



International
Labour
Organization

A dark blue world map is visible in the background of the title slide, showing the continents of Africa, Europe, Asia, and Australia.

Active labour market policies: What works for youth?

**Piloting Youth Guarantee on the Ground:
Experiences from the European Parliament Preparatory Action**

Brussels, 8 May 2015

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This presentation

- **What can youth ALMPs do?**
- **What works? Lessons from evaluation**
- **Evidence-based knowledge on ALMPs for youth**
- **Some issues for discussion**



What can youth ALMPs do?



ALMPs for youth (1)

ALMPs can:

- ❑ **Help redress education and labour market failures, while promoting efficient allocation of labour and social justice**
- ❑ **Prevent labour market detachment and prepare youth to take jobs after crises**

ALMPs can't:

- ❑ **Solve structural problems that require other types of policies**
- ❑ **Create jobs, particularly during periods of slack demand**



ALMPs for youth (2)

How many types?



ALMPs for youth are usually grouped into four main categories:

1. Employment services;
2. Labour market training;
3. Subsidized employment; and
4. Self-employment

ALMPs can also include different measures in one programme (e.g. comprehensive/multiple interventions)

What is the relevance for youth?



- Can target different types of youth labour market disadvantages
- Can match unemployed individuals to available vacancies and decrease the unemployment rate (Beveridge curve).
- Can keep engagement in the LMKT



ALMPs for youth (3)

**What are the
side effects?**



If not well designed, targeted and monitored, ALMPs can produce labour market distortions, i.e.

- **creaming,**
- **deadweight,**
- **substitution and**
- **displacement**

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What works? Lessons from evaluation



Most recurrent lessons from evaluation

Design

Responsive to
labour market
requirements

Targeting

Tailoring measures
to individual
“profiles” (i.e. needs
and disadvantages)



Comprehensive packages

Sequencing of various
services and programmes

Link with work experience

In-company training
and work-placement
in enterprises

Partnerships

Youth, enterprises and providers
social partners,
youth organizations,



What works?

Lessons from evaluation (1)

Type of programme	Advantages	Disadvantages
Skills and labour market training and related work-experience measures	Works better with broader technical and employability skills that are in demand and includes work experience as well as employment services.	May produce temporary solutions and if not well targeted, may benefit those who are already “better off”. Training alone may not be sufficient to increase youth employment prospects.
Employment services (job search, career guidance and labour market information)	Can help youth make realistic choices and match their aspirations with employment and training opportunities; improve information on job prospects as well as efficiency, effectiveness and relevance of initiatives.	May create unrealistic expectations, if not linked to labour market.
Employment subsidies	Can create employment, if targeted to specific needs (e.g. to compensate for initial lower productivity and training) and to groups of disadvantaged youth	High “deadweight” and “substitution” (if not targeted); employment may last only as long as the subsidy.

Source: ILO, Youth Employment Programme; www.ilo.org/youth



What works? Lessons from evaluation (2)

Type of programme	Advantages	Disadvantages
Public employment (e.g. public works and community services)	Help young people gain labour market attachment and improve physical and social infrastructure and the environment - especially if combined with development and sectoral strategies – and enhance employability, if combined with training.	Low labour market integration; young workers may become trapped in a carousel of programmes; often gender-biased; displacement of private sector companies.
Entrepreneurship promotion	Can have high employment potential and may meet young people's aspirations (e.g. for flexibility, independence); more effective if combined with financial and other services, including mentoring.	May create “displacement” and may have high failure rates. Often difficult for disadvantaged youth, owing to lack of networks, experience, know-how and collateral.

Source: ILO, Youth Employment Programme; www.ilo.org/youth

A stylized world map in a light blue color, centered on the Atlantic Ocean, serves as a background for the title text. The map shows the continents of North and South America, Europe, and Africa.

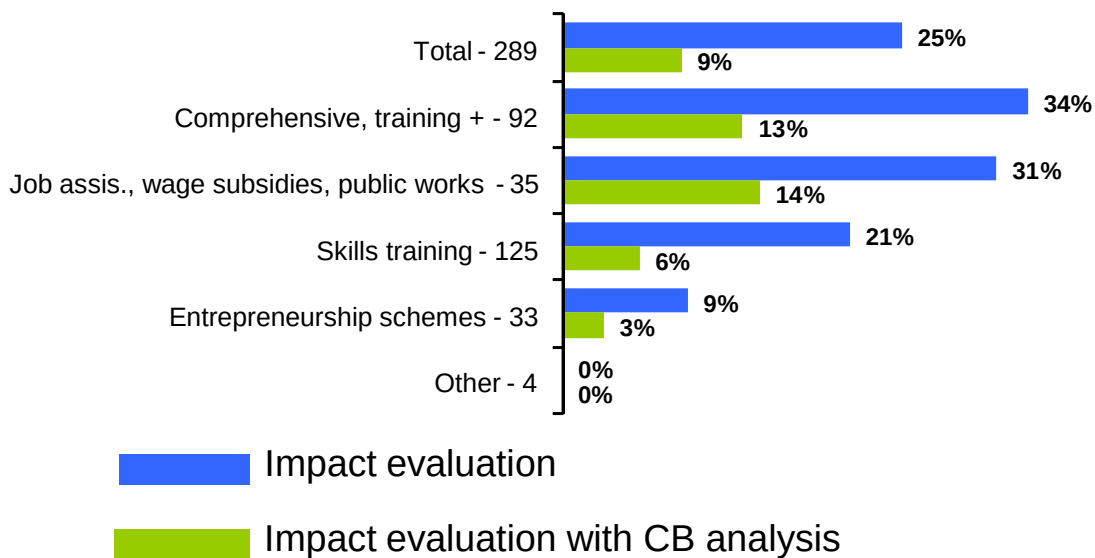
Evidence-based knowledge on ALMPs for youth



Evidence-based knowledge (1)

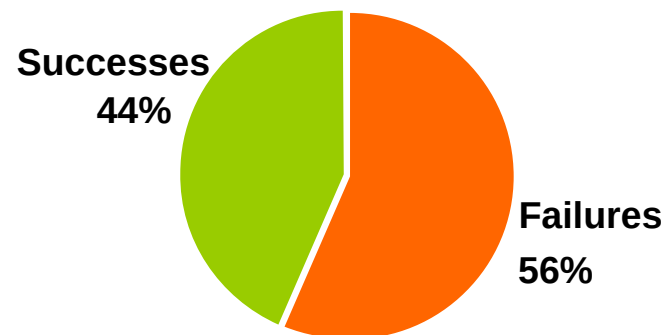
Knowledge gaps

Evaluation evidence by type of intervention

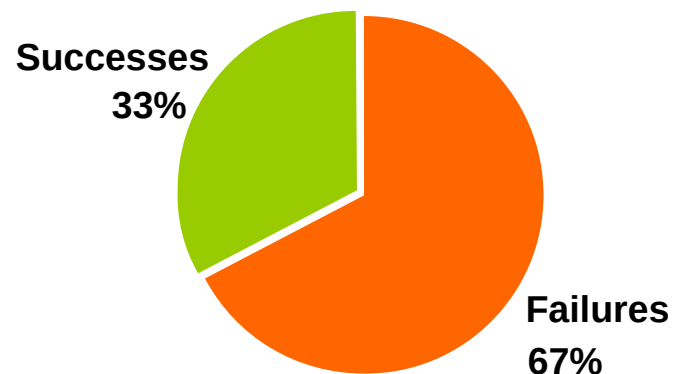


Evaluation matters

Without proper counterfactual

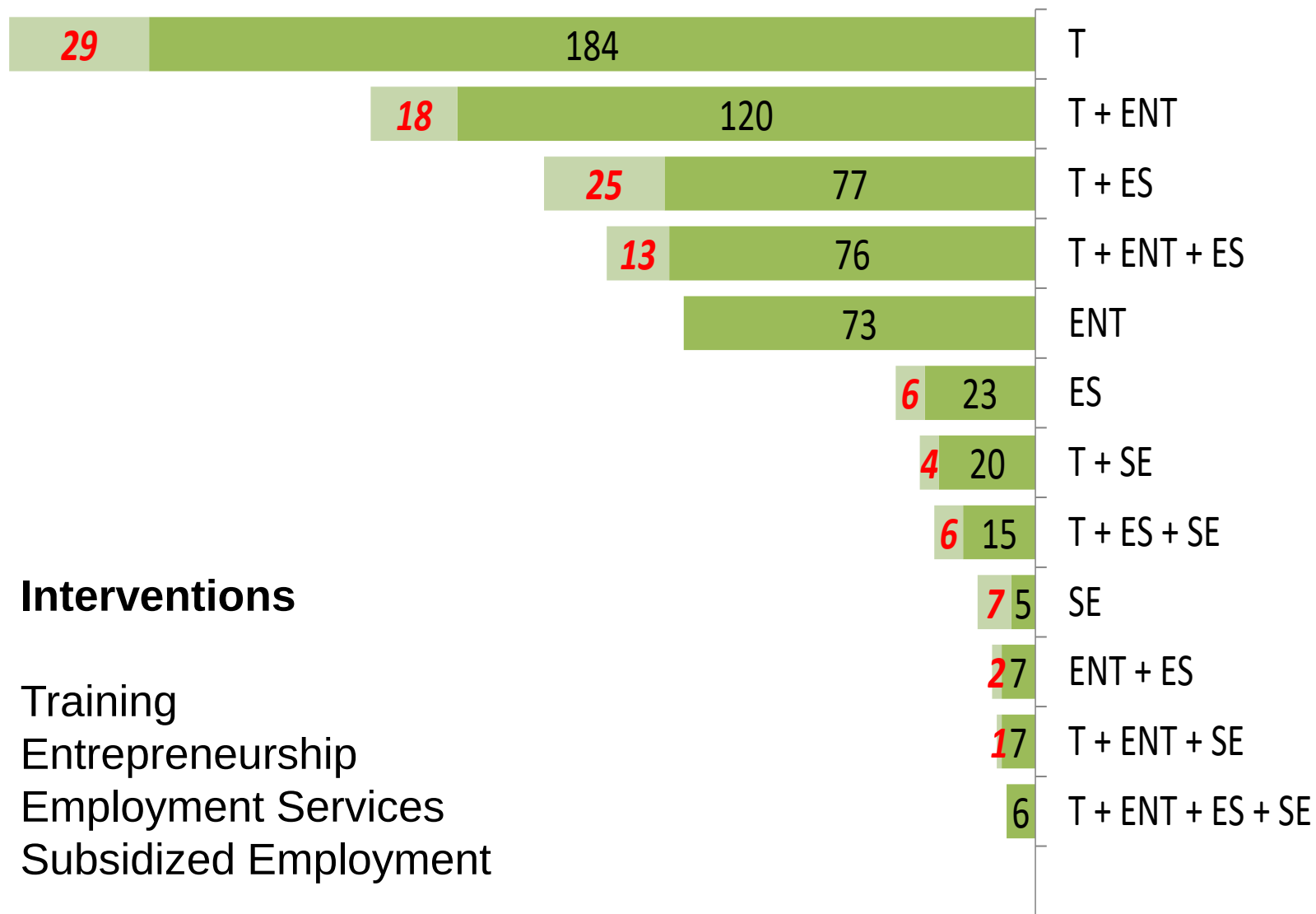


With counterfactual





Evidence-based knowledge (2)





Some issues for discussion

- ❑ Do “standard” youth ALMPs work also for inactive and marginalized youth?
- ❑ Do we need ALMPs+ for youth detached from the labour market?
- ❑ What is the learning that can be shared by pilot projects (e.g. design and targeting features, types of measures and implementation arrangements) for this target group?



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