11. Implications for policymaking

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1 INTRODUCTION

In spite of indications of the beginning of an economic recovery, youth unemployment rates, NEET rates and non-standard forms of employment for young people are all still high in many European countries. For some groups of young people in Europe, early job insecurity has even increased. Low-skilled and immigrant youth, as well as those from an ethnic minority background, are still heavily affected, notwithstanding the policy initiatives adopted at the EU and national levels to improve the situation of young people on the labour market. In most countries young women are in a more vulnerable labour market position than are young men. Furthermore, for many of those who have experienced – or are still affected by – early job insecurity, there are likely to be long-term negative scarring effects in the form of poorer employment prospects.

We turn now to the crucial question: *How can policies to integrate young people into the labour market be improved?* We have approached this issue by considering a broad mix of national policies, including active labour market policies (ALMPs), education policies, employment protection legislation (EPL) and unemployment income protection. Additionally, we have referred to the roles of regional and local government in supporting and enabling young people's own efforts to improve their employment prospects. Finally, we have dealt with some important aspects of what the EU has sought to do to enhance the integration of young people into the labour market. We have examined the achievements so far of the EU Youth Guarantee and have clarified the extent to which the intra-EU redistribution of resources through the European Social Fund (ESF) has prioritized young people facing job insecurity. Based on a summary of the main findings and conclusions of the individual chapters of this volume, we will point to a number of implications for policy and coordination – at each territorial level as well as between them.

2 STRENGTHS AND WEAKNESSES OF LABOUR MARKET POLICIES TO INTEGRATE YOUNG PEOPLE

2.1 General Trends in Labour Market Policies Aimed at Young People

The findings of this book have revealed growing differences in the risks of early job insecurity in and across European countries (Karamessini et al., Chapters 2 and 3 this volume). This result indicates a need for more nuanced policies for the young, including the Youth Guarantee. Such policies need to take the specific national labour market and social context into consideration in their objectives, measures and allocation of resources. The European Employment Strategy and national action plans need to be more informed by national circumstances. In some countries of Southern Europe, such as Greece or Spain, there have not been enough jobs available during the recession and beyond. Policy responses in terms of economic policies and ALMPs need to facilitate job growth.

The detailed analysis of risks factors of early job insecurity (Karamessini et al., Chapter 3 this volume) confirms that a low level of education is generally a significant risk factor for job insecurity, irrespective of the crisis. However, this analysis also showed that a lack of social capital puts youth aged under 25 years at greater risk than their peers who are endowed with social capital. Targeted counselling and mentoring programmes as well as training and job-experience programmes should be the pivotal strategy, as also discussed by Lewis and Tolgensbakk (Chapter 10 in Volume 2).

Increasingly young people are migrating as a response to a lack of meaningful job opportunities at home, where flexibilization has been associated with a growth in poor-quality jobs (Michoń, Chapter 4 this volume). Although the EU has encouraged labour market mobility across member state borders, it is worth considering more closely to what extent, for whom and under which conditions migration to other countries represents a sustainable improvement in human capital and long-term improvement in employment prospects (O'Reilly et al., 2018).

From the perspective of the capability approach, the most important issue is the deteriorating quality of the jobs available to young people in many countries. It is in Southern Europe that this problem is most evident, earning it the label 'flexibilization on the margins', meaning that it is those on the margins of the labour market who are the most vulnerable to the consequences of flexibilization. Findings on employers' hiring practices suggest that they are reluctant to recruit young people who 'job hop', that is, move between different short-term jobs with different employers.

In fact, employers appear to discriminate more against such groups of young people than against those who have experienced longer periods of unemployment (Imdorf et al., Chapter 5 this volume). Qualitative interviews with young people also document young peoples' active agency in trying to find jobs that they value (Boyadjieva and Ilieva-Trichkova, Chapter 6 this volume). This evidence suggests that work-first policies are counterproductive: low-quality jobs are not stepping stones to better jobs; they are dead ends. For all these reasons, more emphasis on human-capital development, empowerment and choice is necessary to improve employment strategies.

Nevertheless, general trends in labour market integration policies for young people during the period 2007–13 remained on the path towards a stronger work-first approach (Dingeldey et al., Chapter 9 this volume; Hora et al., Chapters 7 and 8 this volume). These policies were often accompanied by 'workfare' measures, as opposed to an emphasis on enabling or human-capital investment approaches. Expenditure on ALMPs and labour market training, in particular (relative to need), diminished in most countries, in spite of the rising unemployment figures. This trend overlapped with the overall flexibilization of employment and unemployment protection.

Some progress, however, was observed in education policies and systems. In most of the countries studied, there was a shift towards stronger school-to-work transition support through short-term measures. These might include career and labour market counselling, mentoring, outreach, follow-up, more cooperation with employers, and long-term reforms like introducing dual vocational education and training (VET) principles into the education system by providing internships and traineeships for students and school-leavers. Skills are generally a good protection against labour market risks and social exclusion. However, measures promoting the provision and enhancement of skills have been weakly coordinated with other policy fields.

Even in countries with relatively well-developed school-to-work transition policies, there are specific problems that need to be addressed. Such problems include a high share of dropouts and a worse situation for specific groups (like disabled young people, immigrants and ethnic minorities). Young people are particularly exposed to material vulnerability and are increasingly dependent on their parents for support, especially in countries where welfare provision is poor or where young people's entitlements have been cut back.

In this broader context, the principles of the Youth Guarantee may be assessed as an attempt to significantly improve the policies (and the coordination of such policies) for the labour market integration of young

people by pursuing more demanding objectives in terms of the coverage, targeting and quality of the measures and their coordination (Dingeldey et al., Chapter 9 this volume). The question remaining is *how the Youth Guarantee initiative might succeed in integrating young people into the labour market* when the above-mentioned general trends in policies are borne in mind. The answer to this question is very much dependent on how the Youth Guarantee fits into the overall performance of the specific national packages of employment and education policies that we understand here as employment or school-to-work transition regimes.

There is a need to consolidate and further develop the EU initiatives and strategies for young people and to increase the impact and continuity of the ESF in backing these initiatives (Bussi et al., Chapter 10 this volume). The EU strategy for young people should emphasize the promotion of employability and the prevention of long-term unemployment and also the precariousness associated with low-quality jobs. A robust and coherent system for collecting data on achievement of the targets for integration of young people into the labour market needs to be implemented.

2.2 How are the Employment Regimes Supporting School-to-Work Transitions?

Based on the assessment of four policy fields related to the labour market integration of young people (education, ALMP and activation, EPL and unemployment income protection), we have distinguished between five employment regimes: inclusive, employment-centred, liberal, sub-protective and transitional/post-socialist (see Hora et al., Chapters 7 and 8 this volume).

We characterize below how the policies for integrating young people into the labour market are working in these groups of countries, taking into consideration both the general trends in policies as well as more specific measures for young people. We aim to identify policy strengths and weaknesses – as well as policy failures – in these countries.

In doing so we focus on the most promising policy developments, on the one hand, and on significant policy failures, on the other. When referring to policy advancements and failures, we look first at the general level of the policies or the aspects of the policies that affect the overall governance framework and/or the policy substance. Second, we focus on the measures that are more specific in their focus on young people and/or on specific groups of young people (specific measures).

2.3 Countries Associated with the Inclusive and Employment-Centred Regimes

In Norway (associated with the inclusive regime) and Germany and Switzerland (associated with the employment-centred regime) we have seen that policy efforts to support school-to-work transitions are strong and systematic. Overall, they put more emphasis on human-capital development and enabling than on a work-first approach (see Dingeldey et al., Chapter 9 this volume; Hora et al., Chapters 7 and 8 this volume). Unemployment and NEET (not in employment, education or training) rates only increased slightly during the crisis and never exceeded 10 per cent. However, the levels of part-time employment (Norway) and temporary employment (Germany and Switzerland) are high, and both increased during the crisis (see Karamessini et al., Chapters 2 and 3 this volume).

The EU Youth Guarantee did not apply to two countries in this group – Norway and Switzerland (although Norway has already had a national Youth Guarantee for many years). However, these countries can serve as examples for the other EU countries to follow as regards integrating young people into the labour market. The two countries have well-established systems for supporting school-to-work transitions, based on the guarantee principle and underpinned with strong financial and personnel resources provided at the national level, as well as an appropriate governance framework (similar arrangements exist in Germany). First, the principle of a ‘quality offer’ to the young person is not new in these countries. Norway introduced the notion of such an offer in 1979, including the alternatives of further education, training or a job after a certain period of unemployment (similar to that offered under the EU Youth Guarantee) and later provided a legal right to upper-secondary education (Lindholm et al., 2016; Schoyen and Vedeler, 2016). In Switzerland the constitutional right to adequate VET (Apprenticeship Initiative) was broadly debated and was finally adopted in 2004 in two cantons (Geneva and Jura) (Imdorf et al., 2016; Kilchmann et al., 2016). Although Germany had policies with many of the Youth Guarantee criteria before the implementation of the EU Youth Guarantee, it has since extended the provisions related to the Youth Guarantee and the Youth Employment Initiative (Assmann et al., 2016; Dingeldey and Steinberg, 2016).

These countries have enhanced horizontal and vertical coordination through structural reforms and the introduction of one-stop services for youth. In Norway a major administrative reform in 2006 created a one-stop labour and welfare service that seems to work effectively. Germany has introduced one-stop youth career agencies providing support for employment, education and social services at the local level.

Vertical coordination was improved by adopting certain Federal/Länder agreements.

Moreover, an individualized approach to casework is a common principle in working with the unemployed. In Norway an individual activity plan is established within the first month of unemployment for young people and for those aged 25–29 with reduced work capacity. The aim is to ensure individual follow-up interviews within three months and guaranteed placement measures within six months. In Germany, as a result of the Hartz reforms, the authorities emphasize individualized casework and a ‘needs-based’ approach to reach all young people and provide follow-up services. Individual action plans are obligatory. In 2007 Switzerland launched case management for VET until graduation from upper-secondary school to support young people who have learning problems and experience social stress.

Especially in countries associated with the employment-centred regime and to some extent also in Norway, the dual VET system is still quite effective in mediating school-to-work transitions. Many measures aim to secure the attainment of school or vocational training certificates, follow-up of early school dropouts, prevention of dropout and alternative routes in education.

2.4 The United Kingdom as a Country Associated with the Liberal Employment Regime

Youth unemployment rates in the United Kingdom, the only of our countries associated with the liberal regime, have been moderately high in comparison with other EU countries. A particularly high proportion of NEETs is an issue for concern (Karamessini et al., Chapter 2 this volume). ALMPs have been relatively modest (Hora et al., Chapter 8 this volume) and oriented towards a ‘work-first’ approach. Benefit claimants need to sign the Claimant Commitment, which requires strict compliance with the opinion of a counsellor, strict job-acceptance criteria and severe sanctions. Jobcentre Plus one-stop shops have been in operation since the 1990s. The Youth Guarantee was not implemented because the government insisted that the Youth Contract programme launched earlier in 2012 was better adapted to the national context (Bussi and O’Reilly, 2016a, 2016b).

The government has adopted a range of policies to improve the provision and incentivize the take-up of the relatively poor apprenticeship system (Bussi and O’Reilly, 2016a, 2016b). The governance of these programmes has been increasingly decentralized, with more coordination now taking place at the local level, however employer take-up has been disappointing (CIPD, 2018; Grotti et al., 2018). Incentives to find any

kind of work are strong and supported by a system of ‘in-work’ benefits, meaning that people earning low incomes can still receive benefits to compensate for their lower wages.

2.5 Countries Associated with the Transitional/Post-Socialist Employment Regime

In these countries the weaknesses of policies have tended to prevail over their strengths. However, recently these countries have seen some positive developments in terms of specific (youth) measures and examples of improved governance (see Dingeldey et al., Chapter 9 this volume; Hora et al., Chapter 8 this volume; also see Hora et al., 2016; Michoń and Buttler 2016a, 2016b; Stoilova et al., 2016). First, coordination (horizontal and vertical) of the specific measures for youth has improved. Second, some reforms initiated in education have sought to provide the young with VET that is more relevant to the needs of the labour market. Third, several of the countries have introduced innovative elements like providing work experience and facilitating young people’s transitions to the labour market.

Still, the key weaknesses and deficits in the overall policy governance and substance represent a barrier to increasing the effectiveness of the policies. Funding has been the key problem, with the result that the scope of the measures – the numbers of participants and the quality – have decreased, although some new initiatives and measures have emerged. The administrative and personnel capacity of the public employment services (PES) has been rather weak, which has made it difficult to implement the measures effectively via individual casework and monitoring. For instance, these countries have formulated individual action plans only in a schematic form, not tailored to the individual needs of youth. The education systems have suffered from inadequate quality and lack of capacity: low-quality education, tardy response of education to the needs of the local labour market and insufficiently developed lifelong learning. Professional counselling, which would help to objectively assess the predisposition of the students, indicate choices towards further learning and plan career paths, has been underdeveloped. The same has applied to cooperation with employers in various fields – vocational education, professional training, counselling and so forth – that could help address the shortages of competences. Employment policies have relied mainly on work-first measures and on making the labour market more flexible.

Last but not least, in all countries characterized by the transitional/post-socialist regime most young people have been excluded from unemployment benefits because of the strict work-record requirements. Benefits

have been low (under the subsistence level) and only available for a short period of time (for details, see Hora et al., Chapter 8 this volume). Similarly, access to social assistance benefits has been quite limited because young people often live with their parents, who have been responsible for the subsistence of their children. This means that when claiming for social assistance, the incomes of all household members are taken into account. In Bulgaria there is a substantial waiting period for some claimants of social assistance.

Against this background, the implementation of the Youth Guarantee in these countries was somewhat ‘mechanical’ in that it was motivated mainly by the opportunity to obtain EU resources, whereas the added value of these resources has not been apparent because of the above weaknesses.

2.6 Countries Associated with the Sub-Protective Regime

The countries that represent sub-protective regimes were the most severely hit by the crisis: the unemployment and NEET rates of youth reached higher levels than anywhere else. Temporary employment has been particularly high in Spain (see Karamessini et al., Chapters 2 and 3 this volume). Declining growth in combination with drastic measures to ensure fiscal discipline undermined the fiscal capacity of the state and investment in ALMPs (see Hora et al., Chapter 8 this volume).

The key policy trend regarding young workers was flexibilization – in terms of both numerical flexibility (such as prolongation of the trial period from 2 to 12 months in Greece) and wage flexibility (the minimum wage of people aged under 25 was set at 32 per cent less than the national level in Greece), while EPL for temporary contracts remained weak (especially in Spain). Youth Guarantee measures, on the other hand, had only limited impact.

Some progress has been noticed in the education sector, although there are reservations about the effectiveness of the measures. In Greece, the 2013 law on restructuring secondary education expanded opportunities for apprenticeships throughout the full range of vocational education. Next, career offices were created within the vocational education schools of the PES. In Spain, at the end of 2012, education and training system reforms initiated the gradual implementation of the dual-training system/VET, which seeks to decrease the number of school dropouts and improve the basic skills of low-performing students. The Second Chance programme for dropouts was initiated as a small-scale measure (see Ayllón and Ferreira-Batista, 2016a, 2016b; Karamessini et al., 2016; Kominou and Parsanoglou, 2016).

On the other hand, several serious shortcomings have been evident. First, the overall governance framework has been inadequate to the problems that had to be addressed. One important deficit has been poor vertical and horizontal policy coordination. In Spain the most significant problem appears to have been the lack of coordination between the national level and the Autonomous Community governments (which is very relevant because the national employment system has been decentralized and each Autonomous Community has carried out its own ALMPs). There has also been a lack of horizontal coordination between education systems, companies and the ALMPs offered by the PES. Similarly, horizontal coordination at the national and local levels has also been a challenge in Greece. The effort invested by many stakeholders in education, vocational training and employment has been fragmented; and an integrated framework for internships has been lacking.

Second, insufficient financial resources have impeded an increase in the scope of measures and have hampered co-financing of ESF measures. In Spain, for example, after the Youth Guarantee was extended to the 15–29 age group in 2015, the lack of resources had a detrimental effect on programme effectiveness (the estimated level of per capita investment was reduced by half to 560 euros); for comparison, in Germany (a leader in this respect), 20 765 euros were provided per capita. The Autonomous Communities have lacked resources in their budgets to complement the national funding.

The poor institutional capacity of the PES has been a related weakness. The workload of the services has been excessive; thus, individual support has been beyond the personnel's capacity. For similar reasons, offers under the Youth Guarantee were not made obligatory because it would not be realistic to promise support where not enough is available. Similarly, specific outreach mechanisms for NEETs have not been effective. For example, only about one third of the expected numbers of young people were registered in Youth Guarantee schemes in Spain (Ayllón and Ferreira-Batista, 2016b). As a result of these circumstances, the measures neither complied with the needs of young people in providing an individually tailored approach, nor did they manage to attain the trust of young people.

Hiring incentives were provided to employers in order to enable young people to have work experience; however, these suffered serious failures. In Spain there has been criticism of the misuse of the bonuses: the young people in the programme could have been hired even without the subsidy. Such criticism has been supported by the fact that the hiring rates did not improve despite the subsidies (see Ayllón and Ferreira-Batista, 2016b). Similarly, voucher programmes were implemented in Greece for

internships and professional experience, aimed at providing more choice for young people. However, these programmes have not offered any kind of professional certificate on conclusion and the training period has been too short. In addition, training providers typically have not performed any consulting or monitoring after the training has been completed. Often employers offering internships have not provided any support to young interns, using them merely as a form of free labour. About 90 per cent of the employers did not hire the interns after they completed the internship period (Kominou and Parsanoglou, 2016).

To summarize the above assessment, in most countries the shortcomings have stemmed from the general trend towards flexibilization and a work-first approach, inadequate governance frameworks, and insufficient financial and personnel resources. These traits have become increasingly apparent in countries associated with the sub-protective regime, to various extents in countries of the transitional/post-socialist regime and to some degree also in the United Kingdom (liberal regime). There is a need for stronger efforts at both national and EU levels to reverse these general trends. Policy recommendations are discussed below.

3 POLICY IMPLICATIONS AND RECOMMENDATIONS: HOW TO MAKE POLICIES MORE EFFECTIVE

3.1 Shaping the Overall Economic and Social Policy Context

The analysis of the developments in policies that facilitate the integration of young people into the labour market has highlighted several unfavourable trends during the period 2007–13 that have hampered the effectiveness of the policies for youth in several respects.

The economic policies of the EU went explicitly or implicitly against the objectives expressed in the European Council Youth Guarantee recommendation. In particular, the excessive budget procedure and related fiscal austerity policies undermined the fiscal capacities of many countries (Greece and Spain are the best examples). As a consequence, these countries had difficulty co-financing measures that were supported by operational programmes of the EU aiming to alleviate the exploding youth unemployment rates. However, ‘re-financing’ of member states to the tune of around one billion euros improved the situation to some extent.

National political priorities regarding economic and social policies matter primarily in that they are sometimes influenced by the Council requirements related to the country’s fiscal discipline measures. The two

priorities are identified in the policies: the first is the flexibilization of the labour markets, which includes the reduction of unemployment income protection. The other policy concerns the increasing emphasis on the work-first approach, combined with workfare policies (see Hora et al., Chapter 8 this volume).

In contrast, the Youth Guarantee principles emphasize the guarantee of an offer, the quality of the offer, and the individualized, enabling or human-capital development approach. These principles originate in the experiences of the Scandinavian welfare states, which have possessed sufficient financial, governance and personnel capacity to put them into practice. Such preconditions, however, have not been – and are not currently – present within an austere climate and in the context of the above *de facto* political priorities.

Experience has shown that an adequate governance framework is needed for effective implementation of measures to integrate young people into the labour market. Such a framework includes:

- Adequate financial resources (also see European Commission, 2016a, 2016b, where this problem is likewise recognized);
- Effective vertical coordination – at the EU, national, regional and local levels;
- Effective horizontal coordination of the policies across policy fields/sectors and between different actors (public/non-profit, for-profit/employers, social partners);
- Personnel capacity of the key actors – primarily the PES (also see European Commission, 2016a): the overload of front-line staff represents a serious obstacle to individualized, holistic measures;
- Monitoring and evaluation of capacity and skills.

3.2 Improving Policymaking at the EU Level

First, there have been contradictions between EU economic policies, on the one hand, and employment and social policies, on the other, leading to several unintended effects. The discussion of this discrepancy is not new (Barbier et al., 2015, Ferrera et al., 2002, Scharpf, 2002), but the crisis made the lack of reconciliation an even more pressing problem. So far, the EU has not been able to deal with this problem in a convincing way.

Second, on the basis of the above assessment of policy performance in the nine countries studied, the most important policy recommendation is to build the appropriate overall governance framework and infrastructure, which should have priority over specific measures like the Youth Guarantee. There is an obvious discrepancy regarding the inadequate

governance framework (the long-term task) that hampers the possibilities for implementing the specific measures in the short term. Consequently, failures of the specific measures often emerge.

It is not realistic to expect structural reforms in the governance framework or the building of institutional infrastructures to emerge as a by-product of the Youth Guarantee or similar specific initiatives. EU funds that are currently available for employment policies, education and social inclusion might be better coordinated with specific initiatives like the Youth Guarantee and be more focused on the governance framework and institutional capacities.

These issues have been to some extent discussed as recommendations in some analyses on Youth Guarantee implementation: the need to strengthen insufficient human and financial resources (European Commission, 2016a; OECD, 2014); to ensure long-term funding (ETUC, 2016); and to create an appropriate governance framework (ILO, 2015). Nevertheless, the impact of these recommendations has only been marginal to date.

Third, bureaucratic barriers impede the effective implementation of the measures supported by EU funds and need to be removed. Although the support of the EU is welcome on the local level, local political actors often fail to apply for EU funds because the documentation is very extensive and complicated. Typical examples are the overly detailed forms, formidable documentation requirements and complicated and impermeable communications concerning the administrative procedures linked with the ESF/Youth Employment Initiative.

3.3 Key Policy Issues at the National and Sub-National Levels and Recommendations

Improving governance

The experiences from the nine countries indicate that policies to prevent early job insecurity may become more effective under the following conditions:

(1) Better coordination

Vertical coordination: Balanced decentralization. The overall coordination between national and lower levels of governance seems to be a key factor for improving the effectiveness of policies. Some freedom on the local level is necessary for adaptation to local needs and tailored measures. Nevertheless, a strong hierarchy in the PES, especially when combined with inadequate quantitative targets for caseworkers, is not effective. The perverse effects of decentralization represent a barrier to success, whereby strategic decisions are transferred to lower levels but are not supported by

an actual capacity of co-funding (as in the case of local enterprise partnerships in the United Kingdom or as a more general problem for ALMPs in Spain).

Horizontal coordination: Towards a holistic approach. Where more cross-sectional coordination of employment- and education-oriented measures with other social services like childcare, housing and services oriented towards social inclusion is in place, the measures seem to be more effective. Thus, comprehensive programmes should be prioritized (O'Higgins, 2015) – in particular, support for combining work and study (Scarpetta et al., 2010). However, the lack of such coordination is a weakness of public policies in most of the countries studied.

(2) Developing partnership and network governance

Cooperation with employers in various fields is beneficial: vocational education, professional training design, counselling and so forth are needed to address the shortages of competences (including soft skills) and to provide work experience to young people. In particular, closer cooperation between the business sector and education – for example, through internships and placement – is beneficial (also see O'Higgins, 2015; Scarpetta et al., 2010). Except for Norway, Switzerland and Germany, this cooperation is not intensive enough in most countries. Similarly, the systematic inclusion of trade unions in programme design and strategic consultation are absolutely necessary to ensure the appropriateness of apprenticeships, training schemes and skills development (also see O'Higgins, 2015). These principles are also emphasized in the original Youth Guarantee guidelines (Council of the European Union, 2013); however, they are not consistently applied in most countries (European Commission, 2016a, 2016b).

(3) Improving financing and personnel capacity

Reliable funding is the basis of sustainable projects (also see European Commission, 2016a). When possibilities are not created on the basis of national budgets to perpetuate well-functioning projects or programmes, the effects of these programmes are marginal. The number of participants offered places in such projects is often inadequate in relation to the size of the problem faced by some countries in Southern Europe and in some post-communist countries. Similarly, sufficient PES personnel capacity is necessary for a targeted, needs-oriented and individualized approach to young people. This condition, however, is often not met.

(4) Providing an appropriate time frame

The European Commission (2016a) noted that the Youth Employment Initiative suffered from having too short a time frame for the

implementation of such a comprehensive scheme. Our analysis came to similar conclusions (see Dingeldey et al., Chapter 9 this volume; also see Assmann et al., 2016). Both the personal development of the young, and projects and measures to combat youth unemployment need time: highly effective measures like ‘career-entry support by mentoring’ only become effective over the long term; nevertheless, they are more successful because they help young people gain true self-confidence and develop realistic aims, which are a source of lasting motivation for them. Furthermore, programmes at the local level need *time to be built up*, as exemplified by the case of the implementation of a complex cooperation scheme like the ‘Youth Career Agency’. If fundamental changes are desired, political actors need sufficient time to implement them. It follows that long-term effects and the sustainability of the outcomes should be made a priority in their support for such programmes over short-term measures. These effects are directly associated with the quality of the jobs and training, and they can be captured through long-term monitoring of the measures and their participants.

(5) Implementing monitoring: Towards evidence-based policymaking

Monitoring labour market developments, professional and educational needs, and programme effectiveness is key. Prioritizing quality offers is also essential. In particular, precise information on targeting the individual measures to the young unemployed (including the division of participants into groups and sub-groups) is needed. However, data on the effects of the programme, in terms of the particular job retention in these sub-groups, is often lacking. A qualitative model of assessment of the policies – based on long-term analysis of the economic activities of the young people – would be useful. The delays in implementing monitoring systems and the need to establish qualitative assessments were also discussed in the European Commission communication (2016a).

Improving the substance and quality of measures

(1) More individual support and choice, respecting the needs and potentials of young people

The effectiveness of the programmes depends on how well they are adapted to the needs of specific sub-groups of young people and to what extent they are appropriately individualized. Improvement of diagnosis (profiles) and individual casework are helpful in this respect. For this purpose and for the effective coordination of the Individual Action Plans and Youth Guarantee scheme, a more individualized and integrated approach towards young people is needed.

A good relationship with the respective caseworker is often increasingly important (as we know especially from the qualitative interviews; see Boyadjieva and Ilieva-Trichkova, Chapter 6 this volume). Similarly, mentoring programmes are also quite efficient (also see Scarpetta et al., 2010) because the personal contact with the mentor who supports them helps the young people to gain self-esteem, develop personally and pursue their career goals. The importance of a ‘significant other’ who is trusted by the young person is a recurrent theme in Volume 2 of this publication.

(2) Developing skills/enabling approach

Good-quality education that can respond flexibly to the needs of the local labour market is needed but is often insufficient. The development of VET systems in accordance with the dual-track model (coordinated with internships and traineeship schemes) proves to be crucially important for successful school-to-work transitions. Career counselling for young people, as well as outreach strategies and follow-ups focused on (potential) school dropouts, are all important tools for young people facing multiple problems, who can be facilitated with second-chance programmes (also see Scarpetta et al., 2010). On-the-job training, especially by private employers, seems to be the most beneficial (O’Higgins, 2015). Full-time education and social inclusion programmes that do not necessarily lead to paid jobs or qualified training can also serve as alternative exits from unemployment.

(3) Focusing on the quality of the measures

Focusing on the sustainable integration of young people in education or labour implies a strong focus on the quality of measures and jobs (also see European Commission, 2016a, 2016b). In general, a shift from a work-first approach to upskilling individually tailored to participants may be recommended.

Regarding the Youth Guarantee at the EU level, a better specification of what a ‘qualified offer’ precisely means could help to improve the quality of measures. Otherwise the Youth Guarantee cannot meet the expectation that young people will be provided with a real new chance (or ‘guarantee’).

In Germany, Norway and Switzerland (inclusive and employment-centred regimes), well-developed policy infrastructures provide a stronger focus on the quality of measures and, more generally, on the quality of offers for young people. Specific measures for the most disadvantaged youth (often those of migrant origin or with disabilities) could also be more effectively developed in these countries. Some of the other countries would probably accept more modest objectives; however, there should be a benchmark established that they could follow. Earlier recommendations

suggested improving the quality of jobs being offered in the Youth Guarantee and making temporary jobs more sustainable (Council of the European Union, 2013; Scarpetta et al., 2010). However, the fact that these issues keep reappearing on the political agenda indicates that they were insufficiently implemented in earlier rounds (European Parliament, 2017).

(4) Targeting the needs of vulnerable groups

Focusing on young people facing multiple obstacles helps to increase the effectiveness of the measures for those who have the greatest difficulties entering employment. However, their problems are complex, and it is necessary to develop measures, learning environments and support structures that are adapted especially to their needs. The strict eligibility conditions for participation in the Youth Guarantee and the registration process in many cases represent a high threshold barrier and consequently require thorough reconsideration. The criteria for obtaining support could also be verified through a more in-depth qualitative analysis. Flexibility on the margins is not the solution: alleviation of youth unemployment is better in countries where EPL is stronger, not weaker (O'Higgins, 2015). Similarly, unemployment protection coverage of young people and their access to social assistance need to be expanded.

A mechanism for encouraging the registration of NEETs could help to make these principles work (also see European Commission, 2016a, 2016b). Similarly, better information provided to youth about the programmes available through various channels may improve targeting and intake.

(5) Fine-tuning the instruments

Providing adequate economic incentives to employers to encourage them to hire young people after their internships helps to improve the chances of young people, as does supporting entrepreneurship and enabling the use of professional advice and training.

The sustainability of apprenticeship and internship placements after the programmes expire needs more attention, particularly in times of economic recession: when the subsidized work ends, the young people are often laid off because there are no real jobs for them (see Section 2.6 above on the problems with subsidizing measures in Greece). ALMPs work better in terms of their effectiveness when unemployment is high (O'Higgins, 2015).

Sustainable placements help young people avoid the risk of scarring and also alleviate reservations on the part of employers hiring young people (for a discussion of these aspects, see Imdorf et al., Chapter 5 this volume).

Especially during recession, access to suitable jobs (mainly for the low skilled) should be subsidized more strongly, decreasing labour costs for employers (Scarpetta et al., 2010).

Most of the above principles (issues of targeting, sustainability of jobs) were outlined in the Youth Guarantee recommendation (Council of the European Union, 2013); however, the assessment of implementation in the countries in focus documents the persisting gaps/policy deficits (European Commission, 2016a; ILO, 2015).

4 CONCLUSION

The findings presented in this chapter on the conditions for success of school-to-work transitions and labour market inclusion of young people, as well as the related policy implications, are relevant for most of the countries in focus here. There are still remarkable differences between the individual countries, however. We find the largest gaps in the substance of the policies, their overall governance, financial structures and conditions for implementation. Similarly, great contrasts have emerged between the countries emphasizing a work-first approach and the countries seeking to promote an enabling and human-capital development approach. Overall, there is a need for far-reaching structural reforms in policies and their governance, especially in the former countries, including a shift from a work-first approach towards an approach oriented more towards human-capital development. Last but not least, policies often fail to match the scope of the problem in those countries where the unemployment and NEET rates are extremely high. Their situation requires an even more comprehensive strategy and a better balance between economic and social policies.

4.1 Summary of Key Policy Recommendations

- The strong and persistent divergences in national levels of youth job insecurity represent challenges both to the European Employment Strategy and to European solidarity in that they lead to an over-taxing of migration as a strategy for coping with poor job prospects in the young person's own country, with uncertain gains for young people's long-term employment prospects.
- Having been without work for a considerable length of time while of a young age involves a risk of long-term negative effects. But even having worked in low-skilled jobs or having participated in ALMPs (in Norway) may also lead to adverse outcomes (scarring),

suggesting that both ‘skill-building first’ and ‘work-first’ strategies have an ambiguous or even negative impact on the long-term job prospects of young people (depending on national context).

- National PES need to assess carefully what measure seems appropriate in the individual case, given the person’s prior skills and job experience, and the respective country’s current labour market situation.
- Despite their more or less common experiences during the Great Recession, none of the countries studied moved towards other transition regimes, or towards an emerging ‘European Transition Regime’. The EU needs to address the unrealized potential for policy learning and exchange of best practices between member states in the context of the European Employment Strategy.
- The EU has good reasons to safeguard the progress made and to keep on encouraging member states in several areas (e.g., by completing reforms like the already initiated Youth Guarantee), delivering comparable data to enable monitoring of labour market developments and stricter evaluation of the effectiveness and sustainability of the Youth Guarantee and other instruments.
- While continuing to support the Youth Guarantee in the coming financing periods of the ESF, the EU needs to use financial instruments to promote better balances between supply- and demand-oriented measures in member states.
- Both the EU and the member states (at different levels of governance) need to recalibrate cash transfers and services supporting young women’s and men’s active efforts to improve their skills and prospects for finding secure jobs.
- Public agencies need to coordinate their approaches with those of civil society organizations in enabling young people’s own agency and listening to young people’s own views when developing new policies.

The analysis presented in this volume illustrates the significant challenges posed by the recent growth in youth unemployment and early career insecurity. It illustrates how policy initiatives, despite a considerable degree of reform, have been strongly affected by path dependencies and particular problems in different regions of Europe. Nevertheless, these initiatives have been part of a longer-term governance reform programme, where much still remains to be done in future phases. In particular, the needs and capabilities of young people should be more at the centre of the interventions and at the focus of policymaking. This implies a paradigm shift from the work-first approach towards a human-capital development

approach and a focus on job quality. Similarly, structural governance/institutional reforms are needed that would provide sufficient capacities and vertical and horizontal coordination for the effective implementation of the measures in various policy fields. The EU should continue to support the national reforms mainly where a problem is most striking, as well as guaranteeing a firm financial platform for such reforms and diminishing the administrative obstacles.

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