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Learning Unit 3.3 Job Search Assistance

Didactic Unit 3.3.2

Measures and tools to develop the Employability of a refugee/asylum seeker

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"Guidelines for the work inclusion of the refugees and the asylum seekers"
Re.Inclusion



Trends, Growth strategies and Macroeconomic policy environment





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1. Trends in population

In last 2 years European Union registered a large flow of international protection seekers. We count more than 1.8 millions of asylum applications in 2015 year and in the first 6 months of 2016 year. The report "Employment and Social Development in Europe 2016"¹, that European Commission published at December 2016, dedicated a chapter to the work inclusion of refugees where it highlighted that they are one of the most vulnerable groups in the Labour Market and suggested some useful considerations in order to guide European countries' policies and integration programmes. We can find the same information in the Report "Labour market performance of refugees in the EU"².

1.1 Refugees' work inclusion: the situation

The Report underlines that in European Union the **employment rate of refugees today is lower than the other migrants** and then the national people one, so they are subject to **poverty and social exclusion**. Only migrants for familiar problems have rate of exclusion similar to refugees, so it means that national policies should be addressed to refugees, but also to their relatives.

Women refugees have to face more difficulties in the process of Labour market integration, so they need **specific policies**. Half of them have a low educational level, and their employment rate is lower than other groups. Furthermore, women with an high educational level have an higher unemployment rate than other women that come from third countries and the men refugees.

Refugees' integration improves thanks to their permanence in the hosting country, but it could need 15-19 years in order to reach the equality among refugees and local people within the Labour Market. Citizenship recognition represents an important step in the integration process because naturalized migrants usually have better employments and better social stability.

Finally, if refugees remain **unemployed for a long period of time**, their possibilities to enter in the Labour Market decrease.

¹ <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7952&type=2&furtherPubs=yes>

² <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7992&furtherPubs=yes>



1.2 To reduce the period of time to have access to the Labour Market

Asylum seekers have the same rights of local people when their application have been accepted, but sometimes it needs a long period in order to obtain the final decision concerning the asylum application. The duration of asylum recognition procedures has a negative impact on the future employment rate of refugees.

European Directive 2013/33/UE³, referring laws about the reception of international protection seekers, establishes that the asylum seekers can have access to the Labour Market within 9 months since the starting of status recognition procedure. But, the real period changes according to the hosting country, as the following table shows.

Table 1: Number of months after which labour market access is granted to asylum applicants whose application is pending

Period	Country
Direct	EL, PT and SE
2 months	IT
3 months	AT, BG, DE, RO and FI*
4 months	BE
6 months	CY, CZ, DK, EE, ES, LU, NL, PL and FI*
9 months	FR, HR, HU, LV, MT, SI and SK
12 months	UK
No access	IE and LT**

Source: Employment and Social Development in Europe 2016, p. 128.

So, **the reduction of the needed time for refugees to enter in the Labour Market** should be one of the most important **priorities** for reception and integration policies.

1.3 Educational level and knowledge of language

As other migrants, most part of refugees works full time and obtains a stable employment if they stay in the hosting country for a long period of time. At the same time, a lot of refugees are available to accept jobs lower qualified than their competences and qualifications. The **difficulties to reach the recognition of title qualifications** obtained in the origin country is one of the most important obstacles. The big differences among educational and training systems and the loss of needed

³ <http://eur-lex.europa.eu/legal-content/IT/TXT/?uri=CELEX%3A32013L0033>

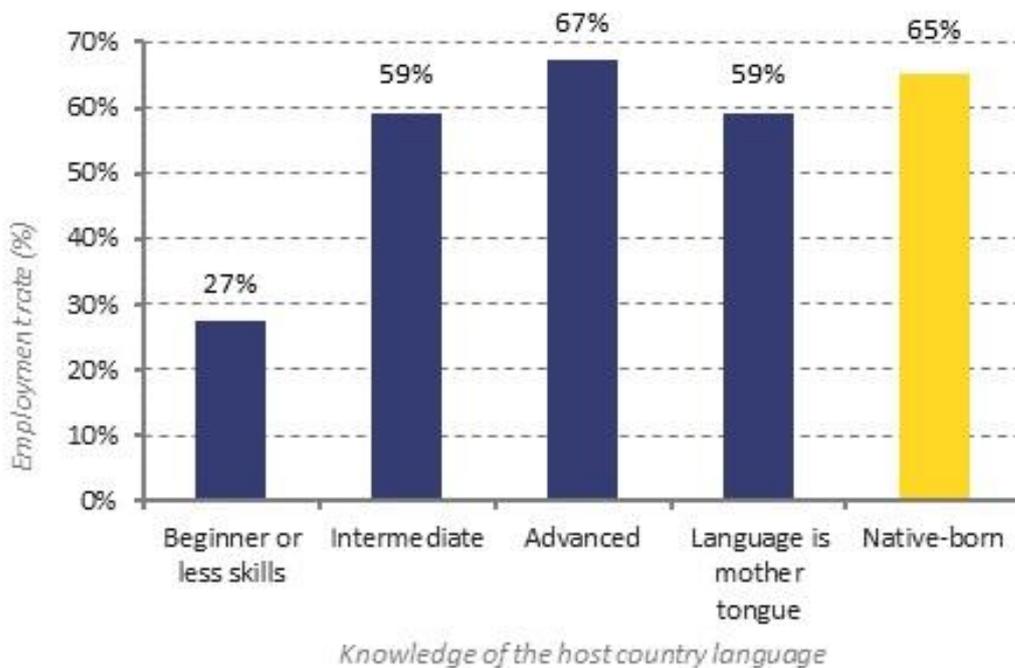


documents for the evaluation make very complex the valorisation of their skills. Anymore, the half part of refugees has a low educational level, and this is a real obstacle to the integration in the Labour Market. An higher education guarantees higher employment rate and an easier transition from the unemployment status to the employment one. It also improves the increase of productivity and ensures higher wages and higher economic growth.

The formal education is not enough for a good integration in the Labour Market. **Linguistic skills and the knowing of hosting country** also are very important. **To know the language of hosting country is a fundamental step in the work inclusion process**, as the following diagram shows:

Diagram 1. Employment rate of refugees, depending on knowledge of the host country language, EU total

(Note: Data cover 25 countries of the European Union except for "Language is mother tongue" where data from Germany was excluded due to lack of reliable data.)



Source: Employment and Social Development in Europe 2016, p. 121.

Refugees with low linguistic skills improve their possibilities to be included in the Labour Market if they improve the knowledge of hosting country language. It means that to reinforce the refugees' linguistic skills is one of the most efficient tools to allow the full capitalization of their formal and not formal competences acquired in their country of origin.

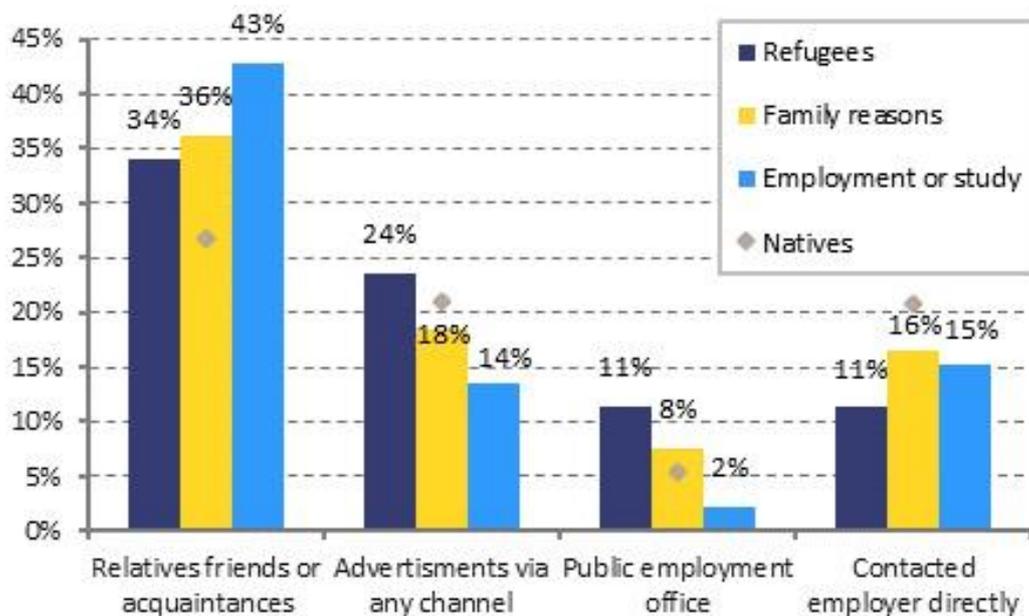


The language courses offered in many European country are not adequate do the practical use of the language and to find job. Furthermore, linguistic learning results of refugees are often lower that the other migrants. It could be caused by a **lower educational level**, by **higher school abandonment rates** (for socio-economic problems) or by their **personal situation** (like post-traumatic stress syndrome).

1.4 Role of relatives

More than 1/3 of refugees found a job in last 5 years thanks to their relatives of acquaintances. It shows that the social integration in local nets is very important. **Mentoring, private sponsors, contacts with local communities** represent efficient tool that could be activated in order to facilitate she work inclusion of refugees.

Diagram 2. Methods used most to successfully find a job, by reason for migration, EU total, 2014



Source: Employment and Social Development in Europe 2016, p. 129.

1.5 Integration: social support and awareness

Social support is another very important tool to facilitate integration in hosting countries. **House access, healthcare, school inclusion of children** are foreseen activities in all hosting countries reception programs. But in many country, the **house access** is very difficult, the **mental health screening** is not a systematic activity (and so



a lot of people with post-traumatic stress syndrome don't receive the adequate support), the **measures to facilitate the access to Education and Labour Market** are not always available. Furthermore, in many countries integration support activities end when the refugee find a job, even if he still needs social coaching.

In last years, European Commission and member countries adopted different measures in order to manage the reception systems and to exploit social and work inclusion programs. But the efficacy of these measures will be limited without **public awareness policies about the positive impact of migration and fight against racism**, very common in European society. The fear and the misinformation represent big threats for reception policies and obstruct the successful integration of refugees.

Ethnic origin, religion, social affinity are obstacles in the job searching process. Even if in European Union the general opinion about immigration and its impact is more positive than the past, European citizens consider it **one of the most important troubles** (Heath e Richards 2016). So, national governments have to work a lot on the public awareness about the positive aspects of migration.

A **successful reception and integration** will allow European Union to obtain benefits from the **high human potential of refugees** and from their strong motivation to become active members of European society. The creation of **efficient reception systems** will ensure support both to refugees and to all vulnerable groups, because it will guarantee a real fight against poverty and it will implement the social cohesion.



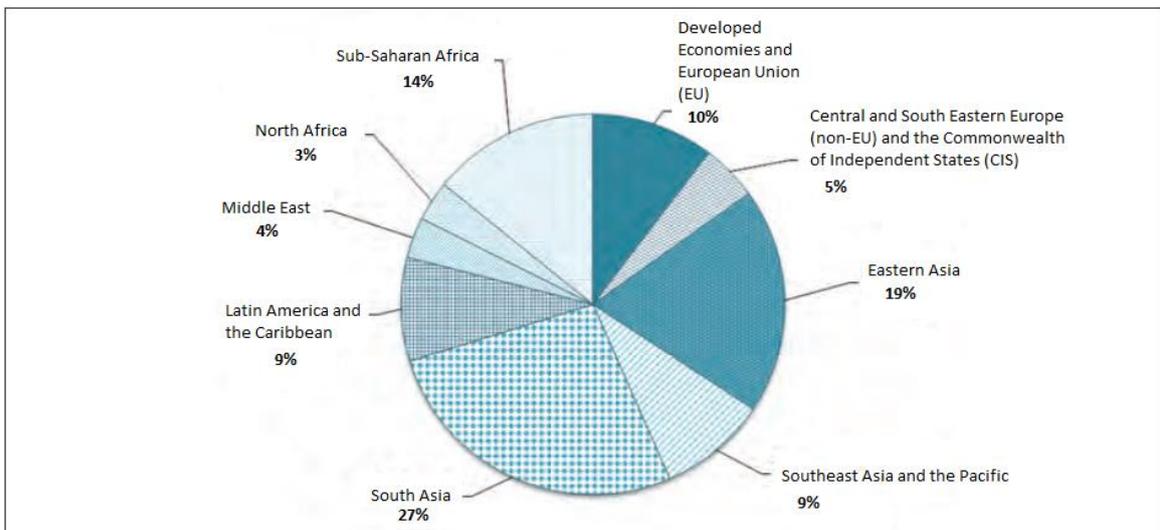
2. Growth strategies and Macroeconomic policy environment

A lot of people that move from their country to another one as refugees or asylum seekers are very young.

2.1 Diversity in the demographic challenge

Today, almost one in five people are between the ages of 15 and 24. In all, there are more than 1.2 billion young people in the world. Most young people - about 90 per cent - live in developing countries, 60 per cent in Asia and 17 per cent in Africa (see figure 1.1). The current youth population in developing countries is the largest in the world ever seen - about 1 billion. It will hit a peak of 1.1 billion in 2060 and then decline gradually¹⁴.

Figure 1.1. Regional distribution of the young population, 2012



Source: United Nations: World Population Outlook, database, 2010 (Revision)

In all regions (but not in all countries) the growth of the youth cohort is slowing down and the percentage of young people in the general population is declining. This is a clear

¹⁴ One source for all data in the database is the United Nations "World Population Prospects, 2010 Revision" database. All data are mid-variant projections. <http://esa.un.org/unpd/wpp/index.htm>



signal that globally, the world is approaching the final phase of demographic transition, generally described as the "aging population" phase (see box 1).

Box 1

The three stages of demographic transition

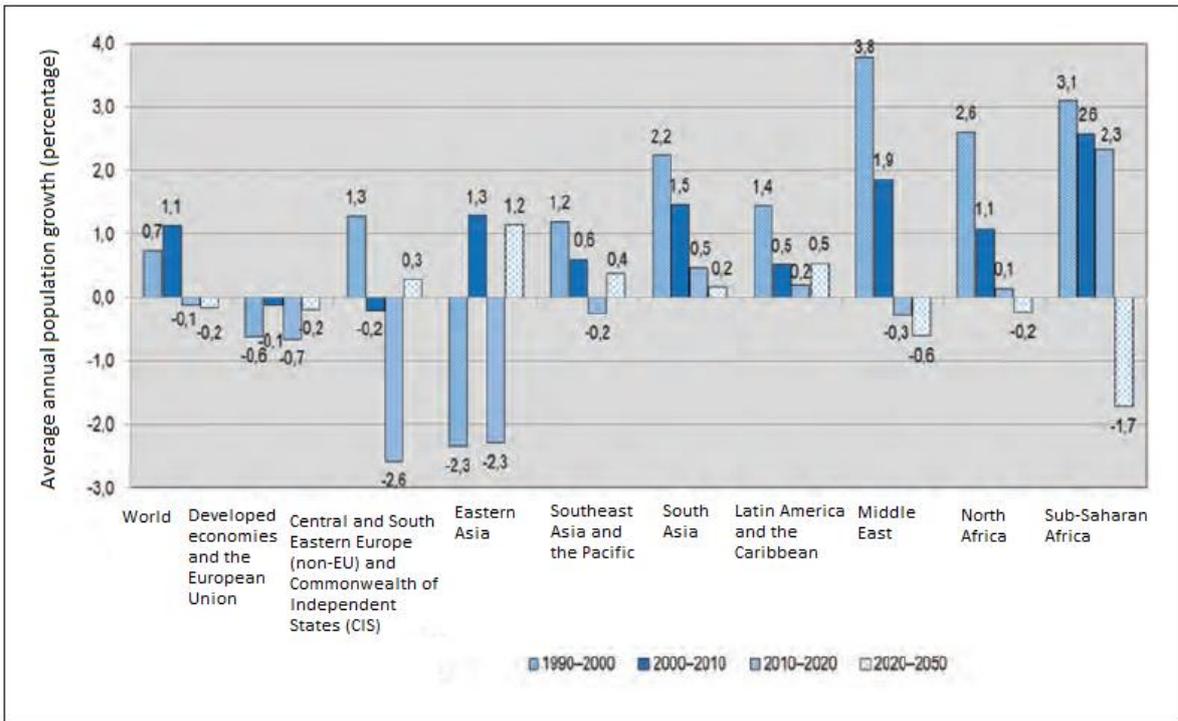
The demographic transition involves three steps. Throughout the first, the decline in infant mortality rates leads to an increase in the proportion of young people in the population. Second, declining fertility leads to a decrease in the proportion of young people and an increase in the proportion of adults of working age. Finally, the decline in mortality and fertility leads to an increase in the proportion of older people - a phenomenon called "aging population". The explosion in the number of young people in the working-age population during the second phase of the transition is temporary, typically lasting about 50 years. However, this period is long enough to have significant implications for the countries concerned. Characterized as "the demographic dividend" this phase can provide a window of opportunity for

However, as Figure 1.2 shows, this transition occurs at different speeds in different regions and countries. A decline in the youth population is projected for the developed economies and the European Union (EU), Central and South Eastern Europe (non-EU) and the Commonwealth of Independent States (CIS), East Asia, Southeast Asia and the Pacific, and the Middle East. At the other extreme, the rapid growth of the young population is projected for sub-Saharan Africa, moderate growth is expected to occur in South Asia, Latin America and the Caribbean and North Africa. The youth population in sub-Saharan Africa will continue to grow into and beyond 2050; Between 2010 and 2050 an increase of 182 million is expected. Young people in South Asia are estimated to increase by 15 million between 2010 and 2020. In Latin America and the Caribbean,



the youth population will continue to grow by 2020 and in North Africa by 2035, and then begin to decline.

Figure 1.2. Average annual growth of the young population, worldwide and by region, 1990-2050



Source: United Nations: World Population Outlook, database, 2010 (Revision)

2.2 Turning the demographic challenge into the "dividend" of youth

The young population is considered a huge asset for innovation and creativity in economies and societies. However, for countries to fully realize this potential and to capitalize on the "youth dividend", it is necessary for young people to have productive work and to be integrated into society.

Most developing countries are in the second phase of the demographic transition and are experiencing a demographic explosion of young people, who represent more than 30 percent of the working-age population for a few more decades.

In the present context, developing countries with a significant population of young people are facing major challenges to integrate them into education systems and the labour market, and are thus not fully benefiting from the dividend that young people



represent. There is evidence that in developing countries and economies in transition, a 10 per cent increase in the proportion of young people in the population between 1980 and 2000 has resulted in an estimated increase of 6 per cent in youth unemployment. In Ethiopia, local labour markets, with the highest proportion of young people in the population, had the lowest youth employment rates, with uneducated youth being the most affected⁵.

Developed economies are generally in the third phase of demographic transition and their age pyramid is considerably older than that of developing countries. Yet productive youth employment remains the key to sustaining economic development, intergenerational solidarity and pension systems. Although young people are a small group in developed countries, young people as a group have paid the highest price during the global crisis; Are particularly disadvantaged in relation to adults when it comes to the prospects of being absorbed in labor markets in difficulty.

From a long-term demographic perspective, all countries face the challenge of transforming youth employment into a development bonus. But time is pressing. The renewed sense of urgency to prioritize youth employment on political agendas is not only a matter of meeting the aspirations of young people for a better life but also a need to improve the well-being of societies in general.

The youth employment crisis is a key aspect of the global employment crisis.

Its seriousness is not only related to the levels and duration of unemployment; Is increasingly linked to the decline in the quality of jobs available to young people as the facts tend to demonstrate. The main concern, however, is that the youth employment crisis, in all its manifestations, is not merely a transitional evolution linked to weak economic growth but will become a structural trend if there are no significant policy changes.

That is why the problem takes on a new critical dimension.

⁵ World Bank: World Development Report 2007: Development and the next generation (Washington, DC, 2006).



2.3 New challenges in the transition of refugees to decent work

The difficulties faced by foreign people in the transition working life are often captured by the following indicators: the evolution of the unemployment rate over time, the unemployment rate of foreign people (especially refugees or asylum seekers) in comparison with the unemployment rate of local people; the incidence of long-term unemployment among people; the time needed to obtain a first job and the length of transition to "regular" employment after arriving in a new country or after a first job.

Recent surveys of the transition to active life in a new country seem to point to increasing difficulties and a simultaneous deterioration in all or most of the above indicators.

It is well known that the work inclusion in a new country entails some period of frivolous unemployment once refugees or asylum seekers start looking for jobs.

At this stage of life the aspirations and motivation to work are still not clearly formed. A period of experimentation with different jobs and situations in the labour market is common. Refugees or asylum seekers can often afford to go through this because they have fewer financial commitments and can't rely on parental support and, depending on their financial reserves, may accept some work in the hope of finding a "better" job in the future next.

There are other factors that make it harder for refugees or asylum seekers to find a job.

They are less effective than local people in finding a job. Companies may also be reluctant to hire refugees or asylum seekers because they have not work experience or they have work experience only in their country of origin. Refugees and asylum seekers are therefore often caught in the "experience trap," where they have no work experience to submit to their job applications simply because they have not yet been able to find a job.

Another factor contributing to the high unemployment rate among refugees or asylum seekers is the fact that even after they get a job they are more likely to be laid off than local workers when they are laid off. They are less valued because they have had less time to acquire a company-specific human capital and because they usually have many



problems caused by their linguistic difficulties or their cultural differences. It is also cheaper to fire them because compensation is often weighted by experience. On the other hand they may have less secure employment contracts. The financial crisis seems to have reinforced the "last in, first out" model, and in most countries they have an high rate of turnover between employment and unemployment.

While the above factors help to explain why the unemployment rates of refugees or asylum seekers are usually higher than local people, the new disparities in unemployment rates are reaching multiples of three to five times higher, which are clearly typical of Unemployment, which have prevailed so far.

There is no internationally recognized duration of the average transitional period, especially for young migrants, but a survey in Egypt suggests that this period is becoming increasingly long and the end result is less secure. In Indonesia the average job search period for young unemployed increased from 6.9 months in 2001 to 14.7 months in 2009. And in the same period the proportion of long-term unemployed young people in total youth unemployment increased from 41 , 6 percent in 2001 to 62.1 percent in 2009⁶.

In the 34 OECD member countries, on average, in many of the indicators, there has been a downward trend (see Table 1.1) between 2000 and 2010. The rate of youth unemployment and the incidence of long-term unemployment, temporary work and part-time work have increased. The only indicator that has shown a slight improvement over the decade is the incidence of NEET (i.e. those who are not in education, nor in employment or training), which showed a slight decline.

⁶ Preliminary ILO estimates from data from SAKERNAS, 1996-2009.



Frame 1.1. OECD Framework for young people aged 15-24, 2000 and 2010

	2000	2010
Unemployment rate (%)	14,6	18,9
The incidence of long-term unemployment (% of age)	20,1	22,6
Impact of temporary work (% of employment)	31,0	38,0
Incidence of part-time work (% of employment)	19,9	27,8
NEET rate (% of age group)	13,4	10,9

Source: OCDE Youth Jobs Project (www.oecd.org/employment/youth). Unweighted average of the 34 OCDE countries.

Two other new trends characterize the new employment crisis: an increase in the number of people "discouraged" in the search for jobs and unemployment among higher education graduates.

Especially for **refugees and asylum seekers that have a professional qualification or a specific study title**, sometimes the process that gives them the possibility to see their title recognized in the hosting country is very difficult and complicated to manage. For this reason, they often has to remain unemployed because they formally can't do a job for which they have the required study title, but it is not officially recognized and so they can't "use" it. For the same reason, until the obtainment of the official recognition, they sometimes must accept lower employments even if they have the qualification in their country to apply for an higher job.

Discouragement is usually a term associated with refugees and asylum seekers that try to find a job in the hosting country. And it helps to describe the underlying reason and consequences of losing contact with the labour market and society.

There is evidence of growing discouragement in many countries where rising unemployment has led some people to give up the job search altogether.

Around the world in 2011, there were about 6.4 million people (especially young people) in the working population than would be expected, based on long-term (pre-



crisis) traditional trends, indicating a sharp increase in discouragement among people during the global financial crisis⁷.

In the European Union, about 7.5 million people between the ages of 15 and 25 are neither in the education system nor in employment or training. This represents an increase from 10.8 per cent in 2008 to 12.8 per cent in 2010 for the entire EU⁸. If this is the condition of local young people, the data for refugees and asylum seekers are more discouraging, because the job searching is more difficult for:

- linguistic differences between country of origin and hosting country
- cultural differences between country of origin and hosting country
- difficulty to finish in the hosting country the study path started in the country of origin (because it needs the recognition of previous study path)
- difficulty to obtain the recognition of study title linked to study paths realized in the country of origin
- difficulty to obtain the recognition of professional qualification linked to work experiences realized in the country of origin

According to one estimate, in 2008 the cost of long-term unemployment or inactivity among people in 21 Member States for which data is available represented the equivalent of 1.1 per cent of PIB⁹.

Detailed information on the reasons for losing contact with the Labour market is not always available. The refugees or asylum seekers are not a homogenous group. These include people who have given up looking for work because of the low prospects of finding employment during the recession induced by the global financial crisis, and those who, like many higher education graduates, find the jobs available to be of low quality and below their skills and aspirations. But the group mainly includes people who have dropped out of school, as well as young people from poor and dysfunctional families and from socio-economic backgrounds, who reduce their chances of finding

⁷ ILO: *Global employment trends* 2012, op. cit.

⁸ Data EUROSTAT.

⁹ European Foundation for the Improvement of Living and Working Conditions (Eurofound): *The social impact of the crisis*, Background paper (Dublin, 2011).



employment and integration, and those exposed from very young to gang culture and drugs.

Whatever the reasons, the implications of "loss of contact" or "marginalization" are serious enough to justify special attention to this group.

Unemployment among young people who have gone on to study, and especially that of graduates of higher education institutions, is another challenging trend that is emerging in different countries and regions. It is a perverse result: it contradicts the hypothesis and evidence that the level of education and training increases the productivity and employability of people. It is also a waste and, from a social and political perspective, the result is potentially dangerous. It is a waste because of the high cost of investment in higher education (direct and indirect in terms of lack of work income) and no social return on the part of unemployed graduates. It is also potentially disturbing because, from the personal point of view of unemployed graduates, the frustration and resentment that they have been denied the promised reward for their effort and sacrifice are understandably strong.

The reasons given for the unemployment of graduates varies. Is it due to the deterioration of the quality of higher education and degradation of the diplomas obtained? Or is it due to "inadequate skills" and the inability to market acquired skills? Or, as most people believe, it is a question of growth patterns that do not create the kind of high-quality jobs that match either the high skills acquired or the aspirations of young people. Whatever the reason, political frustrations and resentments are immense, as demonstrated during the "Arab Spring" uprising.

In many countries, these frustrations are behind the emigration of highly skilled people, and the consequent "brain drain" in emerging and developing economies.



2.4 Growth strategies, macroeconomic policy environment and employment

The 2005 resolution on youth employment reaffirmed the important role that growth strategies and appropriate macroeconomic policies play in promoting productive and lasting employment opportunities for young people. This conviction grew stronger after the global recession of 2008-09, which led to millions of job losses, especially among young people, and to an unprecedented rise in youth unemployment, especially in the advanced economies.

Young employment is closely linked to the employment situation in general. The analysis of unemployment rates for young and adult workers shows a positive correlation between these two age groups, more specifically, an increase in adult unemployment results in an even greater increase in youth unemployment. For example, a static comparison of youth and adult unemployment rates in G20 countries (see figure 2.1) illustrates this positive relationship, with the adult unemployment rate causing more than 58 per cent of the change in the youth unemployment rate. This relationship is largely confirmed by the results of the regression analysis conducted for the same group of countries for the period 1990-2010. During this period, the coefficient of variation of the adult unemployment rate remained generally positive and statistically significant⁹. These results indicate that improving the labor market situation for adult workers usually translates into significant advantages for young workers, suggesting the important role played by policies affecting aggregate demand.

Thus the policy framework for promoting inclusive and job-creating growth is the cornerstone of the relaunch of youth employment.



2.5 Rethinking the contexts of macroeconomic policies favourable to employment

In addition to the current crisis and the debate on the crisis and the questioning of urgent measures, the fundamental elements of macroeconomic policies and their impact on employment are analyzed through a new point of view and a sense of urgency. The conclusions of the conference on the recurrent discussion on employment (2010) called for the pursuit of a new employment-friendly macroeconomic context capable of putting full employment and productive priority for all, including young people, at the heart of national policies¹⁰.

The joint conference of the International Labour Organization and the International Monetary Fund in Oslo called for the need to integrate employment and social protection into macroeconomic policies. According to the traditional design of macroeconomic policy, governments must act as guarantor of price stability, fiscal sustainability and a sustainable external balance. Such a role, when conducted in a credible manner, can increase investor confidence, promote growth and lead to job creation for adults as well as for young people, as basic labor market indicators (such as Unemployment) have a strong positive correlation for both groups. In practice, this conception of macroeconomic policy implies that prudent targets for debt, deficit, inflation and external accounts should be attained and maintained. It is thus that "empirical" 40-60 percent debt / GDP ratios, defined on the basis of low fiscal deficits, single-digit inflation, and minimum foreign exchange reserves, are often recommended by international financial institutions as representative of sound macroeconomic management¹¹. The prevailing fundamental assumption about the macroeconomic context - namely, that it would ensure a high rate of economic growth and that this process should also re-launch job creation - has not been confirmed in practice.

¹⁰ ILO: *Employment policies for social justice and a fair globalization – Recurrent item report on employment, Report VI, International Labour Conference, 99th Session, Geneva, 2010.*

¹¹ See, for example, IMF: *An Evaluation of the IMF and Aid to Sub-Saharan Africa*, (Washington, DC, 2007). In the case of the euro area, the Stability and Growth Pact suggests certain criteria to ensure prudent fiscal policy. In the case of the United States, the government executive body should have the support of Congress if public debt exceeds regulatory limits. Some congressmen have proposed introducing a budget balance change in the US Constitution.



2.6 Strengthening the link between education and training systems and the world of work

Many young people face difficulties in finding a job because of the mismatch between school-based training and labour market needs. The persistent problems of "skill shortages" and "skills mismatches" often raised by employers and companies are considered through different approaches to strengthening the link between training systems and the world of work. The world of work is rapidly changing under the triple effect of technological developments, innovation and markets, and training must keep pace.

Education and training systems face the challenge of providing a young active population with the skills required by the jobs of the future, not to mention the need to give workers today the skills, including the social ones, needed to adapt to a world in change.

The main reasons for skill shortages include: insufficient labour force in some sectors due to demographic trends and migration; inadequate skills; Underestimated growth in some sectors, such as green technologies, and shortcomings in recruitment practices, work organization, wage policies and working conditions. Skills deficits are greatest in the technology and knowledge intensive industries, which have the greatest potential for economic growth and employment¹².

¹² O. Strietska Ilina: "Skill shortages", in Modernising vocational education and training, Fourth report on vocational education and training research in Europe (Luxembourg, European Centre for the Development of Vocational Training (CEDEFOP), 2008).



Most EU countries seek to measure skill shortages and mismatch skills in order to adjust and adapt lifelong learning policies and strategies. In a number of cases, they try to forecast the qualification needs for the medium and long term, in order to allow a better match between initial training and the requirements of the labor market. These efforts have brought significant improvements in many countries, especially those where prediction and analysis efforts are closely linked to existing information, advice and guidance services (eg Austria, France, the Netherlands). Access to information helps young people to make informed choices and enables decision-makers to allocate financial resources more effectively, modify programs, adjust immigration policy (eg Germany, Ireland and UK), and finally take measures to attract workers Specific activities or sectors (see box 2).

Box 2

Anticipating skills needs

The anticipation of future qualification needs is the first essential element of a sound strategy and policies for training and skills development. Several methods are used to predict future qualification needs. These include: forecasting occupational profiles and skills at various levels of disaggregation, social dialogue; Labor market information systems and employment services; And the analysis of the performance of training institutions, including research studies.

Experience in a number of countries draws attention to the constraints of skills forecasting: it is best to focus on providing an adaptable core of cross-curricular skills, and in particular on strengthening learning capacities rather than training to respond to detailed Skills needs, as these can evolve before curricula can adjust. Shorter training courses, which rely on core and technical skills, can minimize time lags between emerging skill needs and the provision of appropriate training. Quantitative analysis based on labor market information is useful when supplemented by qualitative information from employers and workers.

Identification and forecasting of current and future skills needs are not only useful for policy-making, but also as an information function, providing data to the counseling and guidance systems, and helping young individuals to make career choices And career. In the Netherlands, quantitative forecasting results are tailored to the needs of end-users and delivered through guidance services in the form of qualitative indicators of labor market prospects for current and potential workers as well as for employers.

Source: OIT: A skilled workforce for strong, sustainable and balanced growth. A G20 training strategy (Genebra, 2011).



2.7 Active Labour Market Policies & Employment Services

Active labour market policies and programs can significantly facilitate the entry and reintegration of young people into the labour market.

Active labour market policies are also an important tool to mitigate the current youth employment crisis. These policies are usually viewed as a series of microeconomic interventions and are generally assessed as such without their macroeconomic effects being considered.

However, these macroeconomic effects can be significant when expenditure on active labour market policies as a whole accounts for a significant proportion of social expenditure. In OECD countries, spending on active labour market policies is the main channel for tackling the employment crisis.

Active youth labour market policies include a number of measures: some aim to facilitate the transition to active life, while others focus on the disadvantages of particular groups among young people and / or seek to avoid their Loss of skills in periods when job demand is reduced, such as the current context of crisis. Other measures include employment subsidies to increase incentives for hiring young workers, programs to create direct public employment, and programs to promote self-employment.

At the same time, the intensification of job search programs and personalized counselling programs for young people increases the number of young people in the formal labour market. These programs contribute to an improvement in the matching of job supply and demand and, consequently, reduce the increase in occasional unemployment in the labour market as a whole.

Similarly, some of the training programs discussed in the previous section are among the most widespread active policy programs that contribute to improving the employability of young people. Success in reducing youth unemployment through such policies can trigger a virtuous circle of increased demand through the income generated in the process. When these programs succeed in integrating disadvantaged young people



into the labour market, they also produce great economic and social benefits in terms of greater equity and, in some cases, a reduction in antisocial behaviour¹³.

One of the barriers to adjusting the supply and demand of young people is the lack of information on the labour market and adequate job search techniques. Employment services play this role of intermediation, since they are the main agent for the provision of services and policies on the labour market. These services generally include registering jobseekers, providing counselling and guidance services, managing unemployment benefits and referral to active labour market programs. However, the organizational structure, scope, financing and effectiveness of delivery of these services varies from country to country¹⁴.

Experience shows that employment services should focus in particular on the groups of young people most in need of assistance and adapt the services provided to their specific needs and disadvantages in the labour market. Systems of analysis that identify the particular difficulties faced by young jobseekers can be very valuable in developing well-targeted effective mechanisms and in promoting rapid interventions.

Box 3 summarizes the lessons to be drawn from the Public Employment Services in EU countries for their young clients.

¹³ V. Corbanese and G. Rosas: Guide to the design, monitoring and evaluation of innovative active labour market programmes targeting individuals at risk of labour market exclusion (ILO, Budapest, 2009).

¹⁴ On the role of public employment services, see: ILO support for the role of public employment services in the labour market, Governing Body, 306th Session, Geneva, Nov. 2009, GB.306/ESP/3/2.



Box 3

The role of employment services in promoting youth employment in the UE

In most UE countries, the Public Employment Service (SPE) plays a key role in implementing strategies to facilitate the transition of young people from school to life.

A recent analysis highlights the following lessons to draw from experience:

- ✎ People-centered approaches to counselling and guidance seem to be more effective than generalized approaches. In addition, personalized counselling and determination of an individual employment plan at the start of the unemployment period is an effective tool for implementing proactive strategies for young people. The case management and mentoring approaches have also shown good results.
- ✎ Labour market integration strategies are most effective if the analytical systems are based on accurate, recent and reliable information on the labour market and take into account the whole social situation of young clients.
- ✎ Awareness-raising activities need to focus on those employers who are potentially willing to employ disadvantaged young people or provide them with training in the workplace. This includes good relationships with local businesses and links with employers, social services and the voluntary sector.
- ✎ In the case of early school leavers, non-formal learning can be more successful than formal education alone. Classroom interaction and on-the-job training increase the likelihood of positive outcomes in the labor market by 30 percentage points. When supplemented with other services, this probability increases by 53 percentage points.
- ✎ If well targeted, training grants for companies that accept young people with low qualifications can multiply the possibilities of on-the-job training for disadvantaged young people. Its effectiveness depends on its design and orientation: both can minimize the effects of distortion (ie "dead weight" and "substitution").

Source: EU: *The role of Public Employment Services in youth reintegration. A review of European good practice, Analytical Paper, DG Employment, Social Affairs and Inclusion (Brussels, 2011).*



2.7.1. Lessons learned¹⁵

Well-targeted policies tailored to individual needs

Active Labour Market Policies that recognize heterogeneity among young women and men, targeting both individual characteristics (eg age, gender, educational background, socio-cultural background) and specific labour market problems, Are more successful than targeted generic policies for young people as a group¹⁶. Its success stems from personalized service and this implies that active policies must have sufficient resources to provide sufficient staff so that the relationship "in person" is as appropriate as possible. As pointed out in an important academic assessment of active labour market policies, the great reason why many evaluations of such programs show that "small private and social benefits mean that per capita expenditures for participants are generally small relative to the Programs had to solve. For such interventions to generate significant gains, they would have to be associated with high internal rates of return"¹⁷. Examples of effective programs underline the importance of allocating sufficient resources to the Active Labour Market Policies.

The limitations of implementing active policies that focus first on skills, and then on the job, especially for disadvantaged young people, can't be underestimated. The conclusions about this approach are bleak.

What is needed are programs that associate learning with income and that encourage understanding of the value of savings and investment to maximize benefits. Programs linked to the world of work (eg training in business, placement, support for placement for people with disabilities) increase employment opportunities.

Employers 'and workers' organizations can help to link young people to the world of work by participating in the design and implementation of policies and programs for young people. For example, involvement of the social partners may draw attention to issues (eg informal economy, working conditions, discouragement and inactivity of

¹⁵ For a summary of the main features of the most effective youth employment programs, see: *Policy options to support young workers during economic recovery, Global Jobs Pact Policy Brief No. 14 (ILO, 2011)*.

¹⁶ N. O'Higgins: *The impact of the economic and financial crisis on youth employment measures for labour market recovery in the EU, Canada and the USA, Employment Working Paper No. 70 (Geneva, ILO, 2010)*.

¹⁷ J.A. Heckman, R.J. Lalonde and J.A. Smith: "The economics and the econometrics of active labour market programmes", in *The Handbook of Labour Economics, Vol. III, 1999*.



young people, promotion of socially responsible enterprises) that are not always on the agenda of governments.

2.7.2. Promoting Entrepreneurship and Independent Youth Work

Promoting entrepreneurship among young people has an important role to play in reducing youth unemployment. Encouraging and facilitating the creation of businesses by young people offers them a way to enter the labour market through self-employment. Viewed from a macro-economic perspective, the total number of job opportunities it creates for young people increases, not only through the independent work of young entrepreneurs, but also through the employment that successful businesses will generate for other young people. That is why it is important that governments pay special attention to the problems faced by potential young entrepreneurs.

At the same time, young people also face special vulnerabilities when they choose to work independently. Some potential entrepreneurs, because of their lack of experience and knowledge, may have unrealistic views of their ability to succeed in business and end up accumulating debts early in their professional life. That is why programs promoting young entrepreneurship have a responsibility to ensure that young people lacking the qualities necessary for success in business should not be encouraged to start their own businesses.

Advice for potential young entrepreneurs should provide realistic information about the advantages and disadvantages of setting up a business.

The promotion of young entrepreneurship encompasses a series of programs and measures adopted to stimulate the entrepreneurial spirit, with the aim of encouraging them to start and develop a business, while at the same time improving their overall employability¹⁸.

These programs aim to overcome the barriers young people encounter in starting and developing a business, which typically consist of a lack of financial, social or material capital. Interventions for young entrepreneurship cover a wide range of areas, including business training for young people who are not in school, offered by private or public training bodies, entrepreneurship education in secondary or tertiary schools, Social and

¹⁸ U. Schoof: Stimulating youth entrepreneurship: Barriers and incentives to enterprise start-ups by young people, SEED Working Paper No. 76, Series on Youth and Entrepreneurship,(Genebra, ILO, 2006), p. 67.



cultural development in relation to youth entrepreneurship, access to finance, mentoring, business support services and an improvement in the administrative and regulatory framework¹⁹.

According to the Youth Employment Inventory, the only global repository that documents the results of youth employment programs, young entrepreneurship is a significant tool among different types of interventions to combat youth unemployment. In 2011, the total number of entrepreneurship promotion initiatives constituted 20 percent of all programs, making it the most important type of project after training. This represented a significant increase compared to 2007, whose initiatives reached only 11 percent²⁰.

In addition, the Global Entrepreneurship Monitor, which conducts studies on entrepreneurship in 59 countries, provides information on the relevance and attractiveness of entrepreneurship to young people²¹. It points out that in general, irrespective of the national level of development, the largest number of entrepreneurs is in the 25-34 age group. It adds that, globally, most start-up businesses are also in this group.

Developing countries have the highest proportions of start-ups and enterprises under three years of age.

Countries with the lowest level of development also register the largest number of entrepreneurs out of necessity, who decide to start a business because they need a source of income, not because they want to exploit an opportunity that could lead to business expansion and recruitment of others people.

¹⁹U. Schoof, op. cit., p. 23; W. Cunningham, M.L. Sanchez-Puerta, A. Wuermli: (2010) Active labor market programs for youth: A framework to guide youth employment interventions, Employment Policy Primer Note No. 16 (Washington, DC, World Bank, 2010); A.R. Hofer and A. Delaney: Shooting for the moon: Good practices in local youth entrepreneurship support, OECD LEED Working Paper 2010/11(Trento, Italy, OECD Publishing, 2010).

²⁰ The Youth Employment Inventory, is a database containing information on more than 400 projects for young job creation in more than 90 countries. The aim is to identify effective approaches to promoting youth employment. Launched by the World Bank, the Youth Employment Inventory is now a joint activity of the German Ministry of Economic Cooperation and Development, the Inter-American Development Bank, the International Labor Organization, the World Bank, and the Youth Employment Network. To see: www.youth-employment-inventory.org/

²¹ D.J. Kelley, N. Bosma, J.E. Amoros: GEM 2010 Global Report (London, Global Entrepreneurship Monitor, 2010).



Although statistics are not available, it can be assumed that many of the entrepreneurs driven by need in developing countries belong to the informal sector. While there is a general consensus on the effectiveness of support for need-driven entrepreneurs, there is some controversy over the promotion of need-based enterprises and their impact on poverty eradication²². Due to the lack of reliable impact assessments on the effects of promoting young entrepreneurship on income generation, employment and quality of employment, it is not possible at present to take a factual position on this issue.

The proportion of female entrepreneurs to men varies from country to country, but in general women are underrepresented. As revealed by the Flash Eurobarometer 2009 and other studies, successful entrepreneurs in Europe and Latin America are predominantly male. In the Republic of Korea, the number of male entrepreneurs is five times higher than that of female entrepreneurs, whereas in Ghana there are more women than men to start a business²³.

The focus on women entrepreneurs, as is often the case in specific measures, seems to be an appropriate approach, as women often deal with more obstacles in the beginning and development of a business, relative to men.

Lastly, and briefly, on the impact of successful youth entrepreneurship programs, the Flash Eurobarometer survey indicates that in China, Turkey and the United States more than two-thirds of respondents reported that their school education contributed to development of an enterprising attitude. The same study carried out in 2007 revealed that, in some European countries such as Norway and Portugal, respondents felt that school education prepared them to become entrepreneurs still larger than those observed in the United States. The trend reversed in the 2009 survey results, where respondents from the United States recorded the highest percentage.

²²W. Maudé: “Promoting entrepreneurship in developing countries: Policy challenges”, in European Journal of Development Research, 2010, Issue 4, 2010; E. Duflo and A. Banerjee: Poor economics: A radical rethinking of the way to fight global poverty (New York, Public Affairs, 2011)



The greatest overall impact of school education encompassing the development of the entrepreneurial spirit was in the United States and China.

Box 4

Lessons to be learned from successful programs youth entrepreneurship

It makes sense to focus specifically on specific groups that suffer from specific market barriers, such as women, making sense.

Offering programs with a broad range of services, rather than just offering management training or financial support, may be more effective.

Due to the lack of sound empirical data, it is essential to carry out more rigorous impact assessments, based on a control group approach.

The inclusion of entrepreneurship in secondary and tertiary school programs is an effective way to change attitudes toward entrepreneurship.

Source: OIT: *A skilled workforce for strong, sustainable and balanced growth. A G20 training strategy* (Genebra, 2011).

D.J. Kelley et al: GEM 2010 Global Report, op. cit.