

## NOTE

### Thematic fiche of introducing the Youth Guarantee

REFERENCE: Annual peer review on reforming VET

#### 1. POLICY CONTEXT AND CHALLENGE

As a result of the crisis, youth unemployment is worryingly high: 5.5 million jobless 15-24 year-olds in the EU-28 in August 2013 <sup>(1)</sup>, which is around the size of the population of Finland. In the phase of transitions between different types of education and training and into the labour market, young people are particularly vulnerable. Overall, around 7.5 million in this age group are neither in employment, education or training (NEETs). Many leave education and training with no or only low qualifications: 13% of 18-24 year-olds <sup>(2)</sup> in 2012. Early unemployment does not only have long-term scarring effects on young people's future employment prospects; it also affects social cohesion and skills supply.

While even the most labour-market relevant education and training cannot create sufficient jobs, apprenticeships and other forms of work-based learning can provide high-quality training and help match learning outcomes to the skills required (Cedefop, 2012a). The 2013 Davos World Economic Forum meeting also underlined the value of these schemes to promote transition to the labour market and activation of young people out of work.

Together with other education and training opportunities, apprenticeships are among the main pillars of the *Youth Guarantee* that Member States are recommended to establish.

Every young person under the age of 25 should receive a good quality job offer, a traineeship, an apprenticeship or another opportunity to continue his/her education and training within four months of leaving formal education and training or becoming jobless.

It reinforces elements included in other recent EU policy documents, from the *Bruges Communiqué* to the *Youth employment package* and the Commission staff working document *Vocational education and training for better skills, growth and jobs*. Thus, it will also contribute to achieving Europe's 2020 early school-leaving, employment and poverty targets. However, the challenge is to put the commitment into practice.

<sup>(1)</sup> This is 23% of 15-24 year-olds active in the labour market (either working or not working but looking for a job). Taking the total population in this age group (including those not working and not looking for a job, e.g. some students), the percentage goes down to 9.7%. See also European Commission, Eurostat, 2013b.

<sup>(2)</sup> i.e. they have attained at most ISCED 2 or ISCED 3C short and have not been in education or training in the four weeks preceding the survey.

Several countries have received specific recommendations to reinforce or expand apprenticeships and/or to establish Youth guarantees. Engaging enterprises, especially small and medium-sized ones (SMEs), to contribute to this effort is a particular challenge. In its Communication *Working together for Europe's young people*, the European Commission calls on Member States to reform apprenticeship within their work on a Youth Guarantee making use of EU funds.

EUR 6 billion have been earmarked for the period 2014-2020 (European Council, 2013 and European Commission, 2013a) to support the Youth Guarantee and to fund the measures set out in the Youth employment package. Member States with regions experiencing youth unemployment rates above 25% should submit a Youth Guarantee Implementation Plan by December 2013 and in 2014 for the other Member States.

## 2. CONCEPT AND TARGET GROUPS

In recent years countries have stepped up their measures to prevent early leaving from education and training and support NEETs. Unlike other active labour market measures, youth guarantees provide certain actions for all young people who fulfil pre-established criteria within a given period of time. The Council Recommendation provides a set of guidelines which comprise six activity areas: i) partnership-based approaches, ii) early intervention and activation, iii) measures to enable labour market integration, iv) use of Union funds, v) assessment and improvement of the scheme and vi) swift implementation.

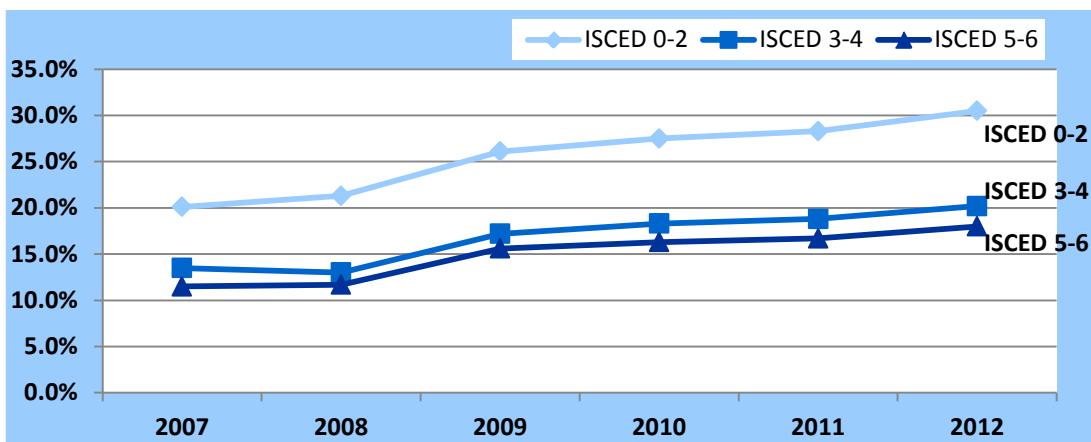
Youth guarantees should be adjusted to the situation in each Member State as target groups can be very different and heterogeneous. They include young people who:

- have completed education and training programmes at lower, upper or post/secondary/tertiary level;
- have discontinued education and training programmes without acquiring a qualification;
- have already been in employment and lost their jobs.

Educational attainment and duration of compulsory education (typically until the age of 15-16 or 18-19) as well as labour market relevance, role and value of qualifications matter. While low-skilled young people have been the main concern in youth guarantee models so far, the crisis has also led to an increase in unemployment among upper secondary and higher education graduates (see figure 1).

Heterogeneous target groups require varied and flexible responses to meet the different groups' needs, from second chance education programmes and apprenticeships to post-secondary or higher education programmes. This also entails appropriate funds and infrastructure. Defining the target group(s) well to ensure timely intervention for those most in need of support is therefore important (ILO, 2013).

**Figure 1: Unemployment rates for people aged 15-24 by level of education attained, EU-28, 2007-2012 (%)**



Source: Eurostat, LFS

### 3. PARTNERSHIP-BASED APPROACHES

According to the Recommendation, registration with an employment service or another point for NEETs, is the starting point. Employment services will act as brokers and need to collaborate with a range of organisations to put the guarantee into practice. In many countries VET and employment services are involved in making transition from general education to VET easier and helping early leavers acquire a formal qualification (Cedefop, 2012b).

Apprenticeships and other forms of work-based learning, which are frequently used to support youth at risk, require close cooperation with social partners and employers. This also entails including them in design and implementation of the guarantee. Commitment of all actors and coordination are key, in particular at local level.

The trend towards broad collaboration between education and training, social partners, employment services and civic organisations, which became evident in some countries in 2009, points in the right direction. The *European Alliance for Apprenticeships* launched in July 2013 can build on this through peer learning between countries and different education and labour market actors.

Better cooperation could also offer more support in administrative and financial issues to enterprises. This could be an incentive for more enterprises, in particular SMEs, and companies in non-traditional sectors to provide training places.

### 4. TYPES AND RELEVANCE OF MEASURES

#### **Skills audit and validation**

As stated above, to be successful, a Youth Guarantee should be designed to meet the needs of the different target groups. Skills audits <sup>(3)</sup> could help design

<sup>(3)</sup> Individuals who are unemployed or at risk of unemployment have the opportunity, in accordance with national legislation and specificities, to undergo a 'skills audit' aimed at identifying their knowledge, skills and competences within a reasonable period of time, ideally within six months of an identified need (Council of the European Union, 2012).

and identify suitable training programmes. Validating skills and work-experience can shorten the duration of a programme. It could also make training more relevant, as learners will start at a level that is appropriate for them. Validation makes people's skills visible. Hence, its outcome could help match learners and companies and adjust the training accordingly. Validation can also lead directly to a qualification.

Early leavers/NEETs may be reluctant to return to schools. Apprenticeships offer them a different learning environment. They give them the opportunity to take on responsibilities and improve their self-esteem while acquiring a skill mix that improves their job prospects.

### ***Getting enterprises on board***

To encourage enterprises to provide training places for unemployed youth and NEETs financial incentives are among the most frequently used policies. They comprise subsidies to cover apprentices' wages, (partly) employers' social security contributions and tax incentives or a combination of these. The *Framework of actions for youth employment* suggests that Member States in cooperation with social partners could consider establishing national and/or sectoral training funds, which already exist in some countries. Additional funding that becomes available could be used to devise support structures and training for apprenticeship trainers and VET teachers working with young people who need more individualised assistance.

### ***Qualifications that are valued***

To be of value for learners, qualifications acquired in youth guarantee schemes should be a 'currency' which employers and education and training institutions value. As evidence shows, employers' trust in qualifications is bigger when they are involved in the programme provision (Cedefop, forthcoming). To allow progression to further learning requires that apprenticeships and similar work-based learning schemes lead to qualifications included in the national qualifications framework, whether they are part of active labour market measures or formal education and training.

### ***Dual principle at higher levels***

Evidence from the Netherlands and Denmark suggests that programmes with a substantial share of work-based learning leading to EQF level 5 qualifications could be an option for different groups of jobless youth: those with completed upper secondary education, others who left earlier but have acquired some work-experience and those who have already attended higher education. They offer specialisation opportunities and ease horizontal learning pathways in response to new labour market demands (Cedefop, forthcoming).

### ***Early intervention – Supporting transition into VET and reducing drop-outs***

Points of transition in education and training bear the risk that learners abandon education. One of these points is at the end of compulsory education and/or when learners can move from general education into VET. To make this transition easier, countries introduce bridge programmes that embrace career management skills as one of their key features. These programmes often give young people the chance to acquire or update key competences. Together with basic skills training, work-placements, coaching and mentoring, they form

'packages' that countries use to reduce early leaving. To reduce early leaving, many countries also pay specific attention to learners with migrant background. Alternative routes within mainstream VET increasingly provide options for early leavers and those at risk of doing so. In some cases the options that were originally designed as 'safety' measures are now included in the VET legislation.

Almost all countries have taken steps to modularise VET to enable learners to acquire a qualification in more flexible ways. Work-based learning or apprenticeships are either introduced or amended to attract young people who may otherwise discontinue their education. For those who cannot find places in enterprises, some countries have established alternative training centres which, in most cases, aim at leading learners back into mainstream apprenticeships (Cedefop, 2012b).

#### ***Guidance and orientation***

To help young people choose suitable education and training and career paths, countries have started to integrate career management skills in compulsory education curricula and/or in guidance activities. Career orientation activities and guidance have been reinforced. These services are usually offered within education and training, by the employment sector and the social partners. The trend to e-guidance, self-help tools and the use of social media, mirrors this fragmented situation. Holistic approaches to guidance policies and services from early stages throughout their education and career could assist youth and adults in mastering transitions better.

### **5. CONCLUSIONS**

- Education and training is an important element of youth guarantees (ILO, 2013). VET and apprenticeships embedded in the formal education and training system can give them qualifications accepted on the labour market and for further learning. The youth guarantee requires more coherent and inclusive education and labour market policies.
- Setting up youth guarantees requires strong administrative capacity (ILO, 2013). Close cooperation and involvement of social partners and employers is also one of the success factors for apprenticeships. Governance structures with clearly defined roles and responsibilities of the different actors can create ownership and commitment.
- Funding needs to be flexible to respond to larger and more heterogeneous target groups (ILO, 2013). European funds could support work-based learning/apprenticeship schemes financially in the short-term, while the *European alliance for apprenticeship* could help build capacity to develop them into sustainable solutions.
- High quality guidance and counselling can help ease the transition into different types of VET, prevent early leaving and attract young people back into education and training. A reinforced feedback-loop about labour market outcomes and requirements to counsellors may help them provide better advice. To make guidance more effective, better information on its expected outcomes, quality standards and more evidence on its impact are required.
- Evidence suggests that youth guarantee schemes have helped to reduce youth unemployment. However, there is little information about their long term

impact. Countries with longer experience have adjusted their initiatives over time. This suggests that monitoring and evaluation are required to ensure cost-effectiveness. However, even the best VET/apprenticeship programmes cannot create jobs or stable work contracts or solve structural problems.

## 6. QUESTIONS FOR DISCUSSION

- Who is the main target group for the youth guarantee in your country and why? How to reach out to NEETs not registered as unemployed?
- How to implement youth guarantees in times of tight budgets and austerity measures?
- How can employers be encouraged to offer a sufficient number of places to help put the youth guarantee in place rapidly?
- How can the quality of youth guarantee measures be assured and how to ensure that they are sustainable?
- How to avoid that the Youth guarantee reinforces the stigma that VET, in particular apprenticeships, is only for low performers and disadvantaged learners? How to address the dual challenge of excellence and inclusiveness?
- How to ensure that education and training, employment, social welfare and economic policies are complementary and consistent? How to avoid that youth guarantees just postpone the unemployment challenge?

## 7. SOME COUNTRY EXAMPLES

### Box 1 *Youth guarantee and other measures for more inclusive apprenticeships – Austria*

Austria has a long tradition of different types and levels of school-based VET and apprenticeship (min. age 15). Apprenticeship directly involves the social partners in design and delivery.

Training until the age of 18 is guaranteed (since 2008) for youth who do not continue at school or do not find a place in an enterprise to take up apprenticeship. This is an initiative by the Ministries for Economy and Education, social partners and the public employment service. A special apprenticeship scheme offered by the employment service applies. It is integrated in legislation for apprenticeship. Its work-based learning component is carried out in specific training centres, where possible learners can move to regular apprenticeship at any time. Implementation varies by region and providers. Learning support, coaching and other accompanying services are part of all schemes.

An evaluation in 2011 suggested that the scheme has been successful as complementary form to regular apprenticeship (7-8% of apprentices) and has contributed to reducing youth unemployment. However, those who drop out stand very little chance to find another placement. Learners with personal or social problems may find this form of training a rather high-threshold option.

A range of other measures assist young people in acquiring a qualification. Companies can get subsidies to train and improve quality of training. They can also get coaching for apprentices. Inclusive apprenticeship allows longer duration (max. two years) or acquiring partial qualification (one to three years) and provides support to learners. Apprenticeship legislation has opened up to validation of non-formal/informal learning as an alternative path to the final exam and a modular exam design to acquire the qualification.

Legislation requires documentation of: employer subsidies including those for 'at-risk' groups, evaluation of the new coaching and advice service for apprentices and employers as well as data on termination of contracts before completion

A recent initiative is the report on the situation of youth employment and apprenticeship training to be published every 2 years. It is drawn up by two VET research institutions affiliated to the social partners to document the impact of changes in legislation during the reporting period on apprenticeship. The report draws on statistical evidence and research as regards apprenticeship places and participation in IVET; qualitative issues; career prospects of young people; skilled labour needs; number of apprenticeships terminated before completion. The report underlined the high importance of apprenticeship for economy and labour market policies and identified a set of measures for immediate action to better integrate young people with migrant background into VET; more support for education and career guidance.

### Box 2 *Youth guarantee – Finland*

The youth guarantee programme is a key initiative. Its target group is 15-29 year-olds who have at most basic education and no job or study place. Each young person under 25 and recently graduated people under 30 will be offered a job, a traineeship, a study place, or a period in a workshop within three months of becoming unemployed. Every person completing basic education will be guaranteed a place in general upper

secondary or vocational education, apprenticeship training, a youth workshop or a place in some other form of study.

Young adults under the age of 30 who hold no qualification or degree are given the opportunity to complete a vocational qualification or a study module. They can complete a vocational or specialist vocational qualification or upper secondary vocational education. This training can take place at an educational institution or in the form of apprenticeship training. It is up to the learner to find a placement in an enterprise, but he/she can also get assistance from the employment service. Outreach youth work assists young people to find a relevant study place or apprenticeship training place.

Traditionally not many people have participated in apprenticeship training. Finding places is not easy, as training young people requires more trainer resources than training an adult with prior work experience. As a part of youth guarantee the number of apprentices among young people is to be increased, but only by a small number (ca. 1.700 new places). There is an allowance for enterprises training apprentices and additional compensation if an apprentice was previously unemployed. To encourage employers to offer more apprenticeships, the compensation of training costs was raised at the beginning of 2013.

As part of the youth guarantee programme, graduates from compulsory education are given priority when they apply for upper secondary education and training in the same year to prevent a stage of trial and error. The system, however, makes it possible to change fields of study and career plans. Alternative routes have been made possible through competence based qualifications introduced in the 1990s.

The education and training system supports continuing in education and training, as it is flexible and permeable with no dead-ends. The modular structure of VET aids re-entry into studies and individualised paths are possible. Support and counselling is embedded in the system.

### **Box 3 *Joining forces to support transition – Germany***

Although the number of young people without a training place is decreasing, many still struggle to find an apprenticeship contract. A 'national pact', initiated by the Education ministry together with the federal employment agency and social partners in 2004, aims to prevent unnecessary waiting and helps learners manage the transition from general education to VET. The renewed pact of 2010, which also includes the regions (Länder), aims to create synergies between different measures and outlines the tasks of the various parties in improving coordination. It helps ensure that learners are fit for VET and that every young person willing and able to learn can find a training place or an opportunity to acquire a qualification. Key features include assessing learner competences and introductory programmes supported by mentoring. Some of the programmes also provide an introductory qualification that can be accredited towards regular apprenticeship.

### **Box 4 *Guidance and counselling***

Czech Republic:

All (VET) schools have specifically trained teachers who act as education/career counsellors, mainly for socially disadvantaged learners or those with special needs. Since 2009, school counselling units have been created to address the risks that might affect learners' education and training and personal careers. These units, which pool expertise

to assist learners, are expanding (with ESF support). ESF support is used to make guidance more effective. A new web portal helps educational path and career choice.

Finland:

Guidance is offered to prevent drop-out, promoting employment and supporting participation in further studies. Every learner has the right to receive personal and other types of counselling. Each vocational qualification includes a minimum of 1.5 credits of counselling to support learners in different phases of their studies. Special attention is given to learners who have learning difficulties (e.g. dyslexia), are frequently absent or have life management difficulties. The focus is on developing anticipatory and individualised procedures and pedagogical solutions as well as work-centred learning environments and opportunities to support completion of studies.

#### **Box 5 *Reducing early leaving from VET***

Spain:

VET programmes enable students to acquire underdeveloped key competences and lead to the secondary compulsory education certificate. A regulation establishes bridges between formal and non/informal learning. There is permeability from ISCED 3 to 5/6. IVET programmes are modularised and partial recognition is possible. Some VET providers have prize draws for students who finish a training programme, which acts as an incentive to stay in VET

France:

Noting the scattered measures taken against early leaving France's new education legislation of July 2013 introduces the obligation for the state to allow every young person to study until they have achieved an ISCED 3 qualification. Those who leave education and training without a qualification will have the right to get differentiated training.

Lithuania:

The procedure for formal VET legitimises the individual training plan and practical workplace based training. Previous learning or experience can lead to a VET qualification. Formal labour market training programmes are based on formal VET and other guidelines, following VET standards. The youth unemployment group developed an action plan to improve labour market training. Amendments to legislation on support for employment make young people under 29 eligible for support through subsidies to employers and a project to implement this. There are subsidies/grants to employers to provide jobs and training for the unemployed and tax incentives for employers.

Norway:

New opportunities' is a national initiative aiming to increase successful completion of upper secondary education and training from 70 to 75% and reduce the high drop-out in VET. There are several strands: intensified follow-up of the learners with the poorest results; development of basic skills; teacher networks for teaching innovation; summer courses or jobs for pupils at risk of dropping out; and improved collaboration to help young people who are neither in school, nor employed, return to school or apprenticeship. The initiative is showing clear results: lower drop-out rate, fewer learners in risk categories, and more successful VET learners in most counties.

Sweden:

The earlier individual programme was replaced by five introductory programmes in 2011. These are a good foundation for further education and give learners who are not eligible for a national programme adapted education that leads to establishment on the labour market. They remedy missing subjects or insufficient grades, are sometimes tailor-made for individual learners, or in the case of immigrant youth focus on learning Swedish to progress to upper secondary or other forms of education. Introduction programmes are full-time and follow a plan that is determined by the organiser. Individual plans support learning and the programmes lead to an upper secondary school certificate.

***Some food for thought:***

France:

When presenting new legislation on guidance and counselling, the Education Minister referred the multiple schemes that have been introduced since 1975 to support learners, but without much impact on the hard core of school failure. The schemes that were initially presented as temporary or exceptional, have usually evolved into separate learning paths, which often meant that learners were excluded within the education and training system itself and eventually dropped out.

Iceland:

The official policy of the government and the social partners has been to reduce the percentage of people on the labour market without upper secondary education and training to 10% by 2020. The intention was to offer a wide variety of educational opportunities that everyone would be able to find a programme of interest to them. However, at the end of 2012 the representative of the employer confederation admitted that little progress had been made and the goal seems out of reach.

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