



Activation strategies

**Monitoring performance and assessing the impact
of Youth Guarantee schemes**

Content

1. How activation principles evolved over time;
2. Objectives and key features of activation strategies;
3. Does activation work for youth?
4. Activation in the EU Youth Guarantee.

How activation principles evolved over time

1960-1980



1995-2005



2005 onward

Expansion of
ALMPs to reduce
structural
unemployment

- Shifting of financing from passive to active LMPs
- Increase ALMP effectiveness

Reform UB systems
to reduce
disincentives and
make work pay

Interaction between:

1. Unemployment insurance system,
2. ALMPs;
3. Benefit conditionality.

Objectives of activation strategies

1. Bring long-term unemployed and inactive individuals into the effective labour supply;
2. Counteract the negative effects of unemployment and related benefits on work incentives by conditioning benefits to active job search and participation in active labour market measures; and
3. Manage employment services and labour market measures so that they effectively promote the return to work.

Key features of activation strategies/1

- ✓ Mandatory requirement on registered unemployed to:
i) attend intensive interviews with counsellors; ii) search for and apply to job vacancies; iii) accept offers of suitable work; and iv) participate in training or job creation programmes;
- ✓ This requirement is mirrored by the obligation of the PES to provide effective services and programmes (*mutual obligation*);
- ✓ The traditional target group is recipients of income-replacement benefits. Non-compliance triggers *sanctioning* (the progressive decrease or suspension of the benefit payment).

Key features of activation strategies/2

Given their positive impact on labour market outcomes, activation has been extended to other benefit recipients as well as to **young people**. The use of strict sanctioning mechanisms, however, has been questioned, as it may lead to:

1. **low quality matching** between participants and programmes;
2. a prevalence of placements in **low quality jobs**, often unrelated to the qualification of the jobseekers – which **undermines future employment and earnings prospects**; and
3. **discouragement and withdrawal** from the labour force.

Activation targeting youth

Activation strategies targeting youth – implemented in countries that have (non-contributory) unemployment assistance or youth allowances – comprise:

- ✓ Job search assistance and intensive counselling;
- ✓ Individual action planning;
- ✓ Job search monitoring and sanctioning; and
- ✓ Referral to active labour market measures (work-first/ train-first approaches).

Does activation work for youth ?

Available evidence shows that:

- ✓ Job search assistance yields positive results (irrespective of monitoring), also in terms of higher job quality;
- ✓ Strict sanctioning mechanisms often lead to withdrawal (DE) and benefit “shopping” (UK), with youth at-risk most affected. More attention should be placed to “quality jobs” rather than on “any job”.
- ✓ Referral to ALMPs works, if there is good matching across; i) individual characteristics; ii) programme features; and iii) available jobs.
- ✓ A “train-first” approach works better in an economic downturn, while “work-first” is more effective when demand rebounds.

Activation in the EU Youth Guarantee

“Activation” in the EU Youth Guarantee is understood as a means to “mobilize” youth as early as possible so that they engage in the labour market, further education or training. It builds on:

- ✓ **Outreach**: actions geared to identify youth not in education, training or registered with the PES with a view to engage them and bring them towards available services; and
- ✓ **Mutual obligation**: binding regulations that entitle youth (once registered) to use PES services and obliging PES to offer youth an education, training or job opportunity based on individual employment plans (carefully balancing support, monitoring and sanctioning).

Activation in national YG schemes/1

- ✓ Most countries do not have a well-defined **outreach strategy** in their YGIP. Outreach is entrusted to youth centres (BG and HR), counselling and guidance networks (DK and HU), youth focal points, peers and mentors (HU, HR, GR, LU). Outreach activities are assigned to PES in PL and RO, only;
- ✓ Only **Latvia** envisaged the development of a nation-wide outreach strategy (key reform), accompanied by initiatives implemented at local level;
- ✓ The dissemination of **information** about available opportunities is done through dedicated web platforms, awareness-raising campaigns, and through social networks (HR, PT, CY and ES).

Activation in national YG schemes/2

- ✓ The **restructuring of PES** and employment services are included in the YG schemes of ES, CY, IT and RO, while cooperation with private employment agencies is planned in PL and ES;
- ✓ Most countries envisage the **strengthening of job search assistance and counselling and guidance** services (BE, CZ, FI, IE, IT, LT, PT, RO, ES); profiling and individual action planning (BG and PL);
- ✓ **Specialized PES staff** for youth or PES youth centres are included in the YGIPs of BG, HR, DK, LV and PL;
- ✓ **Activation rules** (job search monitoring, individual employment planning and sanctioning) are included in the YGIP of BE, DE and IE.

Measuring the results of activation

The indicators to measure the effect of activation are direct monitoring indicator (entry/exit) combined with aggregate labour market and NEET indicators (from the 2013 baseline):

Labour market indicators



- ✓ NEET rates (15-24), by labour market status;
- ✓ Youth employment rate (15-24; 25-29 and sex);
- ✓ Youth unemployment ratio (15-24, by sex);
- ✓ Youth unemployment rate (15-24, by sex);
- ✓ Ratio youth to adult unemployment ratio (15-24; 25-74, by sex).

QUESTIONS?



Activation in the Spanish YG scheme/1

The YGIP include **four** initiatives that can be categorized under the activation pillar:

- ✓ **PES modernization** (MED 8.71.1 Employment), including a common portfolio of services, staff training, and the allocation of dedicated staff for youth;
- ✓ **Single employment portal** (LMI and job search tools);
- ✓ Action with **placement agencies** (MED 8.2.4.5 Employment) based on outcome-based agreements;
- ✓ **Vocational guidance, LMI and job search assistance** (MED 8.2.1.1 Employment) provided by PES at the level of Autonomous Communities.

Question for discussion

1. How can ongoing initiatives be better articulated so that they reflect the YG activation principles?
2. How to include the outreach activities implemented with INJUVE and other organizations in the YG implementation framework?
3. How can information on activation and outreach initiatives be regularly collected and shared across partners?
3. How can the information on activation and outreach be included in the monitoring framework of the YG scheme?