



Thematic Study on Policy Measures concerning Disadvantaged Youth

The mid-term review of the EU's Lisbon Strategy towards growth and competitiveness has shown that young people have profited less from inclusion and active labour market policies than other age groups. Within the Social Inclusion Process, disadvantaged youth became a key priority in 2003 and the European Youth Pact adopted in 2005 introduced a cross-cutting perspective on youth-specific aspects, with one of the aims being to 'renew employment pathways for young people'. In this context, a Thematic Study on Policy Measures concerning Disadvantaged Youth was commissioned to analyse the socio-economic characteristics of disadvantaged youth, their main problems in the transition from school to work, the impact of inclusion and active labour market policies and to identify factors leading to policy success and failure.

The Social Protection Committee selected 10 Member States and accession countries with above-average youth unemployment or early school-leaving to participate in the study:¹ Bulgaria, Finland, Greece, Italy, Poland, Portugal, Romania, Slovakia, Spain and the United Kingdom. Additionally, three contrasting countries were involved: Austria representing an apprenticeship system, Denmark as an example of the Nordic model of inclusive education, and Slovenia as a successful new Member State. The study was coordinated by Andreas Walther and Axel Pohl from the Institute for Regional Innovation and Social Research (IRIS) in Tübingen (Germany) in collaboration with a network of experts.² The analysis was based on three types of data: national information and data; European statistical data, mainly drawn from the Eurostat Labour Force Survey; and case studies of policies identified as good practice. A key element of the study was a validation process with policy-makers and stakeholders in national workshops and during a European seminar.

What are key structures of disadvantage and what problems does it create?

In general, youth unemployment and early school-leaving are seen as key aspects of social disadvantage among young people. Figure 1 displays how differently these phenomena apply in the involved countries.

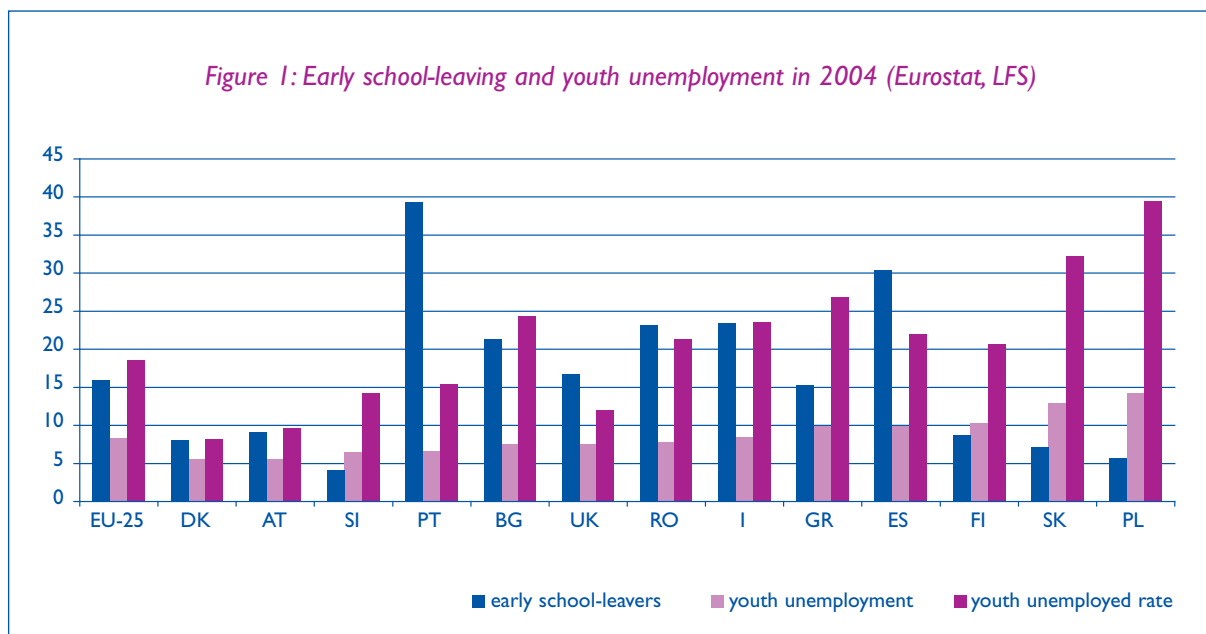
The study is based on an understanding of disadvantage according to which unequal opportunities and risks of social exclusion result from an interplay between a structural lack of accessibility, manageability and relevance of transition opportunities and an individual lack of resources. It refers to constellations of disadvantage rather than to 'problem groups', thereby avoiding the individualisation of structural problems.

1 According to Eurostat definitions, early school-leavers are 18-24 year olds without upper secondary qualifications and youth unemployment refers to young people out of work who actively seek a job (whether registered or not). The youth unemployment rate refers to the share of unemployed among the 15-24 year old labour force, the youth unemployment ratio to the 15-24 year old population (www.eu.int/eurostat).

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Figure 1: Early school-leaving and youth unemployment in 2004 (Eurostat, LFS)



Inasmuch as young people's transition from school to work has become increasingly insecure, *social inclusion* needs to be seen in a holistic way rather than being reduced to labour market integration. This calls for a diversification of recognised and supported 'employment pathways' in a life-cycle perspective.

The analysis of the different national situations in the present study reveals that disadvantage emerges at various points of youth transitions. Social inequality and poverty, economic development and labour market situation, gender and ethnic segregation are the main structural factors that interact with individual factors and affect the social integration of young people. Institutions such as school and training systems, public employment services (PES) and social security systems themselves can create barriers or enforce insecure transitions whereby constellations of disadvantage vary across different contexts.

Early school-leaving is low (less than 10%) in the Nordic countries and Central Europe, including SI, PL

and SK from the new Member States. It is medium in the UK and GR in the range of 10-20% and is high (over 20%) in Southern Europe, especially in PT, ES and IT, and in the South East (RO and BG). The low rates in the Nordic countries and in SI are linked to low social inequality which is medium in AT, PL and SK. In spite of the selective school system in AT, many young people achieve integration through vocational training in the 'dual system' of apprenticeship training. The low rates of early school-leaving in PL and SK are challenged by the obvious mismatch between the mainly school-based vocational qualifications and the low demand of a tight labour market. Across Europe early school-leaving is higher among young males and young people of migrant origin.

Country clusters change when disadvantage is analysed in terms of youth unemployment. First, there is the divide between AT, the UK, the Nordic countries and the new Member States where unemployment especially affects early school-leavers and the Southern countries as well as BG and RO where unemployment does not differ according to educa-

tional level. Second, the study analyses the noticeable differences in terms of long-term unemployment (see also Figure 2). It is high (over 50% of the young unemployed) in the new Member States and accession countries, as well as in IT and GR. In PT and ES it is medium (30-50%) while it is low in the Nordic countries, in AT and the UK (below 30%). In contrast to Central and Northern Europe, young women are over-represented among the unemployed in Southern Europe.

Social disadvantage is also linked to *precariousness* resulting from non-standard work and characterised by low income and restricted access to social security. Fixed-term contracts are especially high in ES, PL, FI and SI. While in the Nordic countries these are often self-chosen, this is not the case in Southern and Central Europe where they coincide with rising poverty rates. Part-time work is often voluntary in DK and the UK in contrast to the Southern and Eastern European countries. Undeclared work is especially high in GR, IT and also in BG and RO. The increase of fixed-term contracts is a notable consequence of deregulated labour market entry. This has led to a higher share of precarious careers and of the working poor. Non-standard work mainly concerns young women and immigrant youth. Young people not in education, training or employment and not registered as unemployed, often referred to as 'status zero' are a group at particular risk. Potential causal factors are limited entitlement to benefits as well as low trust in and experiences of bad treatment by PES and other institutional actors.

How do policies react?

A systematic overview of policies needs first to distinguish between structural and individual levels of intervention in order to avoid ascribing disadvantage to young people's individual deficits, thus making

them personally responsible. A second level of differentiation is between preventative and compensatory measures. The findings of the study confirm the hypothesis that the main sectors of intervention, such as school, training, and active labour market policies, under the influence of policy discourses such as lifelong learning and activation, shift from standardised regulation towards greater flexibility and individual responsibility. This implies that disadvantage is primarily addressed at the individual level and the distinction between prevention and compensatory measures is increasingly blurred.

School-related measures

Among policies aimed at *preventing* early school-leaving, first of all *school reforms* need to be highlighted. On the one hand these can be curriculum reforms, while, on the other hand, some countries aim to make school, training and university in general more inclusive by increasing permeability between routes (DK, FI) and developing national qualification frameworks (SI, UK). *Also educational allowances* need to be seen as a key incentive for staying on in education (DK, FI, UK). In these countries low levels of early school-leaving correspond to a dominance of structural and preventative policy approaches while they also have widely introduced personalised *counselling*. Among the other countries, GR, especially, has achieved a noticeable decline in early school-leaving. Here, especially the availability of free support teaching and a broad and accessible system of *second chance schools* particularly need to be mentioned as main policy measures.

Training

All countries try to modernise and upgrade *vocational education and training* (VET) to overcome low qualification levels and labour market mismatch.

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While some countries have introduced small-scale *apprenticeship systems* (only in PT and UK at upper secondary level), others aim to modernise *school-based VET*. In fact, this does not necessarily exclude work experience and the involvement of employers in the steering and delivery (as in DK).

In contrast, *preparatory and pre-vocational measures* aim to compensate for socialisation and learning deficits. As certified qualifications are only provided in some cases, an inherent risk is that measures are mere 'marking time' operations. Examples of good practice are 'Getting Connected' (UK) and the 'Production Schools' (DK) as they allow for competence-building through experimenting and learning by doing without channelling young people into pre-defined low status routes.

Labour market training is distinguished from VET as it has a perspective which is primarily compensatory. It is often steered by employment services and does not always lead to regular qualifications but is limited to the provision of work experience and the creation of a subsidised low wage youth labour market (BG, GR, PL, RO, SK, SI, ES, UK). While this can be a first step towards creating a training 'culture', monitoring of quality standards and reliable bridges into regular work are needed. *Recognition of informal skills* can balance a lack of formal qualifications and provide access to further education or employment such as that practiced by the Portuguese 'Recognition, Validation and Certification Centres'.

In general, measures have to ensure that training provides skills which are relevant both for individuals and employers – not only in the manufacturing but increasingly also in the service sector – and are combined with counselling, job creation or work experience.

Active labour market policies

Policies against youth unemployment have undergone a dramatic shift from passive to active labour market policies (ALMP). Consequently, different national policy mixes share the trend towards *activation* that is mobilising individuals for active job search and training, especially through *Individual Action Plans (IAP)*. Yet, activation takes different forms and meanings.

On the one hand we find national approaches in which activation is limited to labour market integration. They rely on extrinsic motivation by restricting choices and imposing negative incentives. In AT, ES, PL and PT benefit entitlements are limited and young people are removed from the register in case of non-compliance. In BG, RO and SK this is aggravated by the low coverage of IAP. This also applies for GR and IT where, in addition, young job-seekers have only limited entitlement to benefits. In the UK benefit entitlements are universal and options are, in principle, available. However, a 'workfare' approach to activation, which relies on sanctions, implies that many either accept low quality jobs or disappear in the 'status zero' of inactivity.

On the other hand, there are approaches in which activation relates to a broad range of options in education, training or work while positive incentives and personalised counselling aim at enhancing intrinsic motivation. In DK, a ‘whole system’ model means that IAPs are devised, implemented and coordinated between a wide range of actors – schools, vocational guidance centres, employment services, local authorities and communities. In contrast, Finnish activation builds on a one-stop-shop model in which different services are integrated. In Slovenia, a similar holistic approach is applied to early school-leavers and ‘status zero’ youth while mainstream labour market policies are closer to the limited activation model.

While the broader model is more likely to motivate young people to get involved, the efficacy of activation in general depends on the progression options which are available.

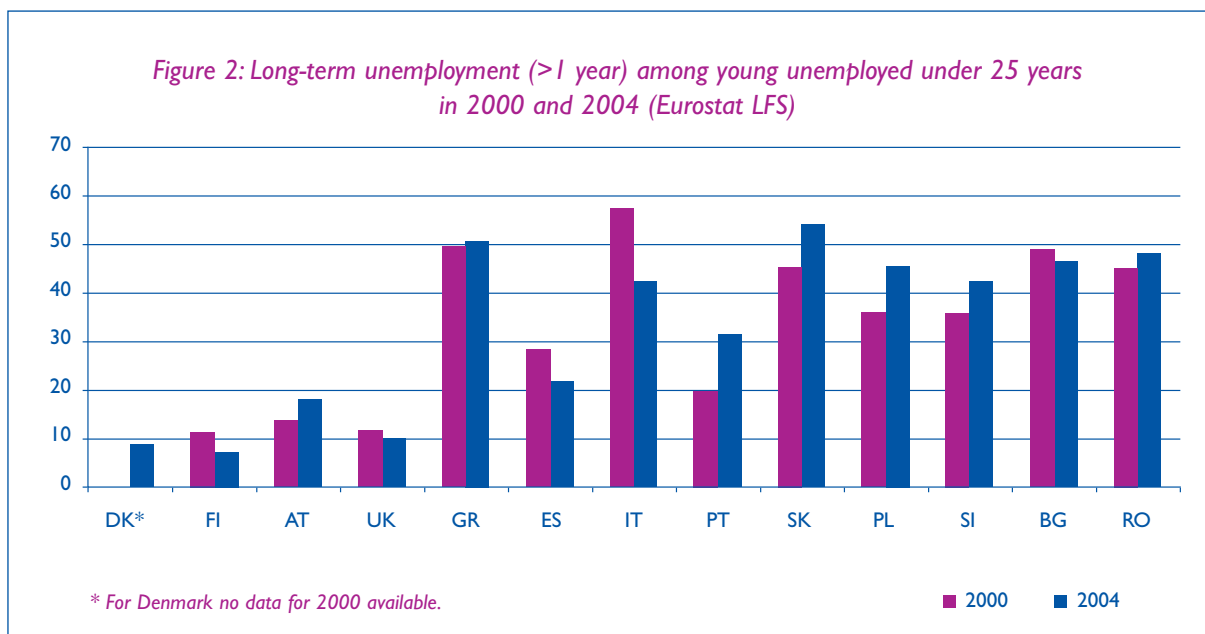
Apart from education and training (see above) *wage subsidies* are a main tool in this regard. A first type aimed at school graduates (first time job seekers), often with upper secondary and higher education, plays a key role in Central, Eastern and Southern Europe (and to some extent the UK). It aims to compensate problems of mismatch and labour market segmentation according to age and gender. A second type aims to provide the long-term unemployed with work experience (DK, FI, UK, GR, and PT). A negative side effect of subsidies is that regular jobs may be displaced thereby contributing to a hidden deregulation of youth labour markets.

Job creation is aimed at making young people’s transitions more independent from the demand side of the labour market by creating additional work opportunities. While job creation in the public sector is decreasing, *self-employment* programmes have increased especially in Southern Europe (especially GR and IT) to overcome labour market segmentation. *Job creation in the third sector* is regarded as a successful way to engage with the more hard-to-reach groups and those with disabilities, health or psychosocial problems (AT, DK, FI, GR, and PL). Of specific interest in this regard are the Italian social cooperatives.

Deregulation of labour market entrance through a reduction of labour protection, the promotion of atypical work and partly also through subsidised work experience schemes is regarded as a way of increasing access to the labour market. However, except for some countries where this has been accompanied by social rights (DK, FI, and SI) this is closely related to an increase in precariousness, especially in the case of PT and ES where a decline in youth unemployment is contrasted by increased poverty rates.

In general, long-term effects of ALMP on youth unemployment are difficult to assess because the latter is also subject to economic factors. Effects seem to be more direct with regard to the share of long-term unemployed (see Figure 2). However, in most cases policy evaluations share the shortcoming of neglecting non-labour market related factors which are rarely taken into consideration.

Figure 2: Long-term unemployment (>1 year) among young unemployed under 25 years in 2000 and 2004 (Eurostat LFS)



What makes the social inclusion of disadvantaged youth sustainable?

The study contributes to the objectives of the European Youth Pact by proposing a youth-based approach to inclusion and active labour market policies that includes a normative and conceptual level, but also specific factors of policy implementation and delivery. Addressing youth transitions in a life cycle perspective and disadvantage in terms of complex constellations rather than individual deficits requires a holistic approach. This means it is necessary to coordinate different policies within a cross-sector strategy of Integrated Transition Policies. Such an approach starts from the macro-level because inclusion and active labour market policies can only succeed if *school systems* share responsibility for addressing both young people's life chances and disadvantage; if *social policy* enables families to assist their children in acquiring skills and qualifications; if *economic policy* includes bind-

ing obligations on companies regarding the social inclusion of disadvantaged youth. According to the Commission's White Paper on Youth the key to such an approach is the principle of *citizenship* based on the rights to autonomy, meaningful education and training, employment and active participation. These rights are secured by individual entitlement to support. If young people are to participate in programmes promoting transition from school to work it is necessary both that they be involved in the policy-making process in these fields and that they be given negotiation rights by institutions.

In terms of policy implementation and delivery, five key success factors have been identified:

Funding: Sustainable inclusion measures require adequate funding efforts so as to ensure sufficient coverage, allow for quality and set financial incentives. The study suggests especially that expenditure on education makes a difference if it exceeds 6% of GDP.

Coordination: Mainstreaming youth issues requires coordination among different policy levels and between state, market and civil society. In this respect, cooperation with youth organisations or trade unions is crucial. It is also important to give young people a voice and provide them with opportunities for non-formal learning. Additionally, training policies depend on involving economic actors. Effective coordination requires flexibility both on the policy level and within measures.

Access: Inclusion and active labour market policies are only effective if they actually reach their target groups. Access depends first on the coverage and funding of measures. Second, it depends on access being flexible or unconditional as this helps to ensure that individuals do not remain excluded due to bureaucratic rules. Third, it depends on anti-discrimination policies which can be a tool for immigrant and minority youth and for young women to claim improved access and quality services in a situation where, from an overall perspective, youth seem to profit less from ALMP than adults. It also needs to be recognised that the phenomenon of 'status zero' suggests that access limitations are not only structural and administrative problems, but also relate to the measures lacking perceived value in the eyes of potential participants (stigmatisation effect).

Reflexivity: If policy implementation and delivery require higher flexibility this also implies different

processes and procedures so as to reflect effects and side-effects in each individual case. Monitoring and ex-post evaluation need to be extended towards institutional reflexivity through comprehensive mechanisms of evaluation that include qualitative and longitudinal elements, that are integrated within everyday practice and that involve young people.

Empowerment: The personal motivation of young people requires that they trust institutions and professionals, that there are spaces for self-experimentation, that (non-formal) learning approaches start from individual strengths and interests rather than demanding the compensation of individual deficits, and, most importantly, that they have the possibility of choice. Empowerment therefore cannot be restricted to including young people in just any kind of measure but implies that they are provided with rights and resources that enable them to take responsibility for their transitions.

Without ignoring clear limitations in the cross-national transferability of good practice, the study shows that mutual learning processes create a space in which national policies are influenced by alternative models and their legitimacy also comes under pressure where performance is poor. Mutual learning may become even more effective if it is not organised solely top-down but also involves local, private and NGO actors.

Further information

The report of this study includes an Annex with country reports and descriptions of measures identified as 'good practice'. It can be found on the EU's social inclusion website:

http://europa.eu.int/comm/employment_social/social_inclusion/studies_en.htm.

The contents of this publication do not necessarily reflect the opinion or position of the European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities.

