



Effectiveness of policy measures to increase the employment participation of young people

Executive summary

Introduction

Youth unemployment rates in Europe are 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 continues to rise, having hit the 22% mark in the first half of 2012. While the situation is extremely diverse across Member States, many European countries have seen their unemployment rates double or triple since the onset of the recession. Today, 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.

Consequently, many European Member States have taken action to promote higher employment participation for this age group. They have implemented youth employment policies that facilitate and support young people's pathways through education to employment and tackle such diverse issues as early school leaving, school-to-work transitions and employability. But how effective are such policies? What are their strengths and their weaknesses and what characteristics make an effective policy in the field of youth unemployment?

This report reviews existing evidence on the effectiveness of 25 policies tackling youth unemployment for a selected number of countries (AT, FI, FR, HU, IE, IT, ES, SE, UK) and complements this information with expert interviews. It seeks to assess the extent to which the chosen measures have been successful, looking at their outputs, outcomes and wider impact.

In times of an ever-increasing demand for accountable public policies and tight government budgets, it is essential to make policy evaluation an inherent part of the policymaking process. This study provides a valuable input to the debate on how to tackle the great challenge of rising youth unemployment in Europe.

Policy context

The European Commission initially reacted to the challenge of rising youth unemployment by focusing its efforts on the 'Youth on the Move' EU 2020 flagship initiative, which aims at 'unleashing all young people's potential' through quality education and training, successful labour market integration and greater mobility. Simultaneously, the Europe 2020 integrated guidelines for economic and employment policies, launched in April 2010, emphasised that Member States and social partners should set up 'schemes to help recent graduates find initial employment or further education and training opportunities, including apprenticeships, and intervene rapidly when young people become unemployed'. In 2011, the proposal for a Youth Opportunities Initiative emphasised the relevance of learning from countries that were performing well.

In 2012, the employment package 'Towards a job-rich recovery' confirmed the importance of reducing youth unemployment. It also suggested making greater use of the European Social Funds for the next programme period (2014–2020) to tackle the issue, e.g. through youth guarantees.

Many Member States have implemented policies that intervene at some point on a young person's pathway to employment: some measures seek to prevent early school leaving, while others aim to reintegrate early school leavers. Other policies seek to facilitate a smoother transition from school to work, while some interventions strive to increase the employability of young people. Other policies aim to remove persistent barriers faced by young people in general or those with special needs.

Key findings

This study finds that Member States have implemented a set of diverse measures to combat youth unemployment. This highlights the fact that young people are not a homogeneous group and do need tailored policy interventions that address specific needs and specific stages of a young person's life. Strengths and weaknesses were identified for different types of intervention along the pathway to employment.

It was 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. 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.

Nevertheless, combining evidence from existing evaluations, policy documents and administrative data with input from stakeholder interviews, this evaluative study reports that the analysed youth employment measures have been relatively successful. Only three measures failed to engage the intended number of schools and participants. Another finding is that policies are generally able to engage the intended target group; only two out of 19 measures for which information was available did not fully do so. Going beyond output targets, it was found that where sufficient data was available, most policies reached their outcome objectives. Only a small minority of policy measures did not produce the intended outcomes for the participants or only did so partially.

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. 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.

Policy pointers

1. Successful policy measures specify their target group and find innovative ways to reach them, for example by establishing a good reputation or creating a positive 'brand' for the measure or working with relevant community groups for hard-to-reach groups.
2. It is important to note that young people vary in their level of labour market readiness and policies have to cater for a range of minor to complex needs.
3. Policy delivery relies on appropriate personnel, who need to be trained and supported.
4. Young people should be set up on a long-term sustainable pathway, for example by providing them with necessary skills and stable employment, rather than low-quality quick fixes.
5. Successful policies offer good quality career advice and comprehensive holistic guidance.
6. Youth employment measures should focus on the client, not the provider, for example by setting up one-stop-shops for young people or by offering tailored, personalised advice by mentors.
7. Inter-agency collaboration and involvement of all stakeholders can be a cost-effective way to implement policies, when the specific roles and responsibilities of different actors are specified.
8. Measures that aim to increase the employability of young people should focus on labour market needs and ensure a buy-in of employers and their representatives.
9. Youth unemployment requires flexible responses, which have to be adapted to economic cycles, whereas social exclusion is a structural issue and has to be addressed consistently.
10. Robust monitoring and evaluation should be used to inform policymaking and development.

Through comparing and analysing robust evaluations from a meta-perspective, Member States and the EU will be able to identify best practices, improve employability and labour market participation of young people and ultimately unleash every young person's potential.

Further information

The full report *Effectiveness of policy measures to increase the employment participation of young people* is available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef1260.htm>.

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