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**PES approaches and measures for low-skilled
young people**

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Martina Weber

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Author: Dr. Martina Weber, GHK Consulting Ltd

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1. Background and introduction

Following the Peer Review on Youth Guarantees, which took place in Vienna on 22-23 March 2011, the Greek PES expressed an interest in a visit to the Dutch PES to find out more about the systems, methods and tools used to approach and support young jobseekers in accessing the labour market. A particular interest was expressed in exploring the following issues:

- The approach of the Youth Desk in bringing together PES, municipality services and education services;
- Partnership and collaboration with employers in identifying vacancies and encouraging employers to recruit young unemployed people;
- The development of E-services and the future of UWV Werkbedrijf in the context of current organisation change and budgetary reductions;
- EURES services and the value of international recruitment;
- The value of contracting out of integration services.

2. The economic and labour market context in Greece and the Netherlands

In contrast to Greece, the economic situation in the Netherlands is currently rather positive and overall unemployment rates are low at around 5% (16% in Greece). Youth unemployment is the lowest in Europe at 7.4%.

Labour market participation rates in the Netherlands are very high, partly because of the high level of part-time working. The labour market is rather fragmented with individuals on open ended contracts enjoying a relatively high level of protection, while an increasing number of new contracts (particularly for young and low skilled individuals) are concluded on a fixed term basis. Entry into the labour market also increasingly takes place via agency work, with the Netherlands having a very high number of temporary work agencies employing around 30,000 staff.

The political context changed significantly in 2010 with the election of a new government. One of the main goals of the relatively new coalition government is to reduce public sector spending. Another priority is the further decentralisation of decision-making to the municipalities.

The impact of the change of government on the PES has been significant. After a rather recent reform which amalgamated the PES function and the responsibility for unemployment benefit payment in one organisation (UWV), upcoming changes will lead to the PES budget being reduced significantly (from EUR 490 million in 2010 to EUR 240 million in 2014¹). This has brought with it (and will continue to lead to) a significant reduction in staff numbers (from 6000 in 2010 to 2400 by 2015). The number

¹ In Greece, the overall budget of the PES is about EUR 4 billion, but this includes benefits paid out by the organisation. The organisation has around 3500 employees of whom 1000 are trainers.

of PES offices is also being reduced from 110 currently to 30 by 2014. As a result, the PES is required to redefine its service offer significantly.

Increasing reliance will be placed on online/digital channels and budgets for re-integration measures with every jobseeker only having access to digital channels for the first three months post-registration and an overall goal for 90% of interactions to take place online. From 2012, UWV Werkbedrijf will only offer reintegration measures to disabled individuals. The action plan for young people will also run out at the end of this year (it was conceived as a crisis measure) and young people (in general) will subsequently no longer be a priority group for the PES.

Another significant legal change was the requirements for employers (rather than the government) to fund reintegration programmes for two years for individuals on sick leave to enable them to return to employment. There is now a plan to make them pay reintegration measures for one year for individuals made redundant (funded through insurance taken out by the employer).

3. Youth desks and other PES services for young people

In the Netherlands, for young people registering as unemployed, there is an emphasis either on returning to education or accepting a job. Municipalities currently have available to them funding for reintegration programmes for young people of around EUR 5 000 per unemployed young person per year. Entitlement to benefit differs per municipality, but the general rule is that school leavers have to accept any job if they wish to be considered for receiving benefit from the municipality. In addition, young people have to accept any job once they have received unemployment benefit from UWV for a year. The approach is to guarantee a job rather than an income to prevent individuals from falling into a “dependency culture” at a young age. However, only 10% of young jobseekers receive no benefits at all.

It is important to bear in mind that social benefits and assistance to those furthest from the labour market is generally provided by the municipalities. Over the years, an increasing co-operation had developed between the PES and the municipalities, for example in the shape of the Youth Desks (where they are also joined by education experts). However, in future the PES will no longer have the resources to contribute towards running Youth Desks, so these will either be run by the municipalities alone or in other cases will no longer exist as municipalities must also reduce their budgets.

Important legal changes affecting youth unemployment and youth integration are:

- Young people under the age of 18 are no longer allowed to leave school without qualifications.
- Young adults under the age of 27 are no longer entitled to social benefits unless they co-operate with their integration plans.

Subsidies under the National Action Plan for Youth (2009-2011) were only provided if agreements and actions were planned by all actors (education providers, PES, municipalities). Until 2010 more than 160 000 young people received services under

the action plan. 70 800 were successfully placed in employment (22% more than previously), many others went back to school or into apprenticeships

All individuals now register online for benefits. This triggers appointments with youth counsellors, but young people can also just drop into offices to really reduce the barriers to access. They always deal with the same counsellor.

UWV offers young people coaching, matching, talent tests, encouragement for self-employment. UWV visits schools to inform young people of the service on offer and persuade those in two minds that it may be better to stay on in school to become more qualified for the labour market.

External collaboration with other providers is critical. Among these the most important are:

- COLO (knowledge institute providing information about skills gaps, occupational profiles and apprenticeships)
- Regional registration and co-ordination body (holds information on those registered in and leaving education)
- Employers
- Municipalities

An important measure is the possibility to arrange work trials. The UWV can arrange such trials for 1 month (young people work while maintaining their benefits). Municipalities can arrange work trials for 6 months (young people retain social benefits and employers do not have to pay a wage). There is no requirement for employers to keep the young person for a period of time (as in Greece), but many such placements lead to jobs. UWV can also refuse to deal with employers who abuse the subsidy system (not considered possible in Greece).

WAJONG is a benefit for disabled young people (with physical and mental disabilities). This group has access to job searchers (who makes contact with employers to source vacancies and placements). There are also projects such as "Restaurant 15" which provides training for cooks and "Coffee Career" which provides basic jobs in the University canteen. There is also a project with a local hospital where certain basic nursing tasks are given to disabled youngsters (this is being accompanied and evaluated by the University of Maastricht). Young disabled people can also obtain assistance from private reintegration organisations. Sheltered workshops run by the municipality also exist. These are increasingly producing items for the market. There has been a discussion to close many of these workshops which garnered significant opposition as it is very difficult for some of these individuals to work in the open labour market.

Subsidies (of up to 50% of salary) are available to employers for a period of time. Disabled individuals also have access to job coaches for life.

3.1 *How to reach young people*

The Netherlands have the school-ex programme in which young people are given information about the labour market and PES services and are asked to consider their future and if possible to stay on in school to get a higher level of qualification.

Youth and street workers are used to identify young people who are not working and should still be in school or seeking integration to the labour market. These street workers can give access to municipal services and assistance. There is also a municipal centre where they can learn CV writing and application schools, as well as some basic and core skills (crafts). Young people are also often engaged in the maintenance of public monuments.

3.2 *Traineeship scheme*

A traineeship scheme was developed by the Dutch PES during the crisis, to offer job opportunities to 220 highly skilled young people in total (100 in 2009 and 120 in 2010).

The goal was to enable young people to help young people as it was assumed that they are more likely to “speak the same language”.

The last national selection day was held for 360 candidates from which 120 participants were selected (1500 applications had originally been received). All received basic training to become work coaches and worked at their local youth desk. In addition, they implemented innovative projects (e.g. “fight your way to the top”, as well as other e-and social media projects). The trainee programme ran for two years with a one year traineeship each year. In the first year some of the trainees were retained but with the current cutbacks many of them are now no longer in post at UWV (although all the trainees from the first year found another job).

4. Collaboration with employers

The Dutch PES provided a presentation of the practice of negotiating covenants with employers. The goal of these covenants is to better match supply and demand and to ensure and employers offer opportunities to unemployed individuals. It is important to get all relevant partners engaged in a covenant to make sure this is a two way street which is actually implemented at individual enterprise level. To ensure this, employers must be aware of the challenges of future skill shortages and local PES must have the ability to provide sufficiently skilled job seekers. Partners in covenants include COLO, employers’ organisations, PES, industry boards and sectoral education funds, the association of Dutch municipalities and large individual employers

So far 10 sector covenants have been achieved, 19 youth covenants and at least 3 single employer covenants leading to the creation of 10,000 job opportunities for PES clients. In future, regional covenants are likely to play a more significant role.

5. E-services and multi-channelling

A presentation on the Dutch PES’ approach to e-services highlighted the challenges and opportunities facing the PES in implementing the 2014 target of delivering 90% of

services through digital channels. While the PES' e-service strategy was originally developed to deliver a channel strategy desired by the client (who increasingly use and demand e-service applications), this has now become an organisational requirement. This means that new and more complex digital applications have to be developed quickly.

As a result of the recognition that 40-60% of job seekers find work within the first 3-6 months of unemployment, a decision was taken to make only digital channels available to job seekers for the first three months of unemployment. After that, face to face services are still offered for individuals requiring more complex and detailed interventions.

Unemployment and benefit registration is done digitally and each job seekers has an e-workbook which they control and which includes all information about their services, automatic vacancy matching and messages from their e-coach regarding appointments and tasks (all job seekers regularly have to attend "speed date" sessions with temporary work agencies)..

In order for digital channels to be successful, they have to be technically perfect, functional, offer sufficient additional content/functionality and have required back-up functions. More complex functions are being developed all the time. New services undergo a period of piloting, testing and review to ensure they are user friendly and function correctly.

6. EURES: The value of international recruitment

It is the task of EURES advisers to provide tailor made advice to jobseekers wishing to work in another EU country and to employers wishing to recruit from other EU countries. EURES advisors are also responsible for providing training for work coaches to increase their knowledge about working abroad. A specific site is available for the recruitment of seasonal workers from other EU countries. EURES has also provided some employment opportunities for young unemployed disabled individuals.

7. Approaches to outsourcing

For a long time the Netherlands favoured an outsourcing approach to the delivery of reintegration programmes, but this met with mixed success and most of these programmes are now no longer available or are being delivered in house.

Outsourcing is considered to be useful for specific target groups where highly specialised skills are needed but in relation to other services, the picture is less clear.

8. Points of particular relevance for Greece

Certain limits to transferability are inevitable as the Dutch and Greek contexts are very different. Greek unemployment rates are currently high, labour market regulation is rather rigid and the Greek PES (OAED) is staffed by civil servants. High case loads and increasing budget constraints are posing significant problems.

Nevertheless the experience of the Dutch PES in using online services and the Dutch model of the covenants could prove very useful for the Greek PES, especially during the moment when major reforms are in progress. OAED, on the basis of the Greek PES vision 2020, has set out the crucial priorities for action, aligned with the new Employment Guidelines. The action plans for the systemic interventions: *"Portal for the Matching of Labour Supply-Demand"*, *"Upgrading of the Greek PESs to 'One-stop-shops'"* and *"Improvement of career guidance and counselling services"* are being implemented. In addition, decentralization, the focus on PES' beneficiaries, the development of collaborations and synergies with social partners and keeping enterprises informed and involved in Active Labour Market Policies are among the first priorities of the Greek PES.

8.1 Co-operation with temporary work agencies

Temporary work agencies only play a minor role in Greece and the "flexible labour market" is usually associated with informal employment.

8.2 Impact of welfare/benefits system

In the Greek PES entitlement to unemployment benefit exists for salaried workers, for a maximum of one year, if fired, laid off, or otherwise terminated from a job after 2 consecutive years of employment ((a) If applying for first time: employed for the past 2 years or worked at least 80 days per year, but a total of 200 days for the past 2 years, not including the last 60 days prior to dismissal (b) If applying for second and subsequent times: must have worked a total of 125 days in the past 14 months, not including the last 60 days prior to dismissal).

At the moment, according to this rule, about 200 000 of all 700 000 registered as unemployed are entitled to unemployment benefit. Entitlement to benefits only exists through insurance based systems

8.3 Nature of PES staff contracts

Although the Greek PES found the traineeship project highly interesting and innovative, it was argued that a similar scheme may be difficult to implement in Greece because of the current requirement for open ended civil service contracts in the PES.

8.4 Services for employers and the model of covenants

The model of covenants applied by the Dutch PES is very interesting and could be a "best practice" also for the Greek PES. The synthesis of the Administrative Board of OAED is based on the principle of the tripartite representation, which creates favourable terms of dialogue between the State and the Social Partners participating, especially now that one of the Greek PES' priorities is to "open" the Active Labour Market Policies to social partners.

The contracting-out of ALMPs to other stakeholders is a commitment deriving from the political agreement signed between the Greek authorities and the Commission.

Synergies between the PES and other stakeholders in the labour market are currently being explored.

It was felt that in order to achieve positive links with employers, skilled staff are needed in the PES offices and the organisation must be more extrovert despite the current resource constraints.

8.5 *Online services*

The Greek PES is keen to learn from the Dutch approach to multi-channelling. One difficulty is that the Greek law requires job seekers to report to the job centre every three months. This would have to be changed to enable a more “digital” monitoring of their job search activities.

Nevertheless, one of the first priorities of the Greek PES is to deliver most of the services through multi-channelling. Related projects are in progress, such as the Internet Portal for matching supply with demand and the overall upgrade of the Portal of the organization. The interconnection of OAED's Management Information System (MIS) with the MIS of the Public Social Security Institute (IKA) has already been achieved and so the target of an online and automatic verification for all data registered at the two different bodies has been reached. In addition, the linkage of the OAED MIS with the MIS of IKA, of the Ministry of Employment and of the Ministry of Economy (TAXIS) must take place in due time in order to facilitate the cross checking of all data and in particular the fight against undeclared work.

For these reasons it was very interesting for the Greek PES to have a general overview of the Dutch approach to e-services and multi-channelling. Some ideas will be considered by the Greek IT Department, with a view to them being applied, if possible, by the Greek PES.