are disproportionately represented in these nonstandard forms of employment. For them, these forms of work facilitate labour market entry, but do not offer security or protection” (ILO 2017: 44) With certainty in this group fall the sick, people with disabilities and elderly people who have been forced into the labour market without wanting to do so.

The fact that young people experience a specific phase of transition and adaptation to employment further complicates their inclusion and participation in the labour market. The combination of the pressure of employment measures for inclusion in employment and high job insecurity (reinforced by the lack of sufficient experience and skills) are constantly causing many young people to ‘oscillate’ between work, unemployment and different jobs. Therefore, the traditional notion that in entering the labour market, young people tend to ‘go around’ and ‘shop’ for the better possible jobs, may be in need of revision. In the conditions described, they are forced to make constant transitions between jobs and between employment and unemployment, falling into a vicious circle of lasting precarious economic marginality (Shildrick et all. 2010; McKnight 2002). Given this, they can hardly gain experience, cannot make a career, their prospects are limited, unclear and not good. Those who have fallen into such ‘vicious circles’ live in poverty and will find it difficult to get out of these circles.

Furthermore, employment measures turn young people into one of the groups that are significantly increasing their participation in labour supply and thus (under the current
economic conditions) contribute to the changes in the functioning of labour markets and their outcomes.

The review confirms the original expectation that such situations are widespread in the surveyed countries and we can talk about `universal pattern` despite the inevitable (sometimes significant) differences between countries.

Let us once again emphasize that the effects observed are results of the combination of the impact of various factors determining the functioning of labour markets.

Therefore, the effects cannot be attributed solely to employment measures (activation and ALMP), but we can certainly say that these measures are an essential part of the whole set of factors that give rise to the observed labour market outcomes and without the implementation of the employment measures, these effects would not have occurred.

Similarities of the labour market characteristics generate similar responses among young people in different countries. Both the national reports and other sources make it possible to identify several such major responses (mass behaviour patterns), when the labour market is performing badly – jobs are of lower quality (low wages, irregularly or not ever paid); low social protection; job insecurity; temporary employment; routine job responsibilities not requiring specific qualification; bad working condition; not satisfactory work organisation; extra working hours, etc. In such cases the young people seek to postpone or avoid participating in the labour market – market that is “overcrowded” and does not offer sufficient job vacancies. The postponement of entering such a labour market is a tool of avoiding the risk of in-work-poverty and social exclusion. The youth have specific options to avoid entering such labour market:

a) An opportunity to receive support from their parents (to live in the parental house, living expenses, and other types of support);

b) An opportunity of prolongation of the years spent in education, which improves the chances to get a better job in future;

c) An opportunity of postponement of the family responsibilities by not creating an own family and having children;

d) Informal employment;

e) Emigration and entering (in many occasions – informally) a labour market offering better job opportunities.

Labour emigration is highlighted in several reports: In Greece “…a large number of young people ...chose to emigrate in other countries after finishing their studies in order to pursue better professional opportunities and, therefore, they are no longer included in the cohorts of unemployed. The Central Bank of Greece in its annual report for the year 2015\(^{26}\) states that from 2008 to 2013 almost 223.000 people 25-39 years of age left

Greece and this phenomenon of “brain drain” continues without changes”; (EL NR); In Poland “multiple young people decided to economic emigration”; (PL NR); For Bulgaria “probably more Bulgarian young people participate in labour markets abroad than in Bulgarian formal labour market”. (BG NR);

Participation in the informal labour markets is also highlighted in the national reports, as an opportunity to tackle unemployment that young people are particularly inclined to use. According some studies (Hazans 2011: 18-19) the informality rate is 17% among the youth, 7% for the prime age workers, 9% for the 55-64 year olds, and 16% among those of retirement age. The significant participation of young people in informal employment is due to many factors, but it is important to emphasize that exclusion, lack of human capital and discrimination play important role in pushing employees into informality (Hazans 2011; Oviedo 2009) The same is probably true for another age group. Hazans emphasizes that in the West and (to a smaller extent) in the South, the dependent informality rate among the retirees is higher than among the young workers, whilst it is the other way around in Eastern Europe and in the Nordic countries. According demand side explanations the young (and the elderly) are likely to be among the least demanding jobseekers, acknowledging their below-average productivity (and, in case of the young, facing above-average unemployment rates). In addition, both groups are interested in flexible work schedule, which is often easier to achieve via informal employment. Young workers are likely to be less concerned with and/or less informed about social security and more willing to trade it for higher in-hand payments. One hypothesis suggests that for those seeking their first job, informal employment might be the most straightforward way to gaining some work experience, thus facilitating school-to-work transition. This probably has grounds for countries with a strong apprenticeship culture (like Germany, Austria, France, UK), where informal apprenticeships might be seen as a natural complement to the formal apprenticeship system. But for most of the other countries, a youth informal employment might be long-term and straightforward way to a vicious circle of invisible exclusion.

On the supply side, the low productivity factor works in the same way as in the case of low-educated workers. In addition, the young (and the elderly) feature above-average quit rates, thus making firms worry about firing costs if these workers were to be hired formally.

Exploiting the above mentioned opportunities young people change the model of the school-to-work transition (the labour market entry of the youth generations) by prolonging education and the specifically youth phenomenon called “chopping around” and spreading it out among generation in higher age brackets. Therefore, the unemployed among the generations over 25 years of age becomes higher. If the (average) duration of the period of labour market entry avoidance gets longer and affects even groups over 25, the so-called “juvenilization” of the groups in higher age brackets occurs.
Employers’ behaviour towards the youth workers indisputably has its own peculiar features. For instance, employers know that young workers behaviour often is “chopping around” and take it into account when hire workers. In many cases the lower wage of young workers also reflects employers’ attitudes (connected with economic dogmas concerning “relative wages”, legislation framework and high levels of unemployment) to young workers. Researches have shown that the first reaction of firms to a recession is to stop recruitment before starting on the more expensive procedure of redundancies (O’Higgins, 2001). In this context young workers usually comprise a disproportionate segment of job-seekers and are more heavily affected by a freeze in recruitment (O’Higgins, 2001). C. Pissarides finds out that falling unemployment coincides with an increase in the number of newly registered unemployed (Pissarides, 1986 500-559).

7. Besides increasing the rate of youth employment

The review in the previous parts shows that the universal measures (activation and ALMPs) to increase employment have had dominant influence on young people (their employment), and these measures were implemented in an unfavourable context, whose main components are: relatively low economic growth and low investment activity; a liberalized labour market and increased vulnerability of employed (low/reduced) job security due to weaker legal and trade union protection at the workplace); limited labour market potential to absorb labour supply - labour is absorbed mainly within existing firms; intensive activation (pressure on the unemployed to engage in employment, through reduction of social protection and other social benefits). In this context, the implementation of employment measures is linked to effects such as: increasing employment (or at least maintaining relatively high employment), increasing underemployment and precarious employment (degraded job quality and employment); stagnation or even decline in labour productivity; increasing income inequalities; rising poverty, etc. Employment measures are unable to overcome the unfavourable influence of the context on the use of youth's human capital and to isolate the target group from this influence by creating special conditions for it. Young people have experienced the same impacts as the other groups - employed or entering employment. These impacts, however, are complemented by the characteristics of young people’s transition to employment.

The previous discussion shows that the impact of employment measures on the labour market contributes not only, and perhaps not so much to employment of full value, but rather to underemployment, and this effect is reinforced by the particular problems that arise when young people enter the labour market. Signs of underemployment are obvious symptoms of poor use of the human capital of young people, which is also associated with various negative impacts on their human capital. Young people face difficulties in not only their inclusion in employment, but also the quality of their jobs is low and unsustainable due to insecurity of jobs. Therefore, in employment of young people (or at least of part of them) appear critical features. One such feature is intensive
change of the occupied jobs. Sometimes researchers interpret these changes as ‘shopping’, which is characteristic of youth entering the labour market. Probably this idea is incomplete, at least for the period under consideration, since it does not take into account all the possible causes of ‘shopping’ and the extent to which ‘shopping’ is voluntary or compulsory. Job insecurity may also contribute to increasing the ‘shopping’ intensity, and therefore ‘shopping’ to one degree or another may be a forced, and not a voluntary choice. Moreover, looking for another job does not always mean that the seeker is looking for a more lucrative job; it can also mean that the quality of the job is low both compared to other available jobs but also compared to the cost of living. The latter is very likely when the proportion of low-quality jobs is increasing, and these jobs exactly are usually available, not only when entering employment but also for an extended period thereafter. Confirmations can be found in the relative wages of young people and the dynamics of in-work poverty. These reasons for ‘shopping’ are related to excess labour supply, and hence to the strong activating impact giving rise thereto. Rapid job shifts (low quality) make it difficult to gain experience and improve skills and qualifications (i.e. increase in human capital of the individual) and therefore limit the opportunities for career development and perhaps even the pursuit of such development. On the other hand, rapid job shifts are likely to contribute to the emergence of the concept of low employability and the extension of measures to increase employability of young people. Another feature of youth employment that arises from job insecurity is the intensification of ‘transitions’ from employment to unemployment and vice versa. Research identifies constant transitions from employment to unemployment and back as a vicious circle in which some young people fall. Intensive ‘transitions’ from one job to another and from employment to unemployment not only limit the opportunities for a good career but also cast doubt on the widely shared view that “employment is the best route out of poverty”. As many observations show, the sorts of work available often keep the young (un)employed in poverty, rather than lifting them out of it (Shildrock et al. 2010).

Research, of course, also shows certain changes in the unemployment dynamics (decrease), but these changes do not seem adequate to the scale and duration of the policy interventions. More noticeable results are the increased intensity of transitions between different jobs and from work to unemployment, the growth of precarious employment, in-work poverty, etc.

These youth employment characteristics question the unequivocally positive impact of employment interventions (mainly the activation) on the use, maintenance and development of human capital for at least part of the youth. Reducing the length of unemployment periods is likely to have such an effect, but the way in which the length of the unemployment period is reduced also influences the end-effects, and this influence is not always positive.

Summarising the previous review:
1. The impact of the context and employment measures on youth employment do not produce significant positive impacts on the use of youth human capital. If we judge by the fact that youth unemployment often remains significantly higher than that of other age groups and for large part of young unemployed inclusion in labour market is unstable and doesn’t ensure social inclusion. These effects appear in most national reports (except Poland and Sweden), despite the fact that the number of subsequent generations decreases (because of decrease in birth rates and the number of youth looking for jobs). Nevertheless youth unemployment has kept high levels for long periods of time.

2. Since the difficulties accompanying the transition of young people to employment have always existed but have not always produced such high levels of youth unemployment and social exclusion, the impact of the other factors seems particularly significant.

3. Main factors for youth unemployment are unfavourable economic situation and changes, connected with specific changes of labour markets (their performance and their absorptive and inclusion capacity), combined with strong activation policies.

4. The policy measures for youth employment and social inclusion address mainly the set of difficulties arising from the transition of young people to employment and occurring on an individual level. However, youth employment measures do not address other and probably more important factors of youth (un)employment.

5. Due to the above, serious inconsistencies arise between youth employment measures and a number of other policies: economic policies; labour market policies; other strands of activation (employment policies of older age groups).

6. The review of legislative changes in labour markets shows that their impact and the impact of youth employment measures are focused in opposite directions and often contradict each other out and youth employment measures cannot overcome the (negative) effects of economic environment, changes in regulatory structures of labour markets and the specific problems of youth transitions to employment. In many cases employment policies could aggravate the other problems youth are facing.

7. In the described context, the widespread response of young people (postponing and/or avoiding participation in the formal national labour market) to the dynamics and the state of the labour market seems adequate because it addresses major trend of labour market dynamics (deterioration) combined with the inability of young people to influence the market situation. If we use the degree of (miss)match between patterns of mass behaviour and policy measures as (additional) criterion for assessing the effectiveness of policy measures, it is obvious that policy measures can hardly produce significant effects (to be really effective for the target group) if the target group do not accept them and do not wish to take advantage of them (some national reports confirm this reaction). It is therefore possible to examine youth employment measures within this frame. For example, the UK has taken a measure that corresponds to the mass pattern of behaviour
- postponing the inclusion in the labour market by extending the period of education, but the other countries do not mention similar interventions.

8. Recent changes

Changes in the surveyed countries confirm both the crucial role of the economic and social context, the state and dynamics of labour markets for youth employment and the thesis that, in an unfavourable context, employment measures do not have a positive impact on labour markets, on the quality of jobs, employment, and ultimately, on social inclusion of young people.

Currently there are changes in the rate of economic growth; changes in the type of growth occur or are being discussed (for example, re-industrialization, the need for wage growth). There are also changes in the absorbing potential of labour markets - albeit hesitantly and not always sustainably, unemployment rates are decreasing, and some countries even experience labour shortages, especially in some sectors. Along with the reduction of total unemployment decreases also youth unemployment. The inclusion potential of labour markets changes (increases), so far mainly due to wage growth (which appears to be more significant in countries where wage levels have declined the most).

In 2015-2016 the general tendency of employment rates in most of the EU countries depict signs of recovery and improvement. Eurostat data on employment rate (20-64 year-olds) depict that from the 28th EU member-states in 2016, 8 have reached and overpassed the Europe 2020 target of employment - 75% (20-64 year old) and that 12 countries have higher than EU average employment rate (71.1%). The other 16 EU countries are lagging behind at different distance from the EU average (Luxembourg closest with 70.7% & Greece most distanced with 56.2%). The Latest EJM (Eurofound 2017) confirms labour market recovery, strongest growth in well-paid jobs, including recent bounce in manufacturing employment, etc.

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The EXCEPT partner countries fall into 2 different groups with 4 countries among the 7 best performing (Sweden, Germany, UK and Estonia) and 4 countries among the 9 worst performing (Poland, Bulgaria, Italy and Greece) on employment rate rang list in 2016.

If the unemployment rate of the active population is taken as a starting point, the situation in some cases mirrors the employment rate picture and in some other demonstrates differences. Particularly pronounced are the differences for Sweden (which drops from 1st to 12th place) and those for the Czech Republic (climbing from 6th to 1st place), Poland (climbing from 20th to 9th place) & Bulgaria (climbing from 23rd to 13th place), etc.

The EU unemployment rate average (8.5%) divides the group into two parts: one with countries better performing than the EU average includes 18 EU countries and the other one with countries performing worse than the EU average includes 10 EU countries.

The EXCEPT partner countries (in italic & right align) fall into 3 different groups with 2 countries showing quite low unemployment rate (Germany & UK), 4 countries with
unemployment rate below the EU average and in the medium scale (Estonia, Poland, Sweden & Bulgaria) and the other two countries (Italy & Greece), respectively with high and very high unemployment rate in 2016.

The EU member states labour market absorptive capacity, with a special focus on EXCEPT partner countries, assessed on the basis of employment rates in combination with unemployment rates could be summarized as follows:

For the 8 EU member-states that have reached and overpassed the Europe 2020 employment target - 75% (among which 4 EXCEPT partner countries), problems arise with the created unemployment pockets that characterize specific groups, young people included:

**Textbox 10.6**: As emphasized in the German national report “labour market reviews show that the chances of re-employment improved particularly for the short-term unemployed with higher qualifications and previous work experience, while there was only very little improvement for the long-term unemployed” (Knuth 2014: 3). (DE NR)

Similarly, the Swedish National Report notice „The labour market has strengthened further and unemployment in August 2016 was 6.6% (http://www.scb.se/aku/augusti), while statistics from the unemployment office show that the number of vacancies per unemployed is at its highest since the early 2000, and that the unemployment is now heavily concentrated to vulnerable groups (where foreign born individuals represent over half of registered unemployed)(http://www.arbetsformedlingen.se/Om-oss/Statistik-och-publikationer/Statistik/Manadsstatistik.html).“ (SE NR)

For the 9 EU member-states that are worst performing on employment rate scale in 2016, among which 4 EXCEPT partner countries (Poland, Bulgaria, Italy and Greece) it seems obvious that the absorptive LM capacity could hardly be assessed as enough high.

**Textbox 10.7**: The Italian report suggests that “…labour market outcomes have improved substantially in Italy. Employment rates increased, and the unemployment rate dropped to 6.1% in 2007 after a peak of over 12% in the mid-1990s (Schindler 2009). However, the 2008 crisis changed the scenario. According to ISTAT (Italian National Institute of Statistics), the unemployment rate increased from 6.7% in 2008 to 11.9% in 2015. In the same period, the inactivity rate remained stable (from 37.1% in 2004 to 36% in 2015)”. (IT NR)

It is noteworthy that according to the national reports the downward trend in real levels of employment income is changing. In some of the countries included in this survey, there is a trend towards real wage growth, albeit with fluctuations in some countries. Perhaps Greece is an exception, as there is no sustainable trend towards real wage growth.

**Textbox 10.8**: The report on Italy states that: “there has been an increase in the average wages of Italian workers since 2010”.

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In **Germany**, real wages have been declining in the years before the financial crisis (Brenke 2009). Yet, after 2008, real wages have almost constantly been rising. (Destatis 2018)

As stated, the trend in **Sweden** emerged 20 years ago,

In **Estonia** the same trend, albeit with fluctuations, began in 2004 - before Italy and Germany "By now, wages and salaries have been rising already for five years in succession. In 2015, the average monthly gross wages and salaries increased 6.0% compared to 2014. The rise in real wages was even larger - real wages, which take into account the influence of the change in the consumer price index, increased 6.5% in 2015 compared to the previous year.(Elings 2016)".(EE NR)

According to the national reports, in one way or another, the same trend manifests itself in other countries participating in this study (**Poland, Bulgaria**).

As this new trend is mainly identified by comparison with the crisis period (2008-2009), it is difficult to assess whether the increase in wages is related to changes in the functional distribution of earnings and the extent to which the proportions of this distribution is close to or deviates from the proportions that were characteristic of the period before the significant decreases in the share of employment income.

In parallel with the changes described above, there are also changes in the human capital formation and in some of the employment measures.

There are signs that changes are occurring in the inclusion potential of labour markets and some studies have identified improvements in human capital formation in some European countries. National reports also point to improvements - in education systems, but also in some other relevant policies that have an impact on the early stages of human capital formation.

Perhaps this explains somewhat the already mentioned changes in employment measures, perhaps the most interesting of which is the declining number of participants in the period from 2006 to 2015. In the countries for which data is available the share of young people who took part in measures in 2015 is lower than in 2005. The number of youth participants has declined in Bulgaria (86%); Germany (45%); Poland (40%). Number of participants increased only in Estonia and Sweden. Based on this data, in the previous sections was concluded that: "It becomes evident that the importance of the youth jobseekers as a target group has decreased in the majority of EXCEPT Project countries. Finally, indications were found that the funding of programs improves – as it has been mentioned, over the 2005-2015 period most of the EU countries increased the public spending on ALMP – both in absolute and relative terms (as % of GDP), despite the decreasing number of participants."
Chapter 11: Beyond youth employment: youth employment policies and human capital formation

Since empirical data and Human Capital Theory suggest that investments like education and training make individuals both more employable and more productive, the following question arises: how policy interventions for employment affect the formation of human capital. Directly or indirectly, employment interventions affect investment in human capital, and the perception of the effects of this impact can help to discuss the extent to which employment measures, by stimulating the inclusion of more individuals in employment, simultaneously contribute to increasing their capacity to engage and participate effectively in employment.

Bell and Blanchflower (2010; 214) for example, find that prolonged spells of unemployment reduce human capital and, consequently, employment policies by reducing unemployment spells, limit the erosive impact of unemployment on human capital. In addition to reducing unemployment, employment measures have also other impacts on human capital. For example, influencing the state of the labour market, jobs and employment quality, employment measures indirectly affect the use and formation of human capital of the employed. Moreover, the measures also influence the course of the early stages of this process - through the influence that parents' employment has on the early phases of human capital formation (conditions of early childhood development and education).

Besides indirect (mediated by the labour market) impacts, employment measures, and more precisely, the programs for increasing the young people employability, have a direct impact on the human capital of individuals.

Further, some direct impacts (of the measures to increase employability) and the indirect impact (through the labour market and its outcomes) of employment interventions on the early phases of the human capital formation are discussed. The main reason for the interest in early phases of human capital formation is well known – since all phases are strongly related in the sense that the occurrence of each is determined by the previous, the early phases are particularly important for the overall stock of human capital. For instance studies have found higher likelihood children underweighted at birth to have lower education, being longer-term unemployed, to have lower incomes and lower life expectancy. On the other hand, high rates of underweighted children at birth usually signal about unfavourable living conditions for mothers during the period of pregnancy.

That is why according to American centre for disease control and preventions "the weight of a child at birth is the most important decisive factor for its chances to live and to grow up in good health" (Centre de recherche de l'UNICEF, 2013).
1. Effectiveness of investment in various phases of human capital formation

The effectiveness of investment in human capital strongly depends on the stages of the formation process in which investments are made (Carneiro et al. 2010). The course of the early phases of the capital formation process has a strong impact on the course of the next phases and their results. Due to this dynamic complementarity of the various phases, the human capital accumulated by an individual is a function of the history of skill investments that took place up to the moment of the labour market entering and the economic returns to investments depend strongly on the phases of human capital formation, in which investments were made (Carneiro and Heckman 2003; Heckman 2008; Carneiro et al. 2010). The dynamic complementarity means that the returns to later investment in skill are highest for those with strong early investments, but it also means that the returns to early investments in skill will increase with follow-up investments later in life. The literature emphasizes that if the degree of complementarity between early and late investments is very strong then it may be very costly or even impossible to remediate weaknesses of the earlier phases of human capital formation. More specifically, studies of skills formation show that the economic returns to skills investment are largest in early childhood and decline over the lifecycle. This data suggests that there are sensitive periods of learning, which means that if the appropriate investment is not done at the right time (during the sensitive period) then learning opportunities may be permanently lost. The literature suggests also that it is very hard to build on cognitive skills if they have not been acquired in the first 10 or so years of life. That is why numerous studies emphasize that there should be strong investments in early childhood, because the sensitive periods for acquiring several capabilities occur early in life, and also because successful learning early in life is the foundation for successful learning later in life (Carneiro and Heckman 2003; Meghir and Palme, 2005; Cunha and Heckman 2009; Carneiro 2009, Carneiro et al. 2010). The above-mentioned literature also argues that investment in formation of skill (cognitive and non-cognitive) in early life is not enough. There is a strong risk that individuals’ will not fulfill their potential if these investments are not followed up by further investment in skills and this is particularly so for individuals from poorer socio-economic backgrounds who usually start with lower levels of investment and have access to poorer quality schools and thus experience less subsequent investment.

The figure below illustrates the returns to investment in human capital during different periods of human capital formation (taken from Carneiro et al. 2010: original source Heckman 2008).
These features of the investments in human capital have strong implications for the effectiveness of the investments and therefore – for the assessment of the impact of employment policies on human capital formation.

The main conclusion is that interventions during later phases of human capital formation have weak capacity to compensate for deficiencies in earlier interventions, and therefore, the more weaknesses of early interventions, the lower the effectiveness of the next. To gain a fuller picture of the impact of employment measures on the human capital formation (investment in human capital), not only of a single type of impact (e.g. programs for enhancing employability) should be taken into account, but also other types of impacts. In other words, adequate assessment of the effects of employment interventions on human capital formation requires that the overall, aggregate impact of a set of policy interventions be considered rather than the partial effects of one or another type of impact. This is important not only for the exact notion of the effects but also for looking for opportunities to improve these effects.

2. Impact of ALMP

The review made in previous sections of the report shows that measures for enhancing employability of the unemployed, including the unemployed youths, hold a significant
share in the structure of ALMPs. Measures containing such impacts for improving employability are applied as ancillary, even when the main activity (or goal) of a program is another, for example, direct job creation.

The prevailing role of enhancing employability is also reflected in the review of good practices in the countries involved in this project. Of the 6 main types of activities that were identified in the review of good practices (3.3.3.), half are for enhancement of employability through training or similar activities (re-orientation courses, preparation for training or employment; vocational guidance, career counselling), where a significant part of the other types of activities also include some kind of training. Although almost all of the good practices are designed as multicomponent interventions, containing more than one type of measure, of the total of 22 best practice cases presented, 14 contain some kind of training.

Considering this structure of the types of activities in ALMP and their link to the various phases of human capital formation (the strong dependence of the effects of job training programs on other types of investments in the previous phases of human capital formation), it can be concluded that the effects of job training programs are minimal, especially if previous impacts on human capital formation (investment in human capital) were associated with negative effects. Ultimately, the impact of job training programs on employment will also be comparatively weaker. The opposite is also true - as the cases of Germany and Sweden show - a well-developed system for vocational education and high levels of other investments in the early stages of the human capital formation are able to eliminate the weaknesses of job training programs (insufficient amount and low quality of training, and lack of good human capital base).

The strong dependence of the effects of job training programs on the previous interventions (investment) in human capital formation means both that deterioration (downgrading) of previous phases of human capital formation reduces the effectiveness of job training programs and that job training programs have small capacity to ‘correct’ the negative effects of the previous phases. However, the fact that job-training programs cannot compensate for disadvantages of investing in previous phases does not mean that such programs are unnecessary. In this respect, a number of authors support the thesis of Wößmann (2008) that when policy makers are making decisions about government VET programs, they not only consider economic efficiency (high returns) but also equity (equality of opportunity).

In line with the above remarks, most evaluations of basic skill interventions do not show systematically positive effects of the impact of basic skills training. Reviewing international evidence on the returns to different forms of VET Carneiro et al. (2010) indicate that returns to basic skills programmes are not substantial even if basic skills have high value in the labour market. The main reasons that could explain the relatively low ineffectiveness of such programs are the modest amount of training being provided and its low quality as well as the lack of good human capital base of young adults who
participate in such programs. Most interventions tend to be small scale and in adulthood, (later human capital investments need to build on prior investments in the early years, particularly for cognitive skill development). The impact of the period of investments also explains why early interventions have been found to be successful in improving cognitive skills and basic literacy and numeracy. (For example, in the UK, the Sure Start pre-school intervention and a primary school intervention called The Literacy Hour have been found to be effective in improving children’s cognitive and non-cognitive skills (NESS 2008; Machin and McNally 2004). As Carneiro et al emphasize (2010: 9) it is certainly not the case that one cannot improve individuals’ literacy skills, rather that interventions late in adulthood are more difficult. These authors emphasize also that public sector job training programs for low skilled unemployed have almost universally been unsuccessful. Such job programs are often targeted at low skilled unemployed individuals, and these people accumulated little human capital earlier in their life and they lack strong foundations on which public training can then build on (another confirmation of the dynamic complementarities argument). Other studies (Friedlander et al. 1997; Fougere 2000) suggest that in some cases youth training programs, aimed at unemployed young adults, have been similarly ineffective. It is claimed that in contrast to the effectiveness of public sector job training programs, there is evidence that work related training, provided by or purchased by employers, generates significant positive economic returns. Possible explanation for this difference is that firms are more likely to invest in individuals who already have higher levels of skill (another impact of dynamic complementarities). The inclusion of individuals with relatively high level of education can increase the effectiveness of these programs. During the period under consideration, arise cases when for the same job were preferred workers with higher level of education. It is therefore possible that some studies show better efficiency of this type of programs, but it is difficult to say whether such programs are effective indeed and precisely what determines their effectiveness, as inclusion of individuals with relatively high level of education can improve program effectiveness, but may be associated, for example, with underemployment.

For the above reasons, the effectiveness of vocational education and training seems significantly higher than that of basic skills training. Due to the earlier phase of investment, well-developed vocational education systems in schools and well-established apprenticeships systems ensure higher returns to these forms of investment. Higher value of vocational education and training is also linked to the dynamic complementarity of investments.

Furthermore, research results of different types of investment in human capital show that underperforming of investments through job training programs may be an indicator of problems in investing in earlier phases of human capital formation.

28 The same authors provide as a classic example the job program entitled “Train to Gain” in the UK. However research results suggest that public training programs are not ineffective purely because they are largely targeted at adults.
3. Labour market and investments in early phases of human capital formation

This section reviews the indirect (mediated by labour market performance and outcomes) impact of employment policies on the early phases of human capital formation (child wellbeing, education), experiencing the impact of the quality of jobs and employment of parents. This interest is triggered by studies of child well-being and child poverty in the European Union that emphasize the strong impact of labour markets and policies supporting the families as main underlying factors of the early phases of human capital formation. For instance an analysis indicates that low levels of child poverty are result of a combination of three main factors: high labour-market participation of parents, low in-work poverty and effective support of family income (TÁRKI Social Research Institute & Applica, 2010).

**Formal labour market**

The link between the level of child poverty and the factors mentioned (the absorbing, social inclusion capacity of labour markets and support for families with children) raises the question: how the previously discussed main trends in the labour market dynamics, as well as changes in relevant policies affect the well-being of children and, ultimately, the human capital formation.

This conclusion is also supported by the above-mentioned study, which identifies four groups of countries in the EU. (TÁRKI 2010).

**Group A** consists of countries with good child poverty outcomes that are results of combination and positive impacts of all three above-mentioned factors (high labour-market participation of parents, low in-work poverty and effective income support). Levels of child poverty are lowest when children live mainly in households where both parents are in full-time employment (or main earner in full-time and a second one in part-time job).

In these countries, an extensive range of policies is in place to support families with children, in particular they have relatively generous maternity benefits, combined with relatively high child or family benefits (to help defray the cost of having children) and wide availability of free or low-cost childcare (to enable both parents – and women in particular – to work). There is also a generous parental leave entitlement (to make it easier for women with children to take up paid employment) and active labour-market policies, which provide significant assistance and support for those who have difficulty in finding a job.

**Group B** includes countries with high numbers of children in jobless households and low in-work poverty (Belgium, Germany, Czech Republic, Estonia, Ireland, Hungary, Slovakia and the UK). In most of these countries, joblessness is strongly related to living with lone parents. In Belgium, Estonia, Ireland and the UK, not only is the share of children with lone parents high, but these parents are also likely to be jobless. In
Hungary, joblessness is related to both persistent unemployment and low labour-market participation, affecting mostly children in large families; this is compensated for by generous income support (mostly family cash benefits).

The large number of children in jobless and low work-intensity households (i.e. no one in full-time employment) is related to a number of factors apart from household composition, such as the low level of parental education. Child poverty outcomes in these countries are either good (Belgium and Germany) or only slightly below average (Czech Republic, Ireland, Hungary and the UK). These outcomes are effects of labour market performance and policies, providing relatively generous income support of families, ensuring that the severity of poverty among children stays below the EU average (except in Estonia in period of the study). Other types of support (means-tested benefits in the Czech Republic, Ireland and the UK; largely universal benefits in Germany and Hungary) produce similar results. **Group C** consists of countries (Latvia and Lithuania) with below-average performance in all dimensions incl. less-effective income support provided to families with children. Authors of the study mention that Bulgaria, Romania and Malta, would probably be placed in this group, if they were included in the analysis. **Group D** includes all four Southern EU countries (Greece, Spain, Italy and Portugal), Luxembourg and Poland. Children in these countries are in a high risk of poverty – in most cases despite the fact that a large proportion of children (over 40%) live in households where one parent is in full-time employment. In Poland, the risk of poverty is high for children even with both parents in full-time employment. In Luxembourg, the risk is particularly high for children with lone parents in employment. The level of social transfers is especially low in these countries (apart from Luxembourg). At the same time, in the Southern countries there is an acute lack of childcare provision, which is becoming ever more acute as the extended family

Summing up the results, it is possible to emphasize again the strong impact of labour market on child wellbeing and more concretely the impact of the absorption and social inclusion potential of labour markets - the level of real wages and social protection of labour (respectively the economic policies that determine these potentials, including policies to compensate declines in aggregate demand in the surveyed countries - jobs sharing, part-time jobs).

The positions that EXCEPT partner countries occupy in the above ranking reflect quite accurately the characteristics of their labour markets and policies towards families and children: Sweden falls into group A; Estonia and Germany - into B (mainly due to the relatively lower social inclusion potential of their labour markets), as well as UK (due to the weaker support for families and children). The place of Greece, Italy, Poland and Bulgaria in group D is logical because all the factors are unfavourable - well below the average. (The assumption that Bulgaria would fall in group C is doubtful, mainly due to the high level of poverty in the country).
These results mean that the long-term changes (and the relevant policies) in the economy and labour markets - mainly the lowering of the absorbing and social inclusion potential of the labour markets - have not had a beneficial impact on both the level of child poverty and on the overall process of the human capital formation in countries where such changes have taken place. This is also the most likely explanation for the increase in child poverty during the period under review. Data show that many of EU member states have experienced prolonged period of increasing of child poverty. “Child poverty rates have edged up in most developed countries over the past 20 years. In 2011 the proportion of children at risk (27.0%) was greater than for any other age group and for the EU population as a whole (24.2%).” “Between 2008 and 2011, some EU Member States (MS) saw a reduction in children at risk of poverty and social exclusion (notably Poland, the UK and Romania). However the situation of children worsened in 18 others, most seriously in Ireland, Latvia, Bulgaria, Hungary and Estonia”. (Library of the European parliament, 2013) In 2011 child poverty in BG, IT, EL and PL is above the average level for EU. Child poverty levels in the other countries participating in EXCEPT are below the EU average.

This data makes it possible to draw a conclusion on a general trend that has occurred in almost all surveyed countries: the changes in the labour market already discussed and, in particular, changes in the quality of jobs and employment did not have a positive impact on the early stages of human capital formation. The impact of changes in labour markets has, of course, been differentiated both by country and by various social groups in a given country, but it can certainly be said that the early childhood conditions for some of the children have been worsened. This deterioration will limit the chances of future generations to engage and participate in employment.

A study conducted by Innocenti research centre (Centre de recherche de l’UNICEF, 2013) calculates the values of an indicator referring to child health and security. The indicator is constructed on the basis of other indicators (child mortality, share of underweighted children at birth, mortality rates for 1-19 age group, existence of adequate health services, etc.). The indicator is available for EXCEPT Project partner countries. This study shows that Sweden ranks 2nd among 29 countries. Estonia is 4th, Poland – 9th, Germany – 16th, Italy – 17th, the United Kingdom – 18th, Greece – 26th. Bulgaria and Ukraine are not included in the sample of countries, but it can be suggested that it is not likely that the indicator values are higher than those in Greece.

According to the same study Finland is the only European country in which the relative child poverty is below 5%. Among the partner countries of this project, Sweden is at 7th place among the 29 countries studies; Germany is at 11th place; the UK – 14th; Estonia – 18th; Poland – 20th; Greece and Italy occupy 23rd and 24th place respectively. Bulgaria is not included in the general ranking, but probably takes the last places together with USA and Romania (Ukraine is not included in the study).
Impact of informal labour market

Informal employment gains particular importance over long periods of high unemployment when substantial part of the informal wage earners have been forced into informal sector by being rejected in the formal sector (Hazans 2011: 34). This impact is particularly strong on young people as they are over-represented in informal employment; its impact on the use and formation of their human capital increases significantly, especially during the transition from education to employment. Informal employment of parents also influences the human capital formation in earlier stages of development of children, especially when the level of informality remains relatively high over extended periods. The literature on economic informality suggests that at the level of the worker, informality (of workers or of firms) may impose significant economic risk and result in underinvestment in the human capital of current and future generations. Thus from a wider perspective than that of the firm, policies to encourage formalization may result in higher long-term growth (Oviedo 2009: 6).

The impact of informal employment can also be judged by the following data. Informal employees in all parts of Europe are having the largest financial difficulties among all categories of the employed population, yet they fare much better than the unemployed and discouraged. According data for 2008-2009, in Eastern and Western Europe, 11% and 13%, respectively, of non-contracted employees and just 6.5% of contracted employees live in the bottom quintile households. In Southern Europe these proportions are 9.9% vs. 5.4%, whilst in Northern Europe – 8.6% vs. 2.5% (Hazans 2011: 36-38, 46). The impact of informal employment on the financial situation of households varies greatly among countries. Hazans points out that for the period 2004-2009 in the Eastern and Southern Europe, the proportion of those seeing their situation as 'very difficult' is much higher among non-contracted workers (19% vs. 10% in the East; 11% vs. 4% in the South). When respondents describing their situation as 'difficult' or 'very difficult' are taken together, the general share of this category accounts for 53% of informal employees and just 41% of formal employees in the East. Corresponding figures for the South are 39% vs. 24%. In Western Europe and especially in the Nordic countries, differences in distributions of formal and informal employees among different (four) household income perception categories are smaller.

Opposite to these findings is the consideration that many workers and small firms perceive benefits to informality, such as higher earnings, greater flexibility (especially to women), and general satisfaction. Moreover, for certain workers and firms the benefits offered by formal contracts may not be perceived to provide good enough services to be worth the contributions (Oviedo 2009: 6).

Other investments in the early phases of human capital formation.

The fact that support for families with children has a significant positive impact on the human capital formation raises interest in the influence of other, similar policy components.
These are, for example, measures aiming to prevent early school leaving (ESL); measures aiming to reintegrate early school leavers; measures aiming to improve or reform the services available to young people, rather than, or as well as, introducing a specific intervention at a certain point on their pathway towards employment. (Eurofound 2012: 11).

The impact of these measures can be judged by the views expressed in the National reports on the question “What policy measures in your opinion have the impact on the employment of different risk groups among young people currently”? (Estimates: very weak =1; weak = 2; medium = 3; 4 = strong; 5 = very strong). The specified policy measures can be split into two groups – the first group relates to earlier phases of human capital formation (before the transition to employment); the second group is focussed mainly on the transition to employment. The first group consists of measurers such as Family and child benefits; Early childhood care; Policy measures related to housing; Minimum income schemes; Subsistence benefits; Second chance education programmes. The second group comprise policy interventions such as Activation measures (incl. outreach strategies, etc.); Apprenticeship/vocational training; Training in basic skills and competences; Promotion of employment/labour mobility. On average, national teams assess the importance of the measures from the second group higher than the measures from the first group, i.e. at national level the former are considered more reliable in improving employment situation of the different risk groups among the youth. The estimations of the influence of this group of measures on youth unemployment are particularly high.

Of special interest are the responses to the question: “How would you assess the trends in impact of these policy measures on unemployed young people as a whole? Please have in mind period 2005-2015”. During the covered period in most of the countries, the influence of some of the policy interventions from the first group remained unchanged, but for the most of them, the situation had become worse, and for some measures, the decline is considered as significant. Changes in the influence of the second group of measures (aiming at direct facilitating the school-to-work transition) show that their performance is assessed much better. This kind of difference provides information on the overall direction of the recent policy changes – reduction of measures and investments in human capital (expenditure per capita) within the group of measures addressing the early phases of human capital formation and channelling the weight towards the second group of measures addressing the school-to-work transition. Taking this into account, the countries under scrutiny can be divided into two groups. In the first group, the significance of the measures addressing early phases of human capital formation is underlined but their dynamics (respectively – their influence on human capital formation) seem to be limited. In these countries, the focus of policies is more on the measures addressing the school-to-work transitions. Reports from the other group of countries mention better balance of the two groups of policies or a tendency of better balancing.
The **Italian** report, for example, explicitly mentions the particular need of measures from the first group: “Young people and, in particular, children, were the subjects that in terms of poverty and deprivation paid the highest price of the crisis, reflecting a worsening of their condition than older generations (ISTAT 2016)” The same report emphasizes also that: “Adequate income is central to supporting disadvantaged young people. Several studies in comparative research of welfare state highlighted the importance of providing minimum income support, but emphasized the absence in Italy of a proper anti-poverty strategy and especially the lack of a Minimum Income Scheme (MIS). Others focussed on the failed attempt to introduce a national MIS in the late 1990s while some scholars investigated the existence of several (still often-meagre) local anti-poverty programmes.” During the covered period, positive changes are mentioned for two of the measures from the first group of policy measures and for three – from the second. For the others no changes are reported. (IT NR)

In **Greece**, changes in the influence of all measures from the first group, i.e. measures addressing human capital formation before the school-to-work transition, are evaluated negatively (there is an improvement only for Second chance education programmes), while for the measures from the second group a positive change is marked (significant improvements are observed for Training in basic skills and competences).(EL NR)

In the **Ukrainian report**, an improvement is mentioned only for one measure from the first group (Minimum income schemes). For other measures, no changes are reported with the exception for early childhood care, where the existence of significant negative changes is mentioned. For two measures from the second group “improvements” are reported. (UA NR)

The assessments for **Bulgaria** are identical for those in Ukraine. (BG NR)

In the **UK** report, an “improvement” is reported for the first group of measures (Family and child benefits, Early childhood care, Minimum income schemes and Subsistence benefits; “significant improvement” is observed for the housing policies).

**Estonia** mentions the existence of positive changes for two measures from the first group (Family and child benefits, Early childhood care) and for two from the second (Apprenticeship/vocational training and Training in basic skills and competences). No changes are reported for the others.

In **Germany** trends regarding two measures from the first group are evaluated as “significant improvements”. For the remaining measures, there are improvements or no changes.

The **Polish report** stresses on the measures from the first group – there are “significant improvements” for three of them. Considering the measures from the second group, there is one for which “significant improvements” are reported. For the others, trends are labelled as “improvements” or “no changes”.

In **Sweden**, these two groups of policy interventions look stable. In most of the cases the report mentions that no changes have occurred and improvements are observed only for Apprenticeship/vocational training. Changes in the development of Second chance education programmes.

**Source**: National reports for the respective country
4. Income inequalities and human capital formation

Income inequalities (levels and trends) are important factor of human capital formation and at the same time are closely connected with activation policies:

- As it has been mentioned widening of income inequalities is an important outcome of labour markets performance and wider socio-economic dynamics over the last decades – many studies identify “…a general pattern since the mid-1980s in European countries at the national level where top deciles capture an increasing part of the income generated in the economy, while the poorest 10% are losing ground. A similar evolution has occurred in most of the OECD area, including the United States where the rise in top incomes has been particularly strong. A few European countries stand out from this pattern…” (Bonesmo 2012),

- Income inequalities influence all phases of human capital formation (such as health condition at birth (share of children born underweight); early childhood (living conditions in childhood; child poverty); adolescence (participation in education, achievements in school, early drop outs); and ultimately – the transition to work (share of young unemployed, NEET).

- Finally, the impact of the income inequalities is already relatively well studied (for instance, Wilkinson and Pickett, 2009; Stiglitz, 2012; Lansley 2012; Dorling 2017) Wilkinson and Pickett identify a strong correlation between income inequality levels and the magnitude of different health and social problems, such as rates of infant mortality, life expectancy, social mobility etc. These social problems are closely related with human capital formation (low birthweight, children’s aspirations, learning opportunities, educational scores.) All indicators presenting the scale of social problems have better values in more equal countries.

Wilkinson and Picket use cross country data in order to identify correlations between inequality and social problems, but other data and results of their and other studies suggest that these correlations (established by cross country data) seem to be valid with regard to longitudinal changes, especially in cases of long duration of the periods of high (increasing) inequalities. For instance effects of longer-term poverty (especially on younger children) can last long into adult life, diminishing cognitive and behavioural development, health, education and employability of future adults.

Other studies emphasize the relationships between inequalities on underinvestment in human capital formation. A study on human capital in the EU Member States (Vaitkevičius et al. 2015) identifies six different models of human capital formation. According to this study Sweden and Ireland tend to have positive tendency of (the sub index) "Potential of human capital development". Another group of countries (Cyprus, Bulgaria, Belgium, Estonia, Lithuania, Latvia, Poland, Luxembourg) have „increasing speed of human capital development”, while the other countries do not invest into the increase of human capital development. The distribution of the EXCEPT Project partner countries (according to the dynamics of the investments in human capital formation) and
their individual relative positions compared to the others, well correspond to the duration of the periods of increase in income inequality, the labour share of income, wage inequality and poverty rates (including in-work poverty). It is important to mention the weak interdependency not only between the economy scale and human capital investment (and improvements), but between the economic growth rates and human capital investment. Another study led by OECD (2003) also delivered evidence of underinvestment in human capital formation. According to this study, the biggest economy in the EU - Germany, in the last decade or so, has been losing ground in terms of educational proficiency as well as of human capital formation. Germany is the only major OECD country not drawing on human capital formation to increase economic growth (Klos and Plunneke 2003).

Of particular interest is the impact of inequalities on participation in education.

In 2006 r. Benn and Millar mention that one of the biggest problems facing (British) schools is the gap between rich and poor, and the enormous disparities in children’s home background and the social and cultural capital they bring to the educational table. (Benn and Millar, 2006; 23). Other recent studies underline that the education gap between rich and poor continues to rise (Porter 2015).

Obviously, these inequalities also affect employment: employment rates vary considerably according to the level of educational attainment - the employment rate of persons aged 25-64 who had completed a tertiary (short-cycle tertiary, bachelor’s, master’s or doctoral levels (or equivalents)) education in 2016 was 84.8 % across the EU-28, much higher than the rate (54.3 %) for those who had attained no more than a primary or lower secondary education. According Eurostat data the EU-28 employment rate of persons with at most an upper secondary or post-secondary non-tertiary education was 74.8 %. In addition to already having the lowest probability of finding a job (among these education level groups), persons who at most have a lower secondary education were also hit hardest by the crisis: the employment rate in this group fell 5.1 percentage points between 2007 and 2013, whereas the corresponding number for those with a medium level education was 1.7 pp., and for those with high education 1.8 pp. Figures demonstrate that the importance of having at least a medium level education for the chance of finding a job is substantial in Bulgaria, Poland, Estonia, Greece and other countries.

As the levels of child wellbeing/poverty affect participation in education, the impact of labour markets on child wellbeing is ‘transferred’ to participation in education. Of course, the ultimate effect depends on the impacts of other policies, and especially on the organization of access to education. If income inequalities tend to increase inequalities in participation in education an education system with an inclusive approach to disadvantaged children could reduce the impact of growing income inequalities, for instance by reducing the numbers of early school leavers and the disadvantages they face in their future employment prospects. But if this is not the case, the effects are
different. Recent findings of studies on educational systems and the quality of education are not so encouraging for a large number of countries, including countries participating in the EXCEPT project. Studies show the rise of large inequalities in the access to quality education and negative changes in the human capital formation process.

The assessment of educational participation rate (by three indicators: participation in education during childhood; participation in secondary education; NEETs share) and the degree of school achievements (average mark from the PISA tests for reading, mathematics and science) provided by Innocenti research centre show that among the EXCEPT Project partner countries, the level of scholarisation (participation in education during childhood) is the highest in Italy (6th place among 28 ranked countries) and the United Kingdom (8th place), Germany (9th place), Sweden (11th place), Estonia (16th place), Poland (25th place), Greece (27th place). Bulgaria is not included in the general ranking, but data shows that probably the scholarisation level is similar to this in Poland (Ukraine is not included also). According to the participation in secondary education, Poland is the highest ranked country among the EXCEPT Project partner countries (2nd place), followed by Germany and Sweden (10th and 11th place respectively), Estonia (17th place), Greece and Italy (21st and 22nd place) and the United Kingdom (29th place). Bulgaria is not a part of the ranking, but is probably below the Romania’s rank which is 27th place.

Data on the level of scholarisation of 15-olds shows that the most positive results are reported for Estonia (5th place), then follow Germany (6th place), Poland (8th place), the United Kingdom (11th place), Sweden (18th place), Italy (24th place), Greece (28th place). Bulgaria is not included in the ranking, but probably the scholarisation level is little higher than that in Romania – the country occupying the last place.

The UNICEF report allows for observing the changes in child wellbeing for a 10-year period: 2000 - 2010. The assessments are relative because their values are determined by the place that a given country occupied at the beginning of this 10-year period. However, they provide some information about the directions of changes in child wellbeing. On that basis, it is observed that the most positive changes had occurred in Portugal (+5), Ireland (+4) and the United Kingdom (+4). Among the countries participating in the EXCEPT project in addition to the United Kingdom, improvements had been achieved in Germany (+2). Negative changes are observed for Sweden (-3), Poland (-3), Greece (-2). There are no measurable changes in Italy. Ukraine and Bulgaria are not included in the ranking. It is important to mention that the ranking of the countries corresponds to the levels of income inequalities.
Chapter 12: Coherence of policies

The discussion in the previous chapters has shown signs of certain incoherence between different policies, and this incoherence definitely influences the effectiveness of policy interventions for employment, including youth employment. Particularly clear is the lack of consistency of employment policies for young people and older workers, as they create higher job demand and increase the competition between the two age groups. Moreover, the limited supply of quality jobs sharpens competition, and young people have fewer opportunities to compete successfully, save through low wages. Thus, strengthening competition influences reductions in the cost of labour.

However, a central aspect of the inconsistency of the different types of policies is the unfavourable economic context in which the activating interventions for mobilisation of the latent labour supply are being implemented. The inconsistency between the context (the policies that form it) and the activating policy interventions causes unfavourable changes in the labour market (the quality of jobs and employment) and the employed, including in particular young people who are especially affected by unfavourable changes. Unfavourable changes in employment make it unattractive for young people, who at the same time undergo the activating impact to engage in employment.

The unattractiveness of the changes in the labour market (which the employment measures generate) is expressed in the unfavourable impact of these changes on the incomes of the employed, and through the incomes - on the use and formation of human capital, especially - in the early phases of the process. The unfavourable impact affects not only the human capital of the employed but also the next generations (the early phases of human capital formation). In such cases, employment-enhancing measures (those aiming at improving employability) lose efficiency due to the reasons outlined by Heckman and Jacobs (2010): “Positive returns to active labour market and training policies are doubtful. Skill formation is impaired when the returns to skill formation are low due to low skill use and insufficient skill maintenance later on in life”. A special case of these impacts of employment measures arises when the latter contribute to underemployment where individuals occupy jobs for which they are over-qualified.

Inconsistency among the different types of impacts of employment enhancing policies ultimately affects their influence on employment rates: on the one hand, they aim to raise the employment rates and on the other hand their effect on an important factor in employment - human capital – is not unambiguously positive. Employment policy studies often neglect the causes of this inconsistency, even when identifying it. It is remarkable for example, that some reviews of research on the effectiveness of measures (in the strict sense - such as impact on the employment/ unemployment rate) indicate only the degree of the impact of measures (e.g. “significant”, “very significant”) regardless of impact direction (positive and negative impacts are mixed together).

Information from the National Reports does not show cases of concurrent, significant, sustained and positive dynamics of key policy interventions (types of investments). Over
the considered period, in most countries, measures (investments) directly geared to the transition to employment (inclusion in employment) have developed more dynamically than early investment in human capital. Where this dynamics has been significant, it has changed the ratio between the two types of investments in favour of direct measures for inclusion in employment. Moreover, measures addressing the early stages of human capital formation are applied more widely in countries where this process encounters relatively fewer problems and the scope of measures (and the relevant resources for implementation) is relatively limited compared to countries where problems are more significant. In some countries (Germany, UK, Sweden and, to a lesser extent, Estonia) investments in earlier phases of human capital formation appear to be more significant and diverse. In the other surveyed countries, the scale and role of the early investment in human capital has been compromised in favour of direct measures for inclusion in employment.

Taking into account the previous remarks about the dependence of investment efficiency on the phases in human capital formation in which these investments are made, it can be concluded that the growth of investment in later phases of human capital formation did not contribute to improving the human capital and to increasing the overall efficiency of investment. Rather the opposite, especially when the increased dynamics of direct investment to increase employment was accompanied by restricting the dynamics and the role of investment in the early phases of human capital formation. Such opposite dynamics of the two types of investment clearly reduces their overall efficiency as less effective investments grow faster, i.e. investments that cannot offset the effects of underinvestment in earlier phases. Certainly, researchers have a lot to say, claiming: “Skill formation features strong dynamic complementarities over the life-cycle. Investments in the human capital of children have higher returns than investments in the human capital of older workers. …Later remediation of skill deficits acquired in early years often does not meet the cost-benefit criterion. (Heckman and Jacobs, 2010).

In the previous parts it was shown that activation and retrenchment of welfare state have not influenced favourably the labour market situation and the quality of employment and thus have adversely affected the formation and use of human capital. However, the opposite can also be discussed: if activation and retrenchment of welfare state are linked to underinvestment in early stages of human capital formation (and thus adversely affect human capital formation), then these policies also have a negative effect on employment.

Since the elimination of deficiencies arising in early stages of human capital formation through later compensatory interventions is ineffective, the attempt to achieve meaningful results through late interventions may pose an increasing trend in their costs, but the increase in these costs can hardly increase the total efficiency of investment in human capital. The effectiveness of employability enhancement measures is particularly questionable in opposite trends of early investment in human capital formation and measures to improve employability. It can be said that in a social context, which is strongly influenced by policies of activation and retrenchment of welfare state, the
effectiveness of employability enhancement measures by definition could not be high. It is much more likely that the effectiveness of these measures will decrease if their implementation expands in parallel with an increase in the share of individuals whose human capital is affected by underinvestment (mainly low education) during previous phases of human capital formation. And in an unfavourable social context, the share of individuals affected by underinvestment in their human capital is generally increasing (increasing the share of early school dropouts, lowering the performance of a significant proportion of students, deteriorating quality of the education process itself, etc.).

Employability enhancement measures may prove ineffective not only when they cover individuals with low education (programs for basic skills), but also when such programs include individuals with higher level of education. In the latter case, programs can contribute to underemployment as individuals are being adapted (through the employment programs) to jobs requiring lower qualifications and education. Obviously in such cases previous investments in human capital are under-exploited, at least for a certain period. Insofar as the programs for improvement of employability give rise to such effects, they contribute to lowering the efficiency of previous investments in human capital.

All this casts doubt on the effectiveness of employability enhancement measures as investment in human capital when they are implemented in an unfavourable social and economic context. In such a context, the measures cannot have a significant positive impact on the human capital formation of those social strata whose capacity to make such investments themselves has been limited by activation measures and retrenchment of welfare state. From this point of view, the discussed impacts of these policy interventions can really be described as a ‘vicious circle’.

As regards the reasons for the implementation of employability enhancement measures, the above-mentioned desire for equity does not seem very convincing. Doubts in this explanation arise from the simultaneous implementation of policies that increase income inequalities and other social inequalities, including inequalities in the process of human capital formation. If the most significant changes related to the implementation of the measures are sought, in the foreground stand out changes like the increase in the share of the profits of the companies, decrease in the share of labour in income, concentration of income, respectively increase in the income inequalities, etc., The formulation and implementation of policies that produce such effects do not support the idea of striving for equity in the policy making process, and if there is such striving, then other and more effective solutions to increase equity have been available.
Concluding remarks

Summarising the review, it can be highlighted again that for a long period of time employment interventions did not have a number of prerequisites for a positive impact of employment measures on the use and formation of human capital: favourable economic and social context (adequate interference between youth policies and other relevant policies); credibility of identified causes of youth unemployment; adequacy of the causes of risk and the objectives of youth policies; choice of adequate means to address the causes of risk.

Implementing the measures in unfavourable economic, labour-market and social context calls into question their effectiveness as regards their capacity to ensure personal development and social inclusion of young people. Doubts arise not only from the relatively limited scale of the measures but also from the changes in the measures themselves when they are implemented in an unfavourable context - the measures acquire the characteristics of reactive policies that have to 'cure' negative consequences caused by factors that are shaped by other policies. Curing consequences instead of the root causes is ineffective, both economically and socially – maintenance of causes continues to generate increasing damages and increasing damages require more and more resources to tackle, and some damages are difficult to recover or even are non-recoverable.

More specifically, it can be stated:

- Employment measures and other interrelated policies have contradictory impacts on employment factors and give rise to some mutually undermining effects. The most notable impact is the increase in labour supply, which produces a negative change in the labour market performance and its outcomes;

- At least in some cases where coercion for inclusion in measures for youth employment is strong, the measures themselves also produce contradictory effects that undermine each other (mainly – by creating conditions or encourage inappropriate behaviour of employers);

- In case of significant collapse of aggregated demand, measures produce effects such as deadweight, replacement and substitution and probably the scale of these effects is significant;

- When successful, measures include some of the young people in the labour market (employment), but often are not able to provide adequate living standards and social inclusion. This effect is amplified by the coercive aspect of the measures implemented. This casts serious doubt on the positive evaluations of measures based on the number of young people who started work after being covered by the measures;

- The positive effects of the measures assessed by the number (percentage) of young people who have started working under the influence of measures (or changes in income
after starting work) does not fully reflect all the effects of the measures and are often relatively short-term and unsustainable;

- Those who point out that human rights have been violated during the various phases of the period of activation and retrenchment of social protection are probably right. The European Pillar of Social Rights aims to fill a gap in social rights. As Philippe Pochet points out 15 years after the adoption of a Charter of fundamental rights and the negotiation of a Constitutional Treaty and almost 30 years after Community Charter of the Fundamental Social Rights of Workers, the European Union now says it wants to make a new attempt at rebalancing and developing the dimension of social rights. The project has been realised in the form of a European Social Pillar comprising rights and principles.

- Implementation of the measures (subsidized employment) coincides in some cases with distortions in employers' behaviour consisting in the use of the measures to reduce labour costs. However, there is reason to believe that this is not a mere coincidence between this behaviour of the employers and the implementation of the measures, it is possible that the implementation of the measures creates conditions for the mentioned behaviour of employers, and perhaps in some cases encourages it;

- When the set of policies influencing human capital formation fail to deal adequately with the risks of this process, youth employment policies and youth employment measures are usually unable to overcome the negative effects of other policies. When such dissonances arise, youth employment measures cannot achieve significant positive effects. Youth employment policies become mainly compensatory in relation to other policies and are reduced to a follow-up and often delayed and ineffective impact on the consequences of risks that have not been neutralized during earlier phases of a life cycle. This lowers their relative effectiveness because as stated “…Later remediation of skill deficits acquired in early years often does not meet the cost-benefit criterion. (Heckman and Jacobs, 2010)

If we take into account other prominent shortcomings of the policy cycle of youth employment measures - mainly the deficiencies of the evaluations or the (non)involvement of the target group in the process of formulating the measures, we will probably get an idea of the main weaknesses of the youth employment measures that could explain why youth unemployment stayed high for a long time, despite the continued implementation of measures to reduce it.

Ultimately, the review of the impact of employment policies, and in particular of the effects of activation, on the use and formation of human capital raises some questions that we do not find an answer. Such questions arise, for example, with regard to the emergence and objectives of the policies implemented.

Their emergence is related to ‘evidence- based’ economic wisdom suggesting that generous unemployment benefits and other social payments discourage active search for jobs and the relevant measures were reductions of the benefits and other social
protection payments, (reductions were also reactions to the economic and financial crisis). But it is hard to agree that it is precisely the belief in the negative link between generous social benefits and active search for jobs that is the main reason for the implementation of activation policies /retrenchment of welfare state. If such a belief really existed, approaches could be discussed and applied to increase the gap between the levels of social benefits and wages, as this contrast is the main economic incentive to work and a major factor in reducing the (relative) bounty of social protection systems. But when wages and social benefits simultaneously undergo similar changes, the difference between their levels is maintained or even reduced and therefore the main incentive for participation in employment remains unchanged. Moreover, there are other approaches to reduce the (relative) bounty of social protection systems - for example, by increasing the difference between wages and social benefits (in favour of wages of course), by increasing the income of workers or by slowing the growth of social payments. But such approaches were not discussed or offered. Activation and retrenchment of welfare state can be understood if it is found that motivation to participate in employment is reduced due to the fact that many needs are over-satisfied and ‘over-consumption’ has occurred. Such data was not presented as arguments and the foundations of the ‘belief’ in the potential disincentive effects of benefits were not verified despite the emerging signs of other negative effects of activation and retrenchment of welfare states. Only recently an assessment of the active inclusion strategies at national level highlighted that good social protection (adequate income support, high coverage of unemployment, social assistance), has positive impact on economic dynamic: Member States with robust social protection systems have weathered much better the crisis of 2008.

But if genuinely generous social protection systems can generate such rehabilitating and stabilizing effects, the question arises whether the reduction of social protection systems has not contributed to the deterioration of economic dynamics. We are not aware of any research into a potential link between activation /retrenchment of welfare state and the crisis tendencies in the economy. However, some studies of the impact of inequalities on the economy show that this influence is negative and therefore, as far as activation policies and retrenchment have contributed to increasing inequalities, they have also negatively affected economic dynamics. In fact, precisely these policies have largely defined the type of economic growth, which in turn has produced a number of negative effects, including unemployment and rising poverty.

It can certainly be claimed that activation and retrenchment of welfare state have not contributed to improvements in the use and formation of human capital with all the resulting economic and social consequences.

All this makes it difficult to understand the objectives of activation and retrenchment of welfare state and it becomes a riddle for policy research. And it seems that the solution to this riddle is beyond the field of public policy research, at least in its current state.
The very objective of increasing employment (especially in an unfavourable economic and social context) seems unclear. Why is it necessary to increase employment if this is connected, for example, with deterioration in the functioning of the labour market, lowering the quality of jobs and employment, decreasing the efficiency of investment in human capital, negative changes in the human capital formation at least for part of the young people, and perhaps, ultimately, reduces their chances of successful inclusion and participation in the labour market? If the increase in youth employment is not linked to positive changes in the quality of their human capital or the quality of their lives, if it does not provide for social inclusion of employees, but policies for higher employment are nevertheless applied, this means that increase in employment is considered to be a more important objective than the objective of improving human capital, quality of life and social inclusion of young people. But if the increase in employment is such a high priority, it is not clear what arguments define, support, and explain this priority.

The lack of such arguments makes the judgement on the usefulness of employment-enhancing measures strongly relative.

National reports suggest several opportunities for improvements in youth employment interventions. As can be expected, the most general direction of the proposals is to remove the identified inconsistencies between different policies as a major means of reducing the negative effects of their interference. In this most general framework, the idea of a change in the social and economic context is important: the pace and, especially, the type of economic growth. This idea is also supported by data on recent changes in the context of the surveyed countries and the impact of these changes on labour market performance and its outcomes, including changes in unemployment.

The report for Greece mentions that “First of all, broader action has to be undertaken for the definition of a national strategy that would indicate which particular fields of the economy should develop and would determine the share of youth in such a plan”. As for the other fields of possible improvements the report suggests rather important “mechanism” for improvement: “…the projects have to be evaluated at all stages of implementation according to a fully developed, transparent and credible system of assessment. Moreover, the development of more and better positions for apprentices and trainees would improve the qualitative characteristics of the projects and the competences of the future workforce. The cooperation and the interaction between education/training and the business world should be a main component of youth employment policies”. UK report emphasizes that “…co-ordinated action from national and local government, businesses and educators are important to improve the services including apprenticeship, education services, expand work experience placement and careers advice”.

According to the Estonian report: “On a large scale and long term perspective, perhaps increasing analytical capacity of public administration system would be the direction which would increase also effectiveness of policy measures. At the moment, Estonia is
still standing at the point where there is no good understanding of what is going on – what are the effects of particular policy measures”.

The proposal adds also that “Youth unemployment has a cross-sectoral nature – to a certain extent it depends on policy measures carried out in education, labour market, non-formal learning, health and in other sectors. Probably more intensive collaboration between these sectors would also increase effectiveness of policy measures and also lead to designing new measures. However, this needs to be based on adequate understanding of what are the effects of particular policy measures on concrete target groups over a certain time period. Also, in ideal world choosing a policy measure would include cost-benefit analysis as well as analysis of its unintended effects. Based on this information, the choice between different options can be made.

Italian report proposes a hybrid model for employment support. The model aims at improving consistency of policy measures by complementing existing policies, often local and fragmented, in a larger framework. It combines universal employment support for young people and actions on behalf of specific groups by means a “back-door targeting” approach.

Swedish report suggests that “Economic support must be structured so that it is lee means based and so that young unemployed are not grouped together with social problems at the social offices. Policies should actively support return to regular education and second chance education, this especially for foreign born where the signal effect of a Swedish education might be very strong on the labour market”.

The report from Germany suggests: “… an improvement of the funding concerning the integration of young recipients of unemployment benefit. Further measures could include assistance in vocational training, particularly for disadvantaged youth. The vocational system must be better adapted to the requirements and goals of individual young persons. Furthermore, possibilities of interruption or extension of vocational training should be offered.

Polish report proposes “Tackling with multiple problems of youth from disadvantage groups need to be supported by additional measures oriented on social inclusion. Moreover, it is becoming more important to effectively support inactive youth in order to change their attitude and encourage them to enter the labour market”.

Ukrainian report mentions: Each policy should have the following elements (1) a clearly defined target group; (2) a problem to solve; (3) resources needed to implement the policy; (4) quantitative target indicators and methods for policy evaluation; (5) communication component. Policy development and evaluation should involve all possible groups of stakeholders – e.g. employers, youth representatives, employees of educational institutions etc.

Summing up the proposals from the reports, it can be noted that the main options for reducing youth unemployment and improving the effectiveness of youth employment
policies are outside the youth policies themselves. The most general and most significant proposal for improvements of youth employment policies is in line with O. Skans ‘recipe’ - a transition to "better times". This means, above all, changes in the main groups of policies that shape the main employment factors, including youth employment, in order to create prerequisites for effective youth employment policies such as:

- Improvement of the economic context;
- Improvement of labour markets construction, performance and outcomes;
- Improvement of human capital formation (the relevant policies).

In terms of policy cycle framework in the foreground stand out the following proposals:

- Improving the credibility of identification of the causes of youth unemployment as a key prerequisite for improving the ‘policy formulation’ stage;
- Better targeting of the impact (objectives) of the measures to the identified causes of the problem;
- Provision of adequate resources to achieve the defined objectives;
- Complementing evaluation of the effectiveness with periodic evaluations of the measures implemented in order to give a fuller picture of all the effects that the measures create
References


Annexes

Annex 1

National reports from 28 countries:

A) EXCEPT partner-countries


B) Non-EXCEPT countries


WP No. 41. Tallinn University, Tallinn. http://www.except-project.eu/working-papers/


Annex 2

TEMPLATE FOR EXCEPT PARTNER-COUNTRIES
NATIONAL REPORTS’ GUIDELINES

Introduction

The aim of this document is to propose a possible template/structure of the national reports to be produced in 28 EU member states + Ukraine.

The national reports will provide an analytical overview, analysis and recommendations in the field of youth employment policies. It has to be underlined that the basic focus of the report is at national level. Still at the discretion of national teams/experts, regional/local specificity could be included where the labour market situation is significantly different in different regions/localities.

The methodology to prepare the reports is based mainly on desk research (about main data sources see Appendix 2).

The questions are indicative with the aim to present the national situation of youth employment policies/programs in a coherent and comparative way. Any other information considered important at the national level could be included.

We follow the definition of young people accepted for this project (15-29 years old).

The National reports will provide qualitative expert’ evaluations of the youth employment policies in different EU countries and Ukraine and will be used as a basis for the overall report on “Assessment of the diffusion and effects of youth inclusion policies” of EXCEPT project.

Therefore, the national reports’ outline tries to provide framework for both: assessment of the situation in the specific country and building a basis for possible classifications of different types of political influences.
NATIONAL REPORT OUTLINE

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTHOR(S)</td>
<td></td>
</tr>
<tr>
<td>E-mail address(s)</td>
<td></td>
</tr>
</tbody>
</table>

1. NATIONAL LABOUR MARKET DEVELOPMENTS

**Definitions and guidelines for the analysis**

In the section, analysis should aim at assessing the main labour market developments in the last two decades (that is: since the mid-1990s) in order to clarify the **context of national labour market policies**. The section includes an assessment of the labour market situation and its trends. This assessment is based on: its capacity to absorb the labour supply (employment/unemployment); its inclusive capacity (adequate incomes & quality jobs); job security (employment protection legislation). When assessing the trends since the mid-1990s, if appropriate you could comment on pre-current and post-crisis developments.

The analysis also aims to identify the main risk groups on the labour market with particular emphasis on the situation of the youth.

Please add references.

1.1. **Brief description of the key labour market developments in your country since mid-‘90s. (approx. 1-2 pages)**

1.1.1. What is the capacity of the national labour market to absorb the labour supply (employment/unemployment)? How has this capacity of the labour market changed in the last two decades? What are the most important driving forces that have induced/triggered these changes? If relevant, please comment on both, national and regional labour market.

INSERT OPEN ANSWER and if relevant, also – give references

1.1.2. Having in mind the trends in cost of living and in-work poverty, what are the trends in labour remuneration (wages)?

INSERT OPEN ANSWER and if relevant, also – give references

1.1.3. In general, how do you assess the current level of labour market security/insecurity? How did it change in the last two decades? Please, consider for instance: 1) employment/job security: changes in employment protection legislation, (including flexibility v/s. rigidity, regulation v/s. deregulation); 2) income security: changes in minimum wages and social protection at work; 3) the role of collective bargaining (the impact of collective bargaining in negotiating employment/income security; the coverage of collective bargaining; the coverage rate of unions)

INSERT OPEN ANSWER and if relevant, also – give references

1.1.4 How relevant is the issue of the mismatch of qualifications provided/demanded for youth? Has this relevance changed during the last two decades, how? Is there an active mechanism of addressing possible mismatch involving both employment and education sector (a form of cooperation between education and labour market stakeholders; a regulatory mechanism to influence offers of training etc.)?

INSERT OPEN ANSWER and if relevant, also – give references
1.2. The key risk groups in the labour market defined by different actors in your country (approx. 1 page)

1.2.1. Who are the main risk groups in labour market currently a) according to labour market statistics; b) according to policy makers, guidelines of policy programmes etc.? In the last two decades have any major changes occurred in this respect - if so, please clarify? Main focus on national level, if relevant, comment on regional level.

INSERT OPEN ANSWER and if relevant, also – give references

1.2.2. Do national official documents in force distinguish between risk resulting from structural deficits and social segmentation and from individual deficits?

INSERT OPEN ANSWER and if relevant, also – give references

1.2.3. What is the labour market situation of the youth (15-29) currently? In your view, is the youth (as a whole or particular sub-groups) particularly represented among the risk groups? In the last two decades have any major changes occurred in this respect - if so, please clarify? Do policy makers and/or public debate consider youth (as a whole, or particular sub-groups) to be an important risk group? Which official strategic documents do define youth (as a whole or particular sub-groups) as risk group?

INSERT OPEN ANSWER and if relevant, also – give references

1.2.4. How are young people perceived in the society in general? Are there public expectations considering young people as driving force, social problem, expected to adapt to existing choices or other expectations noticeable? Has this changed in 20 years, how?

INSERT OPEN ANSWER

1.2.4. What distinct youth groups are currently recognized as ‘risk groups’ and how important are they?29

(Please rate items from list on a scale between 1=no significant role to 5=very important; add groups relevant in your country, but not listed; Differentiate these ranks according to the 4 perspectives of a) Public opinion/ media, b) mainstream policy, c) research.

Table 1. “Risk group” construction

<table>
<thead>
<tr>
<th>Potential risk groups</th>
<th>Importance by actors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public opinion/ Media*</td>
</tr>
<tr>
<td>All young people</td>
<td></td>
</tr>
<tr>
<td>Young unemployed</td>
<td></td>
</tr>
<tr>
<td>Early school leavers</td>
<td></td>
</tr>
<tr>
<td>Young people with low skills</td>
<td></td>
</tr>
<tr>
<td>Young people with outdated qualifications</td>
<td></td>
</tr>
<tr>
<td>Young people without qualifications</td>
<td></td>
</tr>
</tbody>
</table>

29 Check the risk groups for example from Youth Guarantee country reports 2015/2016, country specific recommendations: http://ec.europa.eu/social/main.jsp?catId=1161&langId=en
**NEET**

<table>
<thead>
<tr>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher education graduates</td>
</tr>
<tr>
<td>Migrants/Ethnic minorities</td>
</tr>
<tr>
<td>Teenage/single parents</td>
</tr>
<tr>
<td>Young people from workless families</td>
</tr>
<tr>
<td>Young people from remote/disadvantaged areas</td>
</tr>
<tr>
<td>Young people with a disability</td>
</tr>
<tr>
<td>Other (please indicate &amp; if necessary include new row/s)</td>
</tr>
</tbody>
</table>

*Please provide a separate assessment by public opinion/media if relevant for your country.

COMMENTS IF ANY ABOUT THE TABLE 1

2. LABOUR MARKET POLICIES

**Definitions and guidelines for the analysis**

This section aims to assess the characteristics and developments regarding the labour market policies and programmes. Specific sub-sections are dedicated to youth-targeted interventions.

The standard classification of labour market policies differentiates between **active and passive labour market policies**\(^{30}\).

Eurostat classification of the labour market programmes, i.e. LMP measures (training; employment incentives; sheltered and supported employment and rehabilitation; direct job creation; start-up incentives) and LMP supports (out-of-work income maintenance and support)\(^{31}\) could be useful. The labour market policy (LMP) database could be used as a main source of statistical information [http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database](http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database). Data for Ukraine should come from national sources. Authors could utilise as well results of existing research, surveys and analyses and the indicator database prepared as a part of WP2 project activities (EXCEPT Macro indicators): [https://www.dropbox.com/sh/sj4rwxnkco9bm1z/AADLPy774nM5klyfr0NZP2Ga?dl=0](https://www.dropbox.com/sh/sj4rwxnkco9bm1z/AADLPy774nM5klyfr0NZP2Ga?dl=0)

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\(^{30}\) OECD, for example, defines active and passive labour market policies as follows:

**Active labour market programmes** include all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity. This category includes spending on public employment services and administration, labour market training, special programmes for youth when in transition from school to work, labour market programmes to provide or promote employment for unemployed and other persons (excluding young and disabled persons) and special programmes for the disabled.

**Passive or income maintenance programmes** in the context of labour market programmes consist of unemployment compensation programmes and programmes for early retirement for labour market reasons.

---

Brief description of the key developments in your country. (approx. 1 -2 pages)

2.1. Please, provide a short assessment of the main trends regarding active and passive national labour market policies since the mid-1990s (coverage, expenditure, etc.). Please comment on the effects of these trends on employment, with particular focus on youth employment.

INSERT OPEN ANSWER and if relevant, also – give references

2.2. Please shortly describe the current policy formulation process, taking into account at least the following dimensions: (1) How are target groups selected and defined? (2) How do stakeholders (social partners – employers’ organizations and trade unions, NGOs and the target groups themselves) participate in the decision making process)? (3) How are the decision-making competences distributed among the public authorities (ministries, regional/ local authorities, etc.): what is the degree of coordination between them and how does the achieved degree of coordination affects the quality of the national labour market policies?

INSERT OPEN ANSWER and if relevant, also – give references

2.3. How do you assess the recent trends in the governance of public employment services? Is there a greater tendency toward centralization/decentralization or involvement of private actors (social partners, private job centres, etc.) in employment services delivery? Have these trends led to an improvement/no change/worsening in the quality of services? Has the labour market situation of youth improved/no change/worsened? Could you describe whether there are employment services particularly targeted at youth job-seekers? Are there mechanisms to involve beneficiaries, and youth in particular, in improving the quality of employment services (for example – consumer satisfaction surveys, etc.)?

INSERT OPEN ANSWER and if relevant, also – give references

2.4. Are labour market policies subject to regular evaluations? Is there a normative requirement to conduct evaluations/ impact assessment of labour market policies? Has there been a recent shift in evaluations of labour market policies? If yes, what has triggered the change?

INSERT OPEN ANSWER and if relevant, also – give references

3. YOUTH EMPLOYMENT POLICIES: A GENERAL OVERVIEW

Approx. 3 pages

3.1. Please, fill in the following table and analyse the results32:

Table 2. An overview of active labour market programmes at national level (2005-2015)*

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Year</th>
<th>2005</th>
<th>2010</th>
<th>2015 or the last year of available data, specify</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Total number of active labour market programmes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 including youth-targeted</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

32 Please, look at the Excel Table in Dropbox: WP2; T2.3 Qualitative Interviews with Policy Experts; LMP Active measures Participants & Expenditure https://www.dropbox.com/s/9l0mwb5nu1j9joq/LMP%20Active%20measures%20Participants%26Expenditure.xlsx?dl=0
**Number of participants (stock) in active labour market programmes:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1</strong></td>
<td>Total number</td>
</tr>
<tr>
<td><strong>2.2</strong></td>
<td>% of the labour force (15-64)</td>
</tr>
</tbody>
</table>

**Number of youth participants (up to 29 years old) in active labour market programmes:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.1</strong></td>
<td>Total number</td>
</tr>
<tr>
<td><strong>3.2</strong></td>
<td>% of the labour force (15-29)</td>
</tr>
<tr>
<td><strong>3.3</strong></td>
<td>% of the total number of participants (stock)</td>
</tr>
</tbody>
</table>

**Expenditures on active labour market programmes:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>4.1</strong></td>
<td>Total amount (EUR)</td>
</tr>
<tr>
<td><strong>4.2</strong></td>
<td>% of GDP</td>
</tr>
</tbody>
</table>

**Expenditures on all active labour market programmes for youth participants:**

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>5.1</strong></td>
<td>Total amount (EUR)</td>
</tr>
<tr>
<td><strong>5.2</strong></td>
<td>% of GDP</td>
</tr>
</tbody>
</table>

**Expenditures on youth-targeted active labour market programmes:**

<p>| | |</p>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>6.1</strong></td>
<td>Total amount (EUR)</td>
</tr>
<tr>
<td><strong>6.2</strong></td>
<td>% of GDP</td>
</tr>
<tr>
<td><strong>6.3</strong></td>
<td>% of the total expenditures on active labour market programmes</td>
</tr>
</tbody>
</table>

*Please use Eurostat data if available. If information based on other sources, provide reference. If any qualitative comments on data, please provide below the table.

**COMMENTS IF ANY ABOUT THE TABLE 2**

3.2. **What measures and schemes do exist for young unemployed?**

FILL IN TABLE 3

**Table 3. Overview of types of measures and schemas against youth unemployment in the last years? Main focus on national level, please comment under 3.2. if you see this is necessary for understanding the country table.**

<table>
<thead>
<tr>
<th>Type of measure</th>
<th>Importance33</th>
<th>Youth specific (yes/no)</th>
<th>Target groups 34</th>
<th>Main source of funding35</th>
<th>Linked to EU initiatives (if yes, which one)36</th>
<th>Main actors of delivery37</th>
<th>Evaluation present (Yes, Partly, No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Re-)orientati n courses, preparation for training or employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>vocational guidance, career counselling</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

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33 Importance depends on the comparative scale of the program (coverage & expenditure) -> Does not exist = 0; Not relevant = 1; Quite important = 2; Very important = 3
34 Insert: targeted youth = 1, universal = 2, targeted risk group = 3, targeted to youth risk group = 4
35 Insert: EU = 1; national = 2, regional = 3, local = 4; other - 5
36 Insert: Youth Guarantee = 1; Youth Employment Initiative = 2; Framework for Quality traineeships and apprenticeship = 3; Eures = 4; Support to youth entrepreneurship = 5; Other - 6
37 Insert: state = 1, region = 2, municipality = 3, church = 4, foundations, NGOs = 5, private sector = 6, educational institutions = 7 Other, please specify = 8 If several, please list all
### 3.3. To what extent do policies focus on preventative measures or are purely reactive to manifest problems?
- INSERT OPEN ANSWER (give references)

### 3.4. To what extent do policies aim to increase young people’s employability? To what extent do policies aim to develop opportunities in education, training, and employment? Is there a dominant type of policy measures?
- INSERT OPEN ANSWER (give references)

### 3.5. Are there any risk groups among youth which needs are not adequately addressed by the policy documents and existing policy initiatives?
- INSERT OPEN ANSWER (give references)

### 3.6. Please comment, if there exists in your country initiatives and measures aimed at progression in work or assisting unemployed young people to enter jobs with real progression opportunities (including those policies aimed at ‘good jobs’). Yes/No, Please comment
- INSERT OPEN ANSWER (give references)

### 3.7. Are there studies on how young people experience and perceive policy initiatives, programmes and individual measures?
- INSERT OPEN ANSWER (give references)

## 4. YOUTH EMPLOYMENT POLICIES: FOCUS ON SELECTED INTERVENTIONS

*Selection of interventions*

| Training (with certificates) | | | | | |
|-------------------------------|---|---|---|---|
| Training (without certificates) | | | | |
| Employment incentives, subsidies for employer | | | | |
| Direct job creation | | | | |
| Start-up incentives, self-employment programmes | | | | |
| Other | | | | |
In each country plenty of different measures/interventions in the field of youth employment are implemented by different stakeholders: public employment offices, NGOs, churches etc. As it is hardly possible to present a comprehensive description, assessment and recommendations for each of these interventions, please select 5 to 10 interventions to be presented in detail. The number of selected interventions depends on your assessment how many interventions and which ones could present a representative picture for the country – if the interventions in your country are highly fragmented, please select more. If you consider that choosing fewer interventions is enough, please do so.

When choosing please have in mind the following selection criteria:

Basic selection criteria are:

(a) Selected interventions better include the interventions for which there is a reference in the interviews conducted as a part of WP3 project activities by each partner.

(b) Selected interventions better encompass different types of actions, i.e. (re-)orientation courses, preparation for training or employment; vocational guidance, career counselling; training (with or without certificates); employment incentives, subsidies for employer, direct job creation, and start-up incentives, self-employment programmes, etc.;

(c) Please select, if possible, at least one youth employment measure/ intervention which you think could be recommended as a “good practice”\(^{38}\). Additionally have in mind that in the next stage of EXCEPT project we have to add new ‘good practices’ in the Mutual Learning Database. Thus, when possible, please, include “good practice” examples from your country that are not included in the Mutual Learning Database\(^{39}\).

(d) Please select, if exists, at least one youth employment measure/intervention which aimed at progression in work or assisting unemployed young people to enter jobs with real progression opportunities (including those policies aimed at ‘good jobs’).

(e) Consider selecting interventions that are ongoing, i.e. should not be completed;

(f) Interventions better target only or mainly young people, if possible;

(g) If possible, interventions should be targeted at different youth target sub-groups;

Complimentary selection criteria are:

(a) Interventions with highest budgets and highest number of participants;

(b) Interventions with different duration, i.e. period of implementation;

(c) Interventions with different funding sources (national, EU, regional, local);

(d) Interventions linked with the European initiatives in the area of youth employment.

4.1. After choosing the interventions, please fill them in the table below.

\(^{38}\) EU Database of national labour market ‘good practices’ definition: “A specific policy or measure that has proven to be effective and sustainable in the field of employment, demonstrated by evaluation evidence and/or monitoring and assessment methods using process data and showing the potential for replication. It can cover both the formulation and the implementation of the policy or measure, which has led to positive labour market outcomes over an extended period of time.”

Table 4 A brief overview of selected youth employment interventions

<table>
<thead>
<tr>
<th>№</th>
<th>Name</th>
<th>Level (national, regional, local)</th>
<th>Main target group: a. targeted youth, b. universal, c. targeted risk group, d. targeted to youth risk group</th>
<th>Type 40</th>
<th>Starting year, end year (if not ongoing)</th>
<th>Funding source (EU, national, regional, local, other)</th>
<th>Part of EU initiatives (if yes, which one)</th>
<th>Evaluation (Yes, positive; Yes, negative, Yes, mixed results; No)</th>
<th>“Good practice” 41 example (Yes/ Partially/ No)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td></td>
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</tbody>
</table>

COMMENTS IF ANY ABOUT THE TABLE 4

4.2. Detailed description and evaluation of the selected measures
(For each selected measure, please copy & fill in the table below)

<table>
<thead>
<tr>
<th>Name of the initiative</th>
<th>Achieved results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short description</td>
<td>Number of young people covered (entire running period) (data on number of people who are entitled and who actually take part)/ number of young people who have found a job. Total expenditures for the program on annual basis; total expenditure per beneficiary? If not available, other expenditure data what is available.</td>
</tr>
<tr>
<td>(Primary/Main) aim of the measure:</td>
<td></td>
</tr>
<tr>
<td>Intended effects:</td>
<td></td>
</tr>
<tr>
<td>Target groups:</td>
<td></td>
</tr>
<tr>
<td>Eligibility criteria for beneficiaries:</td>
<td></td>
</tr>
<tr>
<td>Type of intervention:</td>
<td></td>
</tr>
<tr>
<td>Level:</td>
<td></td>
</tr>
<tr>
<td>Start/ end date:</td>
<td></td>
</tr>
<tr>
<td>Are stakeholders involved in the formulation/implementation of this measure</td>
<td></td>
</tr>
<tr>
<td>How/through which institutions is this measure implemented?</td>
<td></td>
</tr>
<tr>
<td>Budget (EUR, thousand) and source:</td>
<td></td>
</tr>
</tbody>
</table>

40 (re-)orientation courses, preparation for training or employment = 1; vocational guidance, career counselling = 2; training (with or without certificates) = 3; Employment incentives, subsidies for employer = 4, direct job creation = 5, and start-up incentives, self-employment programmes =6

41 EU Database of national labour market ‘good practices’ definition: “A specific policy or measure that has proven to be effective and sustainable in the field of employment, demonstrated by evaluation evidence and/or monitoring and assessment methods using process data and showing the potential for replication. It can cover both the formulation and the implementation of the policy or measure, which has led to positive labour market outcomes over an extended period of time.”
### Targeting
Which are the target groups of this measure? Is this program especially targeted to young people or to all unemployed? If it is targeted to all unemployed, does it include special focus to young people (for example, by providing more incentives if young unemployed are targeted).

### Youth involvement
Are there specific activities planned in the programme to include targeted youth actively in designing the programme or other way; please describe if Yes.

### Links to EU initiatives
Is the program linked to an EU initiative (like Youth Guarantee, Youth Employment Initiative, Framework for Quality traineeships and apprenticeship; EURES Job; Support to youth entrepreneurship). If yes, to which one.

### Available evaluations
Are there evaluations on this program available? (Sources)? If yes, are the evaluations: ex-ante; mid-term, ex-post and/or permanent monitoring? Are they internal (by the agency implementing it) or external (e.g. by scientific institutes); If evaluations of this program are available how detailed is the information provided? (please, consider, do they include only basic information or more information, including evaluation of deadweight loss (hiring to subsidized jobs of individuals who would have found regular employment nevertheless); substitution effect (original regular workers possibly better paid and qualified are displaced with participants in the intervention possibly with lower salaries); displacement effect (rises in public sector spending drive down or even eliminate private sector spending).

### In your view: How would you assess the quality of the intervention?
Does this program achieve its stated goals and intended effects?
Assessment of the magnitude of the effect? Coverage and take-up: are there problems concerning coverage? Possible barriers for participation (lack of information, complexity of system, conditionality, degree of attractiveness for young people, etc.)?
Does the program/intervention provide quality and sustainable employment?
Effectiveness of the program: Impact of the program in preventing and reducing youth unemployment; Possible incentive or disincentive factors for participating in the program? Does the program have any unintended consequences: positive or negative?
In your opinion which are the main weaknesses of this intervention in terms of: adequacy; coverage; take-up; effectiveness of this intervention?
Consider and comment the opinions of the young people interviewed if for WP3 young people involved in this measure were interviewed.

### Only for interventions assessed as ‘good practice’ example
Explain shortly which the reasons are and what the main “success factors” of this intervention are. Give a reason why you value it as a good practice?

### 4.3 Which of the mentioned policy measures do you consider to be the most effective in addressing youth unemployment and why?
INSERT OPEN ANSWER

### 4.4 Which do you consider the least effective and why?
INSERT OPEN ANSWER

### 5. DIFFUSION OF EU YOUTH EMPLOYMENT INITIATIVES
Definition and guidelines for the analysis
This section aims to provide information about the diffusion of inclusion policies for youth across Europe and their particular designs, focusing on the diffusion of 5 EU initiatives: Youth Guarantee Schemes; Youth Employment Initiative; Quality traineeships and apprenticeships; Eures Job; Supported young entrepreneurs).

5.1. On the basis of the available information, please, fill in the table below for your country (give references)

Table 5.

<table>
<thead>
<tr>
<th>EU initiatives</th>
<th>When adopted by a policy document?</th>
<th>Date of regulation if available</th>
<th>Start of implementation</th>
<th>Presence in basic relevant national documents like NRP, CSR, National Employment Strategies</th>
<th>Number of young people involved (absolute number and as a share of all young people concerned),</th>
<th>Envisaged expenses (in absolute terms and as a share of employment programs; as a share of GDP, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth Guarantee Schemes</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Youth Employment Initiative</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Quality traineeships and apprenticeships</td>
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<td></td>
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</tr>
<tr>
<td>Eures Job</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Supported young entrepreneurs</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

COMMENTS IF ANY ABOUT THE TABLE 5

5.2. How important are EU initiatives for the implementation of youth labour market inclusion in your country (where appropriate, differentiate between the initiatives)? Have there been specific waves/political shifts where these were particularly important?

INSERT OPEN ANSWER and if relevant, also – give references

6. OTHER POLICY MEASURES

6.1. What policy measures in your opinion have the impact on the employment of different risk groups among young people currently? (Please use the estimates: very weak = 1; weak = 2; medium = 3; 4 = strong; 5 = very strong)

Table 6.

<table>
<thead>
<tr>
<th>Policy measures</th>
<th>Risk groups in the labour market</th>
</tr>
</thead>
<tbody>
<tr>
<td>All young people</td>
<td>All young unemployed</td>
</tr>
<tr>
<td></td>
<td>Early school leavers</td>
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<tr>
<td></td>
<td>Young people with low skills</td>
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<td>Young people without qualifications</td>
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<td></td>
<td>Migrants/ethnic minorities</td>
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<td></td>
<td>Teenage single parents</td>
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<tr>
<td></td>
<td>Young people from workless families</td>
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<td></td>
<td>NEET</td>
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<tr>
<td></td>
<td>Young people with disability</td>
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<tr>
<td></td>
<td>Other risk groups, specify</td>
</tr>
<tr>
<td>Early intervention and activation measures (outreach strategies, etc.)</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Apprenticeship/vocational training</td>
<td></td>
</tr>
<tr>
<td>Grant for school enrolment/Scholarship addressed to specific juvenile subgroups</td>
<td></td>
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<tr>
<td>Training in basic skills and competence s</td>
<td></td>
</tr>
<tr>
<td>Second chance education programmes</td>
<td></td>
</tr>
<tr>
<td>Family/child benefits</td>
<td></td>
</tr>
<tr>
<td>Early childhood care</td>
<td></td>
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<tr>
<td>Policy measures related to housing</td>
<td></td>
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<tr>
<td>Minimum income schemes</td>
<td></td>
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<tr>
<td>Subsistence benefits</td>
<td></td>
</tr>
<tr>
<td>Promotion of employment/labour mobility</td>
<td></td>
</tr>
<tr>
<td>Micro-credit/Promote/fund self-employment</td>
<td></td>
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<tr>
<td>Other measures (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

COMMENTS IF ANY ABOUT THE TABLE 6
6.2. How would you assess the trends in impact of these policy measures on unemployed young people as a whole? Please have in mind PERIOD 2005-2015. Based on expert assessment, provide open comments if necessary below the table.

Table 7

<table>
<thead>
<tr>
<th>Policy measures</th>
<th>Significant improvement</th>
<th>Improvement</th>
<th>No change</th>
<th>Deterioration</th>
<th>Significant deterioration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early intervention and activation measures (outreach strategies, etc.)</td>
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<tr>
<td>Apprenticeship/vocational training</td>
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<tr>
<td>Training in basic skills and competences</td>
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<td>Second chance education programmes</td>
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<td>Family and child benefits</td>
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<td>Early childhood care</td>
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<tr>
<td>Policy measures related to housing</td>
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<tr>
<td>Minimum income schemes</td>
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<tr>
<td>Subsistence benefits</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Promotion of labour mobility</td>
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<tr>
<td>Other measures (please specify)</td>
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</tbody>
</table>

COMMENTS IF ANY ABOUT THE TABEL 7

7. CONSISTENCY OF THE POLICIES FOR YOUTH INCLUSION (approx. 1-2 pages)

7.1. How are youth employment policies related to universal labour market policies (that is policies not targeted at any special age group)? To what extent are these two policy groups mutually supportive, and synergy-generating in improving youth employment? Are these two policy groups well-coordinated and consistent or are they rather divergent and contradictory? Are there synergies in their impacts or do they rather mutually neutralize each other’s effects? Which one of these two policy groups affects more heavily on youth employment/unemployment? In general do you think they have to be changed and if yes, in what respect? INSERT OPEN ANSWER and if relevant, also – give references

7.2. How are youth employment policies related to educational policies? To what extent are these two policy groups mutually supportive and synergy generating in your country? Are these two policy groups well-coordinated and consistent or rather divergent and contradictory? Are there synergies in their impacts or do they rather mutually neutralize each other’s effects? Which one of these two policy groups affects more heavily on youth employment/unemployment? In general do you think they have to be changed and if yes, in what respect? INSERT OPEN ANSWER and if relevant, also – give references
7.3. How are youth employment policies related to other components of social policies (such as income policies, social assistance & social insurance)? To what extent are these two policy groups mutually supportive and synergy generating in your country? Are these two policy groups well-coordinated and consistent or rather divergent and contradictory? Are there synergies in their impacts or do they rather mutually neutralize each other’s effects? Which one of these two policy groups affects more heavily on youth employment/unemployment? In general do you think they have to be changed and if yes, in what respect? INSERT OPEN ANSWER and if relevant, also – give references

7.4. How these policies (youth employment policies; educational policies; universal labour market policies; social policies; youth policies) are coordinated in your country? What is this coordination based on (legislation, institutional arrangements, financing, etc.)? INSERT OPEN ANSWER and if relevant, also – give references

7.5. How these policies (youth employment policies; educational policies; universal labour market policies; social policies; youth policies) might generate synergy to improve employment and social inclusion of young people? INSERT OPEN ANSWER and if relevant, also – give references

7.6. Are there any major changes, reforms or policy innovations planned with regard to youth unemployment and policies aimed at quality of jobs for youth? INSERT OPEN ANSWER and if relevant, also – give references

8. ESTIMATION OF EFFECTIVENESS OF POLICY MEASURES approx. 2-3 pages

8.1. In your view and/or the discussion in your country what are the dominant causes of youth unemployment and social exclusion? INSERT OPEN ANSWER and if relevant, also – give references

8.2. Are the causes to which youth unemployment is attributed mainly individual (lack of motivation to follow the model: studying – professional training – work – career, due to changes in values, attitudes, aspirations) or the causes are mainly structural (child poverty, poor system of preschools, problems in the education system, mismatch between schooling and vocational training, mismatch between training and available jobs, lack of (quality) jobs)? INSERT OPEN ANSWER and if relevant, also – give references

8.3. Do existing policy interventions address the main causes for unemployment and social exclusion of young people and target the risk groups among young people?
8.4. Please assess briefly whether enough is being done to support unemployed young people. Which gaps in provision exist?
INSERT OPEN ANSWER and if relevant, also – give references

8.5 Please describe shortly prevailing approach to active involvement of the targeted youth into the decisions about designing, delivery, development of policies and interventions to support youth employment
INSERT OPEN ANSWER and if relevant, also – give references

8.5. What do you consider to be the strengths and weaknesses in your country’s overall approach to tackling youth employment and social inclusion issues?
INSERT OPEN ANSWER and if relevant, also – give references

8.6. Can you identify any lessons learned from ‘bad’ or ‘good’ practices examples which might be relevant to other countries/contexts? Please consider especially initiatives which are cross-sectoral/horizontal.
INSERT OPEN ANSWER and if relevant, also – give references

8.7. What are your recommendations for further action to tackle the issues faced in your country by young people?
INSERT OPEN ANSWER and if relevant, also – give references

8.8 Are there further opportunities to support national policies through international cooperation, incl. EU), what could be the areas for most added value in your country
INSERT OPEN ANSWER

The reports could profit from available data and surveys. Some sources of information are:

- Data from reports of ministries/agencies;
- Youth Guarantee Implementation plans;
- Available academic research,;
- Statistical data and evaluation surveys, position papers of different stakeholders, etc.

If needed, Interviews with relevant stakeholders/experts can be carried out. The relevant stakeholders could include relevant public authorities, program participants, academic researchers, social partners, NGOs, etc.
Annex 3

TEMPLATE FOR NON PARTNER COUNTRIES
NATIONAL REPORTS’ GUIDELINES

Introduction

The aim of this document is to propose a template of the national reports to be produced in 28 EU member states + Ukraine.

The national reports will provide an analytical overview, analysis and recommendations in the field of youth employment policies. It has to be underlined that the basic focus of the report is at national level. Still at the discretion of national teams/experts, regional/local specificity could be included where the labour market situation is significantly different in different regions/localities.

The methodology to prepare the reports is based mainly on desk research (about main data sources see Appendix 2).

The questions are indicative with the aim to present the national situation of youth employment policies/programs in a coherent and comparative way. Any other information considered important at the national level could be included.

We follow the definition of young people accepted for this project (15-29 years old).

The National reports will provide \textit{qualitative expert' evaluations of the youth employment policies} in different EU countries and Ukraine and will be used as a basis for the overall report on “Assessment of the diffusion and effects of youth inclusion policies” of EXCEPT project.

Therefore, the national reports’ outline tries to provide framework for both: assessment of the situation in the specific country and building a basis for possible classifications of different types of political influences.

National reports’ outline

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTHOR(S)</td>
<td></td>
</tr>
<tr>
<td>E-mail address(s)</td>
<td></td>
</tr>
</tbody>
</table>

\textbf{The key risk groups of youths in the labour market defined by different actors in your country (approx. 1 page)}

The analysis aims to identify the main risk groups on the labour market with particular emphasis on the situation of the youth.
What distinct youth groups are currently recognized as ‘risk groups’ and how important are they?42

(please rate items from list on a scale between 1=no significant role to 5=very important; add groups relevant in your country, but not listed; differentiate these ranks according to the 4 perspectives of a) Public opinion/ media, b) mainstream policy, c) research.

Table 1. “Risk group” construction

<table>
<thead>
<tr>
<th>Potential risk groups</th>
<th>Importance by actors</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public opinion/ Media*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All young people</td>
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<tr>
<td>Young unemployed</td>
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<tr>
<td>Early school leavers</td>
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<tr>
<td>Young people with low skills</td>
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<tr>
<td>Young people with outdated qualifications</td>
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<tr>
<td>Young people without qualifications</td>
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<tr>
<td>NEET</td>
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<td></td>
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<tr>
<td>Higher education graduates</td>
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<tr>
<td>Migrants/Ethnic minorities</td>
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<tr>
<td>Teenage/single parents</td>
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<tr>
<td>Young people from workless families</td>
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<tr>
<td>Young people from remote/disadvantaged areas</td>
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<tr>
<td>Young people with a disability</td>
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<tr>
<td>Other (please indicate &amp; if necessary include new row/s)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Please provide a separate assessment by public opinion/media if relevant for your country

Please, provide a brief explanation of the ratings, incl. references if relevant.

Youth employment policies: a general overview

Please, fill in the following table43:

Current report employs the Eurostat classification of the labour market programmes (LMP), i.e. active LMP measures (training; employment incentives; sheltered and supported employment and rehabilitation; direct job creation; start-up incentives)44. The labour market policy (LMP) database could be used as a main source of statistical information [http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database](http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy/database). Authors could utilise as well results of existing research, surveys and analyses and the indicator database prepared as a part of WP2 project activities (EXCEPT Macro indicators [http://www.except-project.eu/database/](http://www.except-project.eu/database/)).

Table 2. An overview of active labour market programmes at national level (2005-2015) *

43 Check the risk groups for example from Youth Guarantee country reports 2015/2016, country specific recommendations: [http://ec.europa.eu/social/main.jsp?catId=1161&langId=en](http://ec.europa.eu/social/main.jsp?catId=1161&langId=en)

<table>
<thead>
<tr>
<th>Type of measure</th>
<th>Importance</th>
<th>Preventive/reactive</th>
<th>Youth specific (yes/no)</th>
<th>Main source of funding</th>
<th>Linked to EU initiatives (if yes, which one)</th>
<th>Main actors of delivery</th>
<th>Evaluation present (Yes, Partly, No)</th>
<th>Youth/participant feedback used to improve the delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Re-)orientation courses, preparation for training or</td>
<td></td>
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</tbody>
</table>

*Please use Eurostat data if available. If information based on other sources, provide reference. If any qualitative comments on data, please provide below the table.

COMMENTS IF ANY ABOUT THE TABLE 2

What measures and schemes do exist for young unemployed?

FILL IN TABLE 3

**Table 3. Overview of types of measures and schemas against youth unemployment in the last years?** Main focus on national level, please comment under 3.2. if you see this is necessary for understanding the country table.

45 Importance depends on the comparative scale of the program (coverage & expenditure) - > Does not exist = 0; Not relevant = 1; Quite important = 2; Very important = 3
46 Insert; To what extent do policies focus on preventative measures or are purely reactive to manifest problems PREVENTIVE = 1; REACTIVE = 2; BOTH=3.
47 Insert: EU = 1; national = 2, regional = 3, local = 4; other -5
48 Insert: Youth Guarantee =1; Youth Employment Initiative =2; Framework for Quality traineeships and apprenticeship =3; Eures =4; Support to youth entrepreneurship =5; Other = 6
49 Insert; state = 1, region = 2, municipality = 3, church = 4, foundations, NGOs = 5, private sector = 6, educational institutions=7 Other, please specify=8 If several, please list all.
### No. 55 – Assessing youth employment policies in 28 European countries

#### Youth employment policies: focus on selected interventions

**Selection of interventions**

In each country plenty of different measures/interventions in the field of youth employment are implemented by different stakeholders: public employment offices, NGOs, churches etc. As it is hardly possible to present a comprehensive description, assessment and recommendations for each of these interventions, please select 3 to 5 interventions to be presented in detail. The number of selected interventions depends on your assessment how many interventions and which ones could present a representative picture for the country – if the interventions in your country are highly fragmented, please select more. If you consider that choosing fewer interventions is enough, please do so.

*When choosing please have in mind the following selection criteria:*

a) Please select, if possible, at least one youth employment measure/ intervention which you think could be recommended as a “good practice”.

EU Database of national labour market ‘good practices’ definition: “A specific policy or measure that has proven to be effective and sustainable in the field of employment, demonstrated by evaluation evidence and/or monitoring and assessment methods using process data and showing the potential for replication. It can cover both the formulation and the implementation of the policy or measure, which has led to positive labour market outcomes over an extended period of time.”

<table>
<thead>
<tr>
<th>Measure/Intervention</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational guidance, career counselling</td>
<td></td>
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<tr>
<td>Training (with certificates)</td>
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<td></td>
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<tr>
<td>Training (without certificates)</td>
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<td>Employment incentives, subsidies for employer</td>
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<td>Direct job creation</td>
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<td>Start-up incentives, self-employment programmes</td>
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<td>Other</td>
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Please, provide brief explanation of the ratings (for each type of measure). If relevant, include references to existing studies, publications and reports.
Additionally, have in mind that in the next stage of EXCEPT project we have to add new ‘good practices’ in the Mutual Learning Database. Thus, when possible, please, include “good practice” examples from your country that are not included in the Mutual Learning Database.

b) Please select, if exists, at least one youth employment measure/intervention which aimed at progression in work or assisting unemployed young people to enter jobs with real progression opportunities (including those policies aimed at ‘good jobs’). Please comment, if there exist in your country policies, initiatives and measures aimed at ‘good jobs’ for young people (well-paid, corresponding to the individual preferences of young people, with good career advancement opportunities, etc.).

c) Consider selecting interventions that are ongoing, i.e. should not be completed;

d) Interventions better target only or mainly young people, if possible;

e) If possible, interventions should be targeted at different youth target sub-groups.

f)

After choosing the interventions, please fill them in the table below.

Table 4 A brief overview of selected youth employment interventions

<table>
<thead>
<tr>
<th>№</th>
<th>Name</th>
<th>Level (national, regional, local)</th>
<th>Main target group: a. targeted youth, b. universal, c. targeted risk group, d. targeted to youth risk group;</th>
<th>Type</th>
<th>Starting year; end year (if not ongoing)</th>
<th>Funding source (EU, national, regional, local, other)</th>
<th>Part of EU initiatives (if yes, which one)</th>
<th>Evaluation (Yes, positive; Yes, negative; Yes, mixed results; No)</th>
<th>“Good practice” example (Yes/Partially/No)</th>
</tr>
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<tbody>
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<td>1</td>
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COMMENTS IF ANY ABOUT THE TABLE 4

Detailed description and evaluation of the selected measures

(for each selected measure, please copy & fill in the table below)

| Name of the initiative (in national language and in English) | Short description | (Primary/Main) aim of the measure: Intended effects: Target groups: Eligibility criteria for beneficiaries: Type of intervention: |
|-------------------------------------------------------------|-------------------|-------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------|

50 Please check the ML database: http://ec.europa.eu/social/main.jsp?catId=1080&langId=en
51 (re-)orientation courses, preparation for training or employment = 1; vocational guidance, career counselling = 2; training (with or without certificates) = 3; Employment incentives, subsidies for employer = 4, direct job creation = 5, and start-up incentives, self-employment programmes = 6
52 EU Database of national labour market ‘good practices’ definition: “A specific policy or measure that has proven to be effective and sustainable in the field of employment, demonstrated by evaluation evidence and/or monitoring and assessment methods using process data and showing the potential for replication. It can cover both the formulation and the implementation of the policy or measure, which has led to positive labour market outcomes over an extended period of time.”
<table>
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<th><strong>Level:</strong></th>
<th>Start/End date:</th>
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<td><strong>Are stakeholders involved in the formulation/implementation of this measure?</strong></td>
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<td><strong>How/through which institutions is this measure implemented?</strong></td>
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<td><strong>Budget (EUR, thousand) and source:</strong></td>
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| **Achieved results** | Number of young people covered (entire running period) (data on number of people who are entitled and who actually take part)/number of young people who have found a job. Total expenditures for the program on annual basis; total expenditure per beneficiary? If not available, other expenditure data what is available. |

| **Targeting** | Which are the target groups of this measure? Is this program especially targeted to young people or to all unemployed? If it is targeted to all unemployed, does it include special focus to young people (for example, by providing more incentives if young unemployed are targeted). |

| **Youth involvement** | Are there specific activities planned in the programme to include targeted youth actively in designing the programme or in any other way; please describe if Yes. |

| **Links to EU initiatives** | Is the program linked to an EU initiative (like Youth Guarantee, Youth Employment Initiative, Framework for Quality traineeships and apprenticeship; EURES Job; Support to youth entrepreneurship). If yes, to which one. |

| **Available evaluations** | Are there evaluations on this program available? (Sources)? If yes, are the evaluations: ex-ante; mid-term, ex-post and/or permanent monitoring? Are they internal (by the agency implementing it) or external (e.g. by scientific institutes); If evaluations of this program are available how detailed is the information provided? Please summarize the results of evaluations. |

| **In your view: How would you assess the quality of the intervention?** | Does this program achieve its stated goals and intended effects? Assessment of the magnitude of the effect? Coverage and take-up: are there problems concerning coverage? Possible barriers for participation (lack of information, complexity of system, conditionality, degree of attractiveness for young people, etc.)? Does the program/intervention provide quality and sustainable employment? Effectiveness of the program: Impact of the program in preventing and reducing youth unemployment; Possible incentive or disincentive factors for participating in the program? Does the program have any unintended consequences: positive or negative? In your opinion which are the main weaknesses of this intervention in terms of: adequacy; coverage; take-up; effectiveness of this intervention? |

| **Related to the causes of unemployment and target risk groups** | Does this measure address the main causes for unemployment and social exclusion of young people and target the risk groups among young people? |

| **Only for interventions assessed as ‘good practice’ example** | Explain shortly which the reasons are and what the main “success factors” of this intervention are. Give a reason why you value it as a good practice? |

| **How important are EU initiatives for the implementation of youth labour market inclusion in your country (where appropriate, differentiate between the initiatives)?** |
Have there been specific waves/political shifts where these were particularly important?

INSERT OPEN ANSWER and if relevant, also – give references

Consistency of the policies for youth inclusion

How are youth employment policies related to other components of social policies in your country?

Please describe 2-3 ALMP measures that are linked or even contain components of social policies, e.g. (Work measures where youth also get support for housing; - or a training measure designed for former criminals or youth with bad health; or young mothers getting support for extra childcare when participating in a policy measure; or disadvantaged youth in a job measure who also get support from a social worker to deal with their daily life etc.). All this should focus on social policies in terms of health, justice, housing, family support, social work etc. In case there are many of such initiatives in your country, please select those which have positive evaluations.

Table 5 A brief overview of selected youth employment interventions related to components of social policies

<table>
<thead>
<tr>
<th>№</th>
<th>Name</th>
<th>Level (national, regional, local)</th>
<th>Main target group: a. targeted youth, b. universal, c. targeted risk group, d. targeted to youth risk group</th>
<th>Starting year; end year (if not ongoing)</th>
<th>Funding source (EU, national, regional, local, other)</th>
<th>Part of EU initiatives (if yes, which one)</th>
<th>Evaluation (Yes, positive; Yes, negative, Yes, mixed results; No)</th>
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COMMENTS IF ANY ABOUT THE TABLE 5

Detailed description and evaluation of the selected measures

(for each selected measure, please copy & fill in the table below)

| Name of the initiative (in national language and in English) | Short description (Primary/Main) aim of the measure: Intended effects: Target groups: Eligibility criteria for beneficiaries: Type of intervention (which type of ALMP & which elements of social policy): Level: Start/ end date: Are stakeholders involved in the formulation/implementation of this measure How/through which institutions is this measure implemented? Budget (EUR, thousand) and source: |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|

| Achieved results | Number of young people covered (entire running period) (data on number of people who are entitled and who actually take part)/ number of young people who have found a job. Total expenditures for the program on annual basis; total expenditure per beneficiary? If not available, other expenditure data what is available. |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
### Targeting

Which are the target groups of this measure? Is this program especially targeted to young people or to all unemployed? If it is targeted to all unemployed, does it include special focus to young people (for example, by providing more incentives if young unemployed are targeted).

### Youth involvement

Are there specific activities planned in the programme to include targeted youth actively in designing the programme or other way; please describe if Yes.

### Links to EU initiatives

Is the program linked to an EU initiative (like Youth Guarantee, Youth Employment Initiative, Framework for Quality traineeships and apprenticeship; EURES Job; Support to youth entrepreneurship). If yes, to which one.

### Available evaluations

Are there evaluations on this program available? (Sources)? If yes, are the evaluations: ex-ante; mid-term, ex-post and/or permanent monitoring? Are they internal (by the agency implementing it) or external (e.g. by scientific institutes); If evaluations of this program are available how detailed is the information provided? (please, consider, do they include only basic information or more information, including evaluation of deadweight loss (hiring to subsidized jobs of individuals who would have found regular employment nevertheless); substitution effect (original regular workers possibly better paid and qualified are displaced with participants in the intervention possibly with lower salaries); displacement effect (rises in public sector spending drive down or even eliminate private sector spending).

Please summarize the results of evaluations.

### In your view: How would you assess the quality of the intervention?

Does this program achieve its stated goals and intended effects? Assessment of the magnitude of the effect? Coverage and take-up: are there problems concerning coverage? Possible barriers for participation (lack of information, complexity of system, conditionality, degree of attractiveness for young people, etc.)? In your opinion which are the main weaknesses of this intervention in terms of: adequacy; coverage; take-up; effectiveness of this intervention?

### Related to the causes of unemployment and target risk groups

Does this measure address the main causes for unemployment and social exclusion of young people and target the risk groups among young people?

### Appendix 1: Main data sources

The reports could profit from available data and surveys. Some sources of information are:

- Data from reports of ministries/agencies;
- Youth Guarantee Implementation plans;
- Available academic research;
- statistical data and evaluation surveys, position papers of different stakeholders, etc.
If needed, Interviews with relevant stakeholders/experts can be carried out. The relevant stakeholders could include relevant public authorities, program participants, academic researchers, social partners, NGOs, etc.