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## **Prevention and Reduction of Youth Unemployment through Regional Labour Market Monitoring**

### **Results of the 5<sup>th</sup> Annual Meeting of the European Network of Regional Labour Market Monitoring in Marseille on the 7<sup>th</sup> and 8<sup>th</sup> of October 2010<sup>1</sup>**

The prevention and reduction of youth unemployment has been given a high priority in all European countries. This is especially due to the fact that such employment is an important driver of social inclusion processes in increasingly heterogeneous societies. Furthermore, most European countries are confronted with a demographic situation in which the upcoming labour pool is shrinking. This makes it necessary for a more deliberate steering of employment in order to actually cover the resulting need for skilled labour. The financial and economic crisis has also shown that young persons belong to the risk groups which in economic downturns are more quickly unemployed or to a far greater degree in a threatened employment situation. The resulting economic and social insecurity results in a delayed social and political participation by youth. For many subgroups, this can also mean an incomplete or totally absent participation can be realized. These dislocations at the beginning of an economic life are felt by those affected their entire lives long. Specific studies have shown this in the form of lower average wages and a decreased security in their employment relationships.

#### **1. Background**

The targeted promotion of youth employment, and the prevention of youth unemployment, requires a precise knowledge of their situation. This situation is determined primarily by the transition from the educational system to the work place. The entry into the work place proves difficult for many youth as they have a disadvantage over the already-employed due to their lack of practical experience. This limits the possibilities for their utilization. Countries with a dual educational/training system appear to create an easier labour market entry for youth through the close connection that companies have with educational institutions. In the

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<sup>1</sup> The annual meetings of the European Network of Regional Labour Market Monitoring focus on special topics, which have proven in research and practice of Network members to be important for the further development of regional labour market monitoring. A special characteristic of these conferences is the theoretical and conceptual considerations from the Network members and selected external experts on the real-world experiences and 'best practices' examples. This ensures that the practical developments are rooted in the most current findings in the scientific and theoretical-conceptual research.

past few years, it has become clear that entry problems can also arise at the so-called „second threshold“. This is the transition between apprenticeship and a regular permanent employment. This means that such entry problems are merely delayed, not eliminated. While most youths are able to master these challenges and enter a qualified work place, youth without a school or vocational degree are less successful. They work in low-paid, unskilled and temporary jobs. Frequently, a long term stay in these work places is not possible, so that they swing back and forth between employment and unemployment. The entry into and the permanent occupation of a workplace that secures an existence is difficult for this group of youth in all European countries. This is especially true for youth without a degree, who are confronted with, due to migrant backgrounds, language and cultural barriers or otherwise handicapped in their basic, everyday competencies.

The European Commission<sup>2</sup> and other international organisations, such as the OECD or the International Labour Organisation (ILO), identify three predominant areas that are on the forefront in improving the labour market situation of youth. These are, firstly, a better preparation of information on the possibilities for qualification and employment. Secondly, a simple entry and improved retention of youth in the vocational system, in particular with respect to professional education and training, is mentioned. The third aspect is given as the promotion of a labour demand oriented geographical mobility on the part of youth. These three aspects correspond with measures already implemented in many European countries for the provision of information and for qualification. The provision of information on professions is especially stressed. This helps young people to acquaint themselves with professional areas, in order to enable them to better consider in which professional directions they would like to move. Against this background, the development of a series of measures can be pursued to enable an information transfer through career counselling and guidance. Target groups would be the youth themselves and their parents as well as their primary and secondary school teachers. Other multipliers, such as placement officers, can also be targeted. Comprehensive information is crucial for the process of entering the labour market for youth. This will show which professional or branches within the region have current and, ideally, future, demand. In connection with this, the youth would be provided with information that makes clear which qualification paths will best provide an appropriate entrance into the labour market. Such an achieved orientation leads to having training programmes being directly relevant, which optimally supports the motivation of the youth. At the same time, such a demand-oriented cultivation of current and future labour potential can help avoid unrealistic job expectations. Closely connected to such measures are those whose main intention is actually vocational training and qualifications, but achieve this through a combination of theory and practice. The dual system of education is an example of this. In qualification programmes, specific target groups of youth may be the goal. These could be drop outs from

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<sup>2</sup> See presentation of representative of DG Employment, Social Affairs and Equal Opportunities for the Strategy 2020 - <http://www.iwak-frankfurt.de/www.regionallabourmarketmonitoring.net/pdf/EN%20RLMM%20AM%202010%20Presentations.pdf>

schools or vocational training, who within the framework of a “second chance” programme receive a customized qualification training to improve their entrance into the labour market. Furthermore, there are training programmes that aim to ‘up-skill’. In particular, the demand from enterprises or branches for specific qualifications plays a significant role in the choice of such programmes.

The programmes are managed at various levels, such as the EU, national, regional or local. Their effects are seen above all at the scene, that is, in the locality or region. There they can become concretely experienced and can lead to changes. This shows how important it is to know as precisely as possible the situation for youth where they are, also in the regions, in order to, first of all, to accurately measure the effects of such programmes and, then, to estimate their efficiency and effectiveness. Secondly, this provides the means by which it can be explored if the selected programmes are the right ones or if other, or modified, programmes are necessary to achieve the most optimal improvement possible in the situation of the youth. This forms the foundation for adjustments or changes anchored at the local level and which can be driven from there.

## **2. Regional Monitoring of Youth Unemployment and Employment**

A transparency of the local situation, which can help the youth themselves as well as the actors in education/training, companies and local politics to be active in a more targeted fashion, can be created through a regional labour market monitoring approach. The monitoring of youth unemployment and employment is integrated in several ways in a thematically comprehensive regional labour market monitoring. This allows for viewing youth unemployment in the context of the unemployment of other age groups. It also enables a differentiated comparison of the structural and age-specific problem areas, leading to corresponding employment options to be created, as well as already implemented programmes to be evaluated with respect to their matching capabilities. This comprehensive approach helps also, not least of all, to delineate the relationships between effects.

Regional youth unemployment monitoring, as it is currently practiced in many European regions, relies on sets of indicators, which can be organized into thematic areas. The central dimension of such a monitoring is composed of the areas education/training, transition, employment and unemployment. This central dimension is supplemented by a contextual dimension focussing on regional economic, labour market and population developments. These are themes already considered in a comprehensive regional labour market monitoring. Furthermore, much of the youth monitoring also includes an extended depiction of the action spheres of youth. This includes local youth welfare services and youth political groups, leisure, sports and cultural infrastructure, security and criminality, living situations and other

forms of social participation. Through this wide focus, it is possible to identify potentials of future apprentices or employees and to obtain an idea of the kinds and breadth of activities that can be utilized.

The indicators are presented below, organized into thematic areas, as they are used in many regions within Europe. They are also used in some cases at a national level when there is no regional monitoring approach implemented.

<b>1. Indicators of Central Dimension</b>
<p><b>Structural Indicators (Source: administrative data)</b></p> <p><i>school leavers</i></p> <ul style="list-style-type: none"> <li>• number of pupils in different tracks of the educative system, especially vocational</li> <li>• number and structure of school leavers flow (graduates and drop outs differentiated by types of schools and field of expertise)</li> </ul> <p><i>transitions</i></p> <ul style="list-style-type: none"> <li>• extend and types of transitions (unemployment – work – unemployment, underemployed – fulltime employed, ...)</li> </ul> <p><i>employed (work for salary, attached to a job but temporarily not working, work for own project or family gain<sup>3</sup>)</i></p> <ul style="list-style-type: none"> <li>• number of employed (training, apprenticeship)</li> <li>• number of employed under social security conditions</li> <li>• number of underemployed (below qualification, part time)</li> <li>• number of precarious employed (temporary contracts, low wage, limited regulations)</li> </ul> <p><i>unemployed (without work, seeking work, available for work<sup>4</sup>)</i></p> <ul style="list-style-type: none"> <li>• number of unemployed, aged 15-24</li> <li>• unemployment rate of aged 15-24</li> <li>• share of those aged 15-24 in unemployment</li> <li>• unemployment rate of graduates</li> <li>• rate of unsuccessful transition in labour</li> </ul> <p><i>measures implemented locally</i></p> <ul style="list-style-type: none"> <li>• number and type of measures</li> <li>• number and characteristics of beneficiary</li> </ul>
<p><b>In-depth Information (Source: survey, expert knowledge, statistics, administrative data)</b></p> <p><i>school to work transition</i></p> <ul style="list-style-type: none"> <li>• conditions of school to work transitions (types of contracts, ...)</li> <li>• problems of specific subgroups (women, migrants, drop outs, ...)</li> </ul> <p><i>skills requirements</i></p> <ul style="list-style-type: none"> <li>• gap between educative outcome and job requirements</li> <li>• extent to which employers' requirements met</li> <li>• assessment of employers' satisfaction with youths' skills, work related attitudes, preferences and habits</li> </ul> <p><i>measures</i></p> <ul style="list-style-type: none"> <li>• impact assessment (control groups), transitions between measures (adhesiveness)</li> </ul>

<sup>3</sup> Based on ILO definition

<sup>4</sup> Based on ILO definition

## 2. Indicators of Contextual Dimension

### 2a) General Structural Indicators (Source: administrative data)

#### *economy and labour market*

- size and number of local enterprises (differentiated by branches/industries)
- structure of professions and qualifications
- size of prospective replacement demand in local enterprises

#### *population*

- structure of population (age groups, sex, nationality, educational level, social class)
- structure of demographic development (age groups, sex, educational level)

#### *socio-economic situation*

- structure of population income (income of households)
- extend and structure of deprivation/poverty (income below average)

#### *measures*

- number and type of measures, number and characteristics of beneficiary

### 2a) In-depth Information on General Structural Indicators (Source: survey, expert knowledge, statistics, administrative data)

#### *prospective skills' demands*

- prospective development of local economy (branches, products, modes of production, ...)
- prospective skills requirements (type of skills, skills acquisition, ...)

#### *drivers for social differentiation*

- reasons and forms of (social) deprivation and poverty

#### *measures*

- impact assessment of measures(control groups), transitions between measures (adhesiveness)

### 2b) Extended Activity Sphere of Youth - Structural Indicators (Source: administrative data)

#### *infrastructure, housing, crime, security*

- number and size of youth relevant infrastructure opportunities (leisure, culture, sport)
- number and types of dwelling of families with youth (at-risk youth)
- number of youth committed a crime /percentage of youth committed a crime (age, sex, nationality) (at risk youth)
- numbers and types of crimes committed by youths

#### *measures*

- numbers of measures from youth welfare services, number of measures from youth politics

### 2b) In-depth Information on extended Activity Spheres for Youth (Source: survey, expert knowledge, statistics, administrative data)

#### *local problems*

- major problems with the usage of youth relevant infrastructure
- major problems with youth crime
- major challenges in terms of dwelling of families with youths

#### *measures*

- impact assessment of measures from youth welfare services (control groups)
- transitions between measures (adhesiveness)

#### *youths' capabilities/potentials*

- access to resources and knowledge on services and skills development
- extend of social relations and network participation (social participation)
- potential, abilities and motivation to act

Most of the structural indicators listed here are used in all European countries at the national

level. They can, especially when they are based on administrative data, be broken down to the regional or locality level. When data is used in this way, there is the possibility of comparing the local situation with other regions or at the national level, also in the sense of benchmarking. The mostly qualitatively oriented supplementary information, generated for the most part through surveys at the national level, cannot be simply broken down to the regional level in most cases. Many regional actors responsible for local monitoring consult with local experts from relevant youth organisations to take the national data and assess their meaning and importance for their locality. Precisely here with the qualitative, supplementary information, a connection to the localities, in the sense of a bottom-up approach, appears very promising. However, there are two significant challenges to be overcome. With a strong orientation on local conditions, the comparability of the information with other regions or localities is no longer present. What is missing here are standard basic conditions and obligatory definitions in the data generation. The networking of the regional labour market observatories can be major factors in making this happen (see more below). The second challenge is that a culture of sharing of local and regional information is in most European countries not well established and that information is simply not accessible or usable. Consciousness and reflection processes can be started to create the insight that all participants can profit from accessing such a broad data pool. The regional observatories can here as well initiate and guide such communication and reflection processes.

The indicator sets outlined above were specified on the basis of the experiences from various European regions, exchanged among members of the European Network of Regional Labour Market Monitoring. This represents a snapshot since youth monitoring is just now really getting underway. It must still be determined which of the indicator areas are actually practical and thus should be standardized across all regions in the long term.<sup>5</sup>

Decisive for improving the situation of youth at the local level is not the withholding of data and indicators, but rather the analysis of such data in discourses and decisions from a spectrum of actors who are directly or indirectly involved with youth.

### **3. The Importance of Local Integration and Utilization of Youth Monitoring**

The experience from the European Network of Regional Labour Market Monitoring shows that a systematic and sustainable improving in the employment situation for youths only occurs when the transparency over data and indicators is created and used to produce an estimate or interpretation of the regional or local situation. In this interpretation process, all relevant strategic actors from politics, public administration, the educational system and

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<sup>5</sup> Those interested can obtain further information on the Co-ordination Office of the European Network of Regional Labour Market Monitoring under <http://www.regionallabourmarketmonitoring.net>; alternatively [http://www.iwak-frankfurt.de/projansprech/AM\\_Monitor.htm](http://www.iwak-frankfurt.de/projansprech/AM_Monitor.htm)

organizations are connected with one another. Frequently, such specific networks already exist, where information from the youth monitor can be communicated. In part, the operators of the regional or local youth monitor are already members in these networks and have thus an easy access for communication. However, various experiences have shown that ensuring the independence of the monitoring can be a challenge in this constellation. If the youth monitoring is performed by outside parties, such as universities or consulting companies, the separation between data generation, interpretation and administration is easier, but can become more expensive and less flexible.

The situation analysis and interpretation, undertaken on the basis of the monitoring data, will ideally lead to commonly held strategies or action packages that follow in a similarly shared goal setting (goal efforts) within a defined time frame. Examples of this are to be found in various community youth acts in countries such as the Netherlands, Great Britain and Denmark (see presentations on the case studies from the Netherlands and Denmark from the Annual Meeting 2010 – <http://www.regionallabourmarketmonitoring.net/>). Such youth acts are often part of a more comprehensive regional or communal governance structure that spans several political areas, such as labour market, qualifications, social welfare, housing, security and the economy. Since the monitoring data is continuous and also measures programme effects, it is possible over time to assess such programmes and strategies. This forms a basis for possible adjustments or course changes, insofar as these deemed necessary. In addition to the strategic dimension, the local governance structure draws the so-called operative actors. These are organisations that advice and guide youth, for example through case management, by providing them with orientation, knowledge and participation in programmes. These actors from social and labour offices, as well as from charities, rely in many European regions on data from youth monitors. Using both of the case studies on employment in the Copenhagen-Zealand region in Denmark and Sweden, and for the Twente region in the Netherlands, it was shown at the Annual Meeting of the European Network of Regional Labour Market Monitoring that the success at reducing youth unemployment resulted directly from operative actors utilizing monitoring data when closely counselling at-risk youth. In the case of the Twente region, the number of school drop outs could be drastically sunk and in the Copenhagen-Zealand employment region, the degree and duration of youth unemployment could be thus reduced despite the economic crisis. Besides the availability of continuously updated monitoring data, the intensive (and preventative) counselling of youth has been proven to be a significant success factor for the comprehensive and sustainable integration of youth in the world of work. Additionally, both of these case studies showed that agreed upon behaviours of all relevant actors, commonly held strategies and the avoidance of breaks in the process of consulting youth represented major success factors.

As users of locally oriented monitoring data, actors at the national level are also becoming visible in some European countries. Those that develop assistance programmes for youth,

that plan and develop educational and qualification programmes use this data. This provides not only the means for a precise situation analysis – which may also be relevant for other regions – but also provides a means for establishing the connections and feedbacks between development and programmes. It also generates particularly important background information for the conceptualising of new programmes.

#### **4. Perspectives**

In over 300 European regions a regional labour market monitoring is currently being conducted by so-called regional labour market observatories. Only in a few is an explicit youth monitor been established as an extension of the general labour market observation. It is remarkable that almost all of the regions with youth monitoring have seen a significant reduction in school drop outs and youth unemployment. As examples, we can name regions in the Netherlands, but also in Austria or Germany, as well as in Denmark and the Czech Republic. This should be taken to mean that the reductions are caused by the youth monitoring. Rather the relevant factors appear to be the networking, the common communication of local actors and, above all, the common or cooperative development of strategies grounded in the data from the youth monitoring. This strongly promotes the generation of local synergies and goal-directed developments, which then in turn lead to reductions in school drop outs and youth unemployment rates.

In view of the high, and still increasing, youth unemployment rates in many South and Central European countries, it can be expected that the creation and usage of youth monitoring will bring positive results. It is here important that data/indicators, local communication, strategy development and evaluation should not be developed in each region on their own. Rather, high synergy values can be achieved when already existing fundamental concepts are implemented at the local level. When the same concepts in several regions are implemented, a ground is established for trans-regional comparisons and the foundation for a common European labour market is strengthened. Such general concepts can be in the meantime derived from best practice examples, albeit they still need some further refinements. Therefore, it is planned for the newly founded Initiative for Networking the Regional Labour Market Observatories in Europe to take the lead and over the course of the coming year to specify a corresponding conceptual framework for regional youth monitoring. This could be presented at the next meeting of the Initiative and, from there, be distributed to all the regions. For this purpose, the Initiative has a data base with information on all European regional observatories. This database can be used to research best practice examples. A further aspect that the Initiative will work on is specifying the role that observatories can take on in the sensitising and establishment of youth monitoring in their regions. The operators of regional (youth) labour market monitoring are, first of all, well integrated in regional networks and can use this position to trigger reflection processes for

the necessity of local youth monitoring and to help develop this. The operators also have, as members of the European Initiative for the Networking of Regional Labour Market Observatories, access to concepts and many good practice examples which can support them in their local sensitising processes. One group including Berhard Hillau and Yvette Grelet from Cereq, as well as Christa Larsen from the Network Coordination office at the Goethe University in Frankfurt am Main together with the Scientific Committee<sup>6</sup>, will assist the Initiative in developing concepts and to prepare for a conference on October 6, 2011 at the University of Luxembourg. Further information is available from the Initiative's Secretary (E-Mail: [Secretary\\_Observatories@em.uni-frankfurt.de](mailto:Secretary_Observatories@em.uni-frankfurt.de)).

An additional perspective stems from increasing the mobility of youth, as described above. This mobility is promoted especially by the European Commission, such as through the "Youth on the Move" initiative. This effort is intended to improve employment options for youth from structurally weak regions and from difficult urban settings. Especially in youth monitoring, but also in the wider oriented regional labour market monitoring, there are currently very few indicators for measuring this mobility, and many of those existing differ across regions. Cross border mobility is scarcely measured. In order to capture these increasingly important aspects in regional labour market monitoring, the European Network of Regional Labour Market Monitoring will address itself to the measurement of mobility in 2010-2011. The results of this examination and a description of the state of the art across Europe, plus an outline of the development perspectives derived from this examination, will be the subject of an Anthology from the Network to be published in October 2011. In addition, the Network's Annual Meeting, to be held October 7, 2011 in Luxembourg, will address this topic. In special focus will be the cross border mobility and its measurement. Further information to the Anthology and to the Annual Meeting can be obtained from the Network Coordinator, Ruth Hasberg ([Hasberg@em.uni-frankfurt.de](mailto:Hasberg@em.uni-frankfurt.de)).

For further explorations of the theme of youth the reduction of youth unemployment, we would refer you to the programme and the presentations of the 2010 Annual Meetings. These are available under the following address: <http://www.iwak-frankfurt.de/www.regionallabourmarketmonitoring.net/pdf/EN%20RLMM%20AM%202010%20Presentations.pdf>

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<sup>6</sup> The Scientific Committee is a body of the **Initiative for Networking European Labour Market Observatories**. Its objectives are to build a scientific sound basis for the networking, for the relevant tools and concepts and to represent the Initiative in European and International organizations. Elected Head of the Scientific Committee is Prof. Ronald McQuaid (Napier University, Edinburgh). Members of the Committee are Prof. Patrizio di Nicola (La Sapienza Universita di Roma), Dr. Yvette Grelet and Bernard Hillau (CEREQ, France), Prof Marco Ricceri (EURISPES, Roma), Prof. Aleksander Surdej (Cracow University of Economics), Prof. Per Kongshoej Madsen (CARMA, University of Aalborg, Denmark), Egbert Holthuis (European Commission - DG Employment, Social Affairs and Equal Opportunities), Georges Dassis (European Economic and Social Committee), Xavier Verboven (Labor Market Observatory of the European Economic and Social Committee) as well as Prof. Alfons Schmid and Dr. Christa Larsen (IWAK, University of Frankfurt).

## **Announcements**

### **1. European Network of Regional Labour Market Monitoring**

*Working Theme 2010-2011:*                    ***Measuring Mobility, especially Cross-Border Mobility***

*Annual Meeting:*                                ***7<sup>th</sup> of October 2011 at Luxembourg University in Luxembourg***

*Topic of Anthology:*                         ***Measuring Mobility in Regional Labour Market Monitoring, will be published in October 2011***

### **2. Initiative for the Networking of Regional Labour Market Observatories**

*Working Theme 2010-2011:*                    ***Initiating and Implementing Regional Youth Monitors***

*Second European Day (Conference):*        ***6<sup>th</sup> of October 2011 at Luxembourg University in Luxembourg***