



**Employment and Social Affairs Platform  
Peer review workshop on youth employment programmes**

**FINAL REPORT**

Prepared in June 2018

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## 1. INTRODUCTION

Within the scope of the EU financed Employment and Social Affairs Platform (ESAP) West Balkans regional project jointly implemented by the RCC and ILO, the RCC is managing a mutual learning exercise among West Balkan institutions responsible for designing and implementing labour market and employment policies. Each of the countries involved selected an employment policy of particular interest to be subject of a peer review hosted by the country proposing the particular topic. The aim is to facilitate learning, discussion and capacity building on policy development and implementation in the domain of employment and social affairs.

Considering the attention and variety of programmes devoted to youth employment in Montenegro it is not surprising the national authorities decided to showcase this line of policy interventions. The RCC has supported the Ministry of Labour and Social Affairs of Montenegro to compile and systematize information on all Government funded programmes contributing the promotion of youth employment including the number of beneficiaries and financial resources allocated.

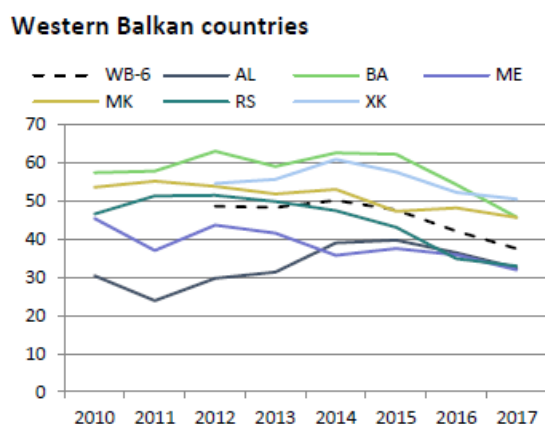
A questionnaire was sent to the responsible institutions of the remaining five participating economies with an aim of obtaining comparable information which would serve as basis for a mutual learning exercise during the peer review event in Montenegro on the 30th and 31st of May.

Unfortunately not all of the required information was obtained, and one of the economies omitted to send back the questionnaire altogether. Nevertheless, on the basis of the information provided and additional desk review, valuable insights have been obtained and are presented herein.

## 2. BRIEF ACCOUNT OF YOUTH UNEMPLOYMENT IN THE WESTERN BALKANS

A recent study was conducted by the World Bank Group and Vienna Institute for International Economic Studies entitled *Western Balkan Labour Market Trends 2018*<sup>1</sup>. It shows that, **as in the EU, youth unemployment rates were double the overall unemployment rates in most Western Balkan countries. However, young people were at a much greater disadvantage in the region than in the peer countries because the unemployment rate itself was much higher.** In 2017, the youth unemployment rate averaged 37.6 percent, down 5.3 percentage points from the second quarter of 2016. Since 2015, youth unemployment rates fell significantly throughout the region, but especially in Bosnia and Herzegovina and in Serbia. With the exception of Albania, in 2017, youth unemployment was below its 2010 level. Despite this decline, unemployment among young people remained high by European standards, ranging from 29 percent in Montenegro and Serbia to more than 50 percent in Kosovo\*<sup>2</sup>.

**Figure 1. Youth unemployment rates (15–24 years), in %**



Source: *Western Balkan Labour Market Trends 2018*, World Bank Group and Vienna Institute for International Economic Studies

**The poor labour market situation of young people in the Western Balkans was additionally reflected in high rates of youth population not in education, employment or training (NEET).** In 2016, the NEET rate averaged 23.5 percent in the Western Balkans, with the highest rates reported for Kosovo\*, Albania, and Bosnia and Herzegovina, at between 26 percent and 30 percent. The lowest rates were found in Montenegro and Serbia (18 percent each).

<sup>1</sup> This report and the accompanying database are available on the website of the Jobs Gateway in South Eastern Europe (SEE Jobs Gateway) at <http://SEJobsGateway.net>.

<sup>2</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

Overall, NEET rates were lower in 2016 than in 2010. With the exception of Bosnia and Herzegovina and Montenegro, **NEET rates in the Western Balkans were higher for young women than for young men** (especially in Kosovo\*), which is similar to Bulgaria and Hungary. By contrast, in Austria and Croatia men were more likely to be NEETs. For Albania, the ETF (2015) concluded that female NEETs were equally divided among the unemployed, family careers and inactive and discouraged workers. As for males, unemployment was the primary reason for becoming NEETs, followed by inactivity and discouragement.

Furthermore, the World Bank Group elaborated on key mutual challenges with regards youth employment promotion in their 2016 publication *Ten Messages about Youth Employment in South-East Europe*<sup>3</sup>. Beside the high incidences of youth unemployment and prominence of youth NEET, the difference in labour market participation between youth women and men is particularly noted.

While gender gaps in youth unemployment rates are not large in the West Balkan economies, **substantial differences remain in the labor market activity rates of young women and young men**. On average, a difference of about 20 percentage points separates the activity rates of young men and women, but the difference is as high as 40 percentage points in Kosovo\*. Limited access to child care services is noted a factor that is impacting these differences, alongside prominent social norms and attitudes.

Although being less likely to have obsolete skills than older workers, there is significant room for improving the ability of education and training systems in the region to provide youth with new-economy skills. While **skills deficiencies** are a structural issue in the West Balkan countries going beyond youth, the skills of new labor market entrants also appear to lack both quality and relevance. Employers across the region consider the lack of skills to be a major or severe obstacle in their business activities.

Nevertheless, although unemployment rates are high also among highly-educated youth, **education yields positive return in all of the West Balkan economies, apart from Albania**. There, the unemployment rate increases with educational attainment: university graduates have an unemployment rate of 30 per cent, whilst among secondary educated youth the unemployment rate is 23 per cent and 18 per cent for those with just primary education. This is due to the strong negative relation between education and labour market performance of young women, whereas for young men the unemployment rate changes only slightly with the level of educational attainment.

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<sup>3</sup> Available at <http://documents.worldbank.org/curated/en/940151479220585911/Ten-messages-about-youth-employment-in-South-East-Europe>

### 3. YOUTH EMPLOYMENT PROMOTION AS A POLICY PRIORITY IN THE REGION

Policy makers in all of the West Balkan economies recognize youth unemployment as a pressing issue and stipulate youth employment promotion as a priority. This is fully justified as evidence shows long unemployment spells in youth leave lasting scarring effects<sup>4</sup>. Experiencing unemployment at some point in a person's life, most especially at the beginning of a working career, tends to increase the probability of them being unemployed in the future and having lower prospective earnings than they otherwise would have<sup>5</sup>. Also, high youth unemployment rates have been proven to increase the emigration propensity in a country<sup>6</sup>. Therefore, considering the youth unemployment rates and the life-long effects of such unemployment, the attention devoted to this topic is well deserved and youth unemployment is rightfully high on the policy agenda of the West Balkan economies.

#### 3.1. Cross-sectoral Approach to Youth Employment Promotion

The Youth Employment Policy Peer Review host, the Ministry of Labour and Social Affairs of Montenegro expressed interest to examine the wide range of measures and programmes financed by the Government of Montenegro aimed at supporting youth employment. This is a welcomed approach as indeed, an integrated cross-sectoral policy mix is required to address the complex situation of the youth on the regional labour markets. Most importantly both labour demand and supply side measures must be envisaged while the quality of youth employment should also be addressed. Effort should also be invested to ensure that the education system responds to the needs of the labour market.

Therefore in preparing the background document to support the host countries presentation all Government institutions identified to support youth employment through specific programmes were consulted and an overview of all available programmes associated with budgetary expenditure is provided.

It must be said that this approach was much less fruitful in the other countries, were the RCC was not in position to support the data collection in the same manner as in Montenegro. Information on numbers of beneficiaries and public expenditure for measures implemented by other institutions, but the responding Ministry in charge of employment policy was not provided. The Serbian report provided information on a number of different programmes, while for the other countries indication of other programmes have been revealed as presented in the following table.

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<sup>4</sup> See Fondeville N. and Vard T, "Scarring Effects of the Crisis" in *Social Situation Monitor*, Research Note 6/2014, October 2014

<sup>5</sup> In line with the findings suggesting highly educated youth are in a better position on the labour market as compared to their peers with lower educational attainment, research shows that unemployment also has a larger long-term effect on low-skilled workers than on those with upper secondary or tertiary education.

<sup>6</sup> See World Bank Group and Vienna Institute for International Economic Studies, *Western Balkan Labour Market Trends 2018*

Table 1. Youth Employment Promotion Programmes Offered by Institutions other than the PES

Albania	Regional Youth Centres: Traineeship
Bosnia and Herzegovina	Ministry of Family, Youth and Sports
The Former Yugoslav Republic of Macedonia	Ministry of Education: scholarships and tutoring for Roma, as well as supplementary classes in the vocational education and training system; financial support for those most in needs
Kosovo*	Ministry of Agriculture Ministry of Trade
Montenegro	Ministry of Education: <i>Vocational Training Programme</i> Ministry of Sports: Grants programme Ministry of Agriculture and Rural Development: <i>Young Farmers, Young Beekeepers</i> Investment Development Fund: <i>Youth Business Loan Scheme, Loan Scheme for University Graduates</i> Ministry of Economy: Subsidies for new job openings
Serbia	Ministry of Economy: <i>Decade of Entrepreneurship</i> Ministry of Youth and Sports: Grants programme Ministry of Agriculture: Support to young farmers Development Fund of Serbia: various credit lines Ministry of Education: financially supports innovators and innovation.

Unfortunately, none of the questionnaires submitted by the Peer Review lead institutions contained information on the details of these programmes, number of beneficiaries nor financial expenditure (this does not apply to the Background Report compiled for Montenegro, as all required information was obtained from the implementing institutions).

The fact that most of the responding institutions' representatives were not able to even provide information on other programmes aiming at youth employment promotion may be indicative of a lack of cross-sector cooperation and coordination.

Investing effort in systematizing and making available information on all Government funded programmes contributing to youth employment, as proposed by the Ministry of Labour and Social Affairs of Montenegro within this Peer Review appears to be quite needed. Ensuring all national stakeholders are aware and informed about such programmes would ensure synergies are created and the potential impact of these programmes is maximized.

## 3.2. Public Employment Service Measures Supporting Youth Employment

### 3.2.1. Unemployed youth registered with the PES

Most countries provided information on the youth registered as unemployed within their Public Employment Service (PES).

Table 2. Youth registered as unemployed with the PES

	Albania	BiH	FBIH	RS	BD BiH	The Former Yugoslav Republic of Macedonia	Kosovo*	Montenegro	Serbia
Number of registered unemployed youth			113,5 17	35,137	3,774		18,188	17,687	171,2 45
Share of youth among registered unemployed (%)			32.5	29.9	31.7	23.5	19.4	35.7	24.4
Share of no qualified youth (%)				8.1	13.5	19.6	35	13.3	19.4
Share of youth with secondary degrees (%)				70.5	68.8	50.8	61	46.7	57.7
Share of youth with tertiary degrees (%)				21.4	17.6	29.6	4.1	40	22.8
Share of long-term unemployed youth (over 12 months) (%)				18.7		39.5	57	32.8	50.6
Share of very long-term unemployed youth (over 24 months) (%)				38.5		22.5	28.5		31.7

The share of youth registered with the PES varies considerably across the countries. While less than 20% of the registered unemployed in Kosovo\* are up to 30 years of age, in Montenegro young unemployed comprise over 35% of the registered unemployed. These extremes can be quite telling. The high degree of PES penetration among the Montenegrin youth, alongside the extremely high share of highly educated youth registered (40%) may most likely be explained by the wide coverage of the *Vocational Training Programme*, as well as other programmes offered to highly educated youth. In the case of Kosovo\*, also very notable is the extremely low share of highly educated youth (only 4%) among the registered unemployed youth - these two findings may suggest the youth in Kosovo\*, especially the highly educated have little expectation of the PES.

Long-term unemployment of youth is pronounced everywhere, but especially so in Serbia and in Kosovo\*. In Serbia, over half the youth have been registered for more than one year, while nearly a third



has been unemployed for over two years. In Kosovo\*, the share of youth registered as unemployed for over one year reaches 57%, will 28% have been registered with the PES for over two years.

### 3.2.2. Active Labour Market Programmes Implemented by the PESs

As not all countries provided comprehensive responses to the questions in the questionnaire designed to inform the peer review process, the conclusions drawn here should also be viewed as indicative. Hopefully, additional information will be made by the end of the process.

As mentioned the promotion of youth employment is high on the policy agenda of all of the countries in the region. Most PES' deliver measures specifically designed to target unemployed youth. In most cases, the cornerstone measure is one of a variety of programmes intended to provide young graduates with a first working experience (in Montenegro this measure is financed and implemented by the Ministry of Education, but the principle is the same).

The information provided in the questionnaires and additional information obtained is systematized in Table 3.

Table 3. Youth specific ALMPs delivered the PESs

Albania	<p>(i) <i>Employment of young graduates</i> programme that comprises on-the-job training (three months) and employment subsidies (for additional nine months);</p> <p>(ii) <i>Professional practice for new graduates</i> programme (two years), which offers subsidized work experience in the beneficiary's career area (as required for certain occupations),</p> <p>(iii) <i>Employment promotion of young orphans</i>, which combines subsidized training (three months) with subsidized employment (15 months).</p>
Bosnia and Herzegovina	<p>(FBiH)</p> <p>(i) <i>First work experience</i> programme targets young unemployed (up to 29 years of age) and provides them with training and a period of work practice organized with partner enterprises.</p> <p>(ii) <i>Youth Entrepreneurship</i> targets youth (up to 35 years of age) through the provision of start-up financial assistance</p> <p>(RS)</p> <p><i>Traineeship</i> providing youth (up to 29 years of age) with no work experience a chance to obtain the required working experience in order to gain right to pass their professional exam</p>
The Former Yugoslav Republic of Macedonia	<p><i>Internship Programme</i> in line with the traineeship programmes implemented in European countries and with the EU <i>Quality Framework for Traineeship</i>, targets registered young jobseeker (up to 29 years old) with secondary or higher educational attainment (up to three months)</p>
Kosovo*	

Montenegro	(i) <i>Youth are our potential, let's give them a chance</i> providing highly educated youth (up to 30 years) three month of theoretical and 18 months of practical work experience (ii) <i>Stop informal economy</i> targeting unemployed highly educated youth, up to the age of 30 with at least nine months of work experience with the purpose of incapacitating youth to take up jobs in the field of informal economy prevention (iii) <i>Working Independently</i> is a six month on-the-job training type of programme targeting high school graduates who have obtained their diploma within the last two years
Serbia	The NES offers a traineeship programme ( <i>Practical practice</i> ) targeting young (up to 29 years) unemployed with secondary and tertiary educational attainment and no work experience. The traineeship lasts usually up to one year.

Interestingly, although data demonstrates un-skilled youth are in the worst position on the labour market, no specific programme is designed to support this category. As mentioned each of the West Balkan countries offers traineeship/internship types of programmes mainly targeting university graduates (also Kosovo\* has a programme of this type, but access is not limited to youth)

All of the PES' offer a number of additional ALMPs including employment and self-employment subsidies, various labour market training programmes, functional education, public works, etc. which are not specifically targeting youth. Nevertheless, youth are also to be found among these beneficiaries.

In this exercise also the share of youth benefiting from non-youth specific ALMPs was examined. Again, not all of the countries provided the requested data but Table 4 presents the summary available.

Table 4. Share of youth benefiting from non-youth specific ALMPs by educational attainment

	Albania	BiH	FBIH	RS	BD BiH	The Former Yugoslav Republic of Macedonia	Kosovo*	Montenegro	Serbia
Number of youth in other ALMPs				826			855	740	5,042
Share of youth in other ALMPs				33.2			5	36.6	33.9
Share of beneficiaries with no qualification				4.9			28.7	8.6	17.2
Share of beneficiaries with secondary degrees				57			61.8	55.8	62.2
Share of beneficiaries with tertiary degrees				37			9.6	35.5	20.5

In all of the economies for which data is available, apart from Kosovo\*, we note the share of youth included in ALMPs is higher than the share of youth registered as unemployed. This suggests youth is relatively successfully targeted by ALMPs.

A second, more detailed examination into the structure of youth benefiting from ALMPs reveals that when the youth specific measures, targeting highly educated youth are excluded from examination, youth with lower education attainment better represented. The exception is Kosovo\*, which (as it appears) does not have youth specific measures designed, and clearly is facing a challenge with penetration, especially of highly educated youth. Nevertheless, when it comes to participation in ALMPs, although the share of 10% highly educated youth in ALMPs is low compared to other countries - when compared to the 4% of highly educated youth among registered youth, it appears the Kosovo\* PES is successful in targeting highly educated youth.

### 3.2.3. Evaluation and Impact Assessments of ALMPs Targeting Youth

Unfortunately, insufficient rigorous net-impact assessments have been conducted to feed the design and implementation of ALMPs supporting youth employment. Where such assessments have been conducted, the findings have not necessarily been fed into the ALMP design, or the assessments have been made for programme participants in general, with no available information of impact on young participants.

Nevertheless, the majority of PES' keep track of employment outcomes of their programmes and they are regularly reported.

Some key findings are presented in Table 5.

Table 5. Key ALMP Evaluation findings

Albania	The on-the job training programme has the largest annual intake, followed by work practice for graduates and subsidies for vulnerable groups. In terms of outcome results, the subsidy for vulnerable groups has good returns (63% increased employment probability, possibly due to the precise targeting mechanism), followed by training (55 %) and work experience programme (29 %). Also in terms of cost-benefit these programme yield a positive return (higher for on-the job training and lower for the work experience programme). <sup>7</sup>
Bosnia and Herzegovina	The returns of the traineeship programme are around 50-60 % (and mostly in partner enterprises). Six months past the contractual obligation, 65% of the self-employed benefiting from the FBiH self-employment subsidy are still employed, while 14% of them have additionally hired workers
The Former Yugoslav	The first impact evaluation was conducted in 2014 on a number of

<sup>7</sup> *Employment Promotion Programs in Albania: Evaluating Their Quality in the Designing and Implementation Processes (2008-2014)*

Republic of Macedonia	programmes (self-employment, internship, training for in-demand occupations and job subsidies) implemented in the period 2008-2012. Internship and on-the-job training were found to have the highest returns in terms of probability of employment. <sup>8</sup>
Kosovo*	The latest impact evaluation exercise was conducted in 2011 on three programmes (on-the-job training, combined institutional and workplace training, and internships) implemented in the period 2008-10. The overall, net job placement rate of participants was estimated at 19%. Employment outcomes for on-the-job training were between 25-35 %, much lower than those of combined training (37-42 %). The internship programme had the highest employment outcomes (44 to 59 %). These programme also had some impact on reducing the number of people working in the informal economy (the level of informality was estimated at 27 % for participants and 60 per cent for the control group). The performance monitoring results for the job subsidy programme show that about 53per cent of the beneficiaries were employed at the time of the survey, but only 59per cent had an employment contract at programme's end.
Montenegro	The Employment Agency regularly reports data on its activities (including the use of financial resources). However, there is still limited use of data pooling approaches. 49% of the programme participants of "Youth is our potential, let's give them a chance" were employed, and 33% of the "Stop grey economy" programme.
Serbia	The first net impact assessment was commissioned by the Government in 2016 (traineeship and acquisition of practical skills). The analysis showed that the traineeship programme targeting university graduates had no impact on participant's labour market outcomes two years after participation. Conversely, the programme Acquiring practical skills targeting low skilled youth had a statistically significant impact on employment and active job search. Prior evaluation exercises showed that both Labour market training and Training on request of an employer had significant impact, but with substantial creaming and deadweight effects.

<sup>8</sup>Mojsoska-Blazhevski and Petreski, 2015, Impact evaluation of active labor market programs in FYR Macedonia: key findings, available at: [http://www.ilo.org/budapest/what-we-do/publications/WCMS\\_384854/lang-en/index.htm](http://www.ilo.org/budapest/what-we-do/publications/WCMS_384854/lang-en/index.htm)

## 4. INSIGHT GAINED FROM PEERR REVIEW GROUP EXCHANGES

The Peer review took place on the 30<sup>th</sup> and 31<sup>st</sup> of May in Igalo, Montenegro. Delegations of all countries participated apart from Albania. During these two days several insightful group discussions and exchanges took place following presentations prepared by each country's delegation. The full Agenda may be viewed in Annexes 1 of this report.

The first group exercise during the peer review was designed in such a way to ensure a comprehensive mapping of barriers youth face on the labour market and the full range of measures delivered by each country is provided. This matrix is provided in Table 6.

Table 6. Matrix of existing measures and their correspondence to the barriers youth face on the labour market

Barriers youth face on the LM		Measures to overcome the barriers	Countries				
			BiH	Kos	MK	MNE	SER
Insufficient number of job openings		Self-employment grants/loans	√	√	√	√	√
		Subsidies for job creation for PWD	√	√	√	√	√
		Subsidies for job creation		√	√		√
		Support for farmers				√	√
		Mobility support				√	√
		Reform of Labour Law and taxation					
Lack of competencies required on the LM	Practical knowledge, soft skills, certain occupations in suffice	Internship/traineeships	√	√	√	√	√
		Labour market training	√	√	√	√	√
		Training for known employer	√	√	√	√	√
	Low qualifications	Functional education		√	√	√	√
		Training for basic occupations for low skilled		√			√
		Public works with training component			√		
		Recognition of prior learning					
Inactivity		Outreach			√		√
		Individual and group counselling and group work	√	√	√	√	√
		Intensive continuous motivational counselling			√	√	
		Public works	√	√	√	√	√
		Psychological support				√	√
Unrealistic expectations		Career information and counselling	√	√	√	√	√
		Employment counselling	√	√	√	√	√
		Scholarships for unpopular but demanded educational profiles				√	

Underdeveloped entrepreneurial spirit	Career information and counselling	√	√	√	√	√
	Entrepreneurship training			√	√	
	Business plan development training	√	√	√	√	√
Lack of working experience	Employment subsidies	√	√	√	√	√
	Internship/traineeships	√	√	√	√	√
Prejudices	Employment subsidies	√	√	√	√	√
	Work Trials					
Family responsibility	Child care support					

This overview is a good instrument to identify which type of measures are mostly lacking – that is, which barriers youth are facing are not adequately being addressed. Although, of course, the mere fact a measure intended to address a particular problem exists does not mean this problem is indeed effectively solved.

What is obvious is that the least addressed barriers are low/no qualifications and inactivity. Also, no support is provided within the region to young parents facing difficulty in balancing between work and family obligations. This is especially pertinent as low participation levels of young women is a problem common in all of the participating countries.

FYRM shared their experience in initiating the piloting the of a Youth Guarantee programme in a few municipalities across the country. At the moment the interest of youth in participation is very high and quite a bit of success is noted particularly in reaching out to inactive youth and placing them into ALMPs in order to prevent labour market detachment and discouragement through mobile teams. It would be beneficial to ensure the experience of this piloting is shared across the region with regular updates and that a net impact assessment is conducted at a later stage to inform the future implementation of such programme.

All of the country delegations agreed that broader reforms are necessary and that cross-sector cooperation must be enhanced. This particularly refers to the ‘communication’ between the education system and labour market. Montenegro and Serbia have initiated the implementation of dual education for some vocational profiles. Beside this the lack of developed standards of qualification and even national qualification frameworks creates difficulty in aligning the education system (both formal and informal) to the needs of the labour market. Recognition of prior learning is also underdeveloped in the region while the establishment of such institution could greatly benefit youth with no formal qualifications.

The PES would benefit from more accurate information on the employer’s needs and being better informed of planned investments so that training programmes could be designed to address such emerging needs in a timely manner.

One more issue, out of the scope of the PESs is that of informal employment and low salaries, both of which characterize youth employment in the region. These on the other hand also impact the motivation of youth to work.

The second group exercise was designed to facilitate a discussion on the positive aspects of each type of measure, and more importantly to help the participants identify the potential weaknesses and which aspects should be particularly taken into consideration when designing and implementing these measures.

Table 7. Strengths and weaknesses of the broad categories of ALMPs and services

Type of measures	Strengths	Weaknesses
Labour market training	Gaining competencies demanded on the labour market	When the assessment is not done properly sometimes the unemployed undergo the wrong type of training; Sometimes the training is not in fact responding to the needs of the employers; Depending on the quality of the mentor and the provider in general, the competencies may not in fact be gained; Programme not permanently available – only in certain periods; For professional practice, selecting the best – creaming;
Employment Services	Supporting youth to gain realistic expectations; available to all unemployed; motivation; support them search for jobs; profiling ensuring each unemployed receives the needed support	Number of unemployed per counsellor makes quality counselling difficult; motivational training too short – must be continuous; underdeveloped skills of counsellors; integrated services (CSW, health) limited capacity of PES on their own; services not up to date with modern technology.
Public works	Social measure, activation, useful for local community, large number of beneficiaries	Expensive and little effects; trapped in measure; not always the most disadvantaged
Employment subsidies	Supporting the hard to employ; enhances partnership with the employers; provides work experience; positive effect on formalizing employment	Risk of financing the employment of those that would be employed anyhow – deadweight; Employment lasts only as long as the mandatory period
Entrepreneurship	Opening jobs with potential to create new jobs	Many fail – mentorship should be included; low share of youth benefiting from the programme

Generally speaking the conclusions of the group discussions conducted with the representatives of the Ministries in charge of employment policy and the PESs from the West Balkan region confirm the findings of evaluations conducted internationally and summarized below.

### Youth employment programmes: Advantages and disadvantages

Several studies of youth employment programmes have shown that some are successful while others fail to improve participants' chances of gaining a job. Some of the features of these programmes are summarized below.

Type of programme	Advantages	Disadvantages	Selected examples of successful programmes
<b>Labour market training</b>	Works better with broader vocational and employability skills that are in demand and includes work experience as well as employment services.	May produce temporary, rather than sustainable solutions and if not well targeted, may benefit those who are already "better off". Training alone may not be sufficient to increase youth	PLANFOR (Brazil) Jóvenes Programmes (several countries in Latin America), and Employability Improvement Programme (Canada).
<b>Employment services (job search, career guidance and labour market information)</b>	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 needs and often cover only urban areas and the formal economy.	New Deal for Young People (UK) and Active Labour Market Programme (Finland).
<b>Employment intensive public works and community services</b>	Help young people gain labour market attachment and, at the same time, improve physical and social infrastructure and the environment - especially if combined with development and sectoral strategies – and enhance employability, if combined with training.	Low capacity for labour market integration; young workers may become trapped in a carousel of public works programmes; often gender-biased; displacement of private sector companies.	American Conservation and Youth Service Corps (USA) and Temporary Employment Programme (Bulgaria)
<b>Employment subsidies</b>	Can create employment if targeted to specific needs (e.g. to compensate for initial lower productivity and training) and to groups of disadvantaged young people.	High deadweight losses and substitution effects (if not targeted); employment may last only as long as the subsidy.	Employment Plan (Belgium). Wage Subsidy Programme (Czech Republic) and Intervention Works Programme (Poland)
<b>Entrepreneurship promotion</b>	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 effects and may have high failure rate, to which limits its capacity create sustainable employment. They are often difficult for disadvantaged youth, owing to their lack of networks, experience, know-how	Self-employment Programme (Bulgaria), Youth Entrepreneurship Training (Peru) and Youth Creators of Micro-enterprises (Peru).

Source: Adapted from Rosas G., Rossignotti, G. "Stating the new millennium right: Decent employment for young people", *International Review*, Vol. 144 (2005), No. 2, and Betcherman et al., *A review of interventions to support young workers: Findings of the youth employment inventory*, World Bank, Washington D.C., 2007.



Several areas for improvement have been identified and these recommendations are summarized as follows:

1. Labour market training programmes:

- a. more effort needs to be invested in assessing which occupations/skills are demanded on the labour market – include also employers organizations, Chambers of Commerce, etc.
- b. the criteria for selecting training providers should not be based solely on cheapest price;
- c. good quality mentorship must be secured
- d. the participants should be selected carefully on the basis of their interests and potentials;

2. Employment counselling:

- a. improve the profiling system and individualized counseling
- b. promote integrated service delivery
- c. modernization of services in line with new potential for on-line services, single point of information

3. Public Works:

- a. include more hard to employ unemployed
- b. include a pronounced training component

4. Employment subsidies:

- a. improvement of targeting through individualized assessments, rather than category

5. Entrepreneurship:

- a. promote entrepreneurship and motivate youth
- b. better identification of youth with an entrepreneurial outlook
- c. improve the provision of mentorship and psychological support
- d. include other institutions to provide information and training (tax, legal, etc.)
- e. credits could be a better solution as compared to subsidies (hire value, more thought into the decision from the side of the youth, more effort to succeed)

## 5. CONCLUDING REMARKS

Identification of employment policy target groups should be deeply entrenched in data analysis. In most cases, the PES registries and IT systems allow for more detailed analysis which could inform the targeting process.

While youth are recognized as a whole as a vulnerable category on the labour market, unskilled youth are insufficiently highlighted. The regular PES reports do not report on this category, nor do specifically designed measures exist for them.

Youth are broadly targeted and what is more, the PES' favour the inclusion of highly educated youth into ALMPs, which is not justifiable on the basis of labour market data. On the contrary, youth with no skills, which are among the least supported groups, are those in need of most support.

Today, the prevailing approach for the provision of employment assistance is to differentiate services and programme across population groups, based on individual circumstances and the barriers faced in employment. This is to say that employment assistance is differentiated across groups of individuals on the basis of the presence of factors that are known to pose a “risk” in the labour market. The rationale for “*targeting*” active labour market policies is twofold: first individuals differ in their employability (e.g. their ability to obtain and sustain employment) and equity principles demand that support be provided to those who most need it; second scarce resources need to be allocated as efficiently as possible to attain public policy objectives.

Finally, *monitoring and evaluation* systems are key to inform policy-makers about whether the outcomes of ALMPs warrant their costs and which policies work better for which categories of young unemployed (ILO, Labour Market Policies and Institutions for Youth, 2013).

Irrespective of the type of interventions deployed and the resources allocated, active labour market policies are not always successful in increasing employment probabilities and earnings, and so especially for young people. The evaluation of youth employment initiatives around the world shows that the most effective interventions are those that offer a comprehensive package of services which are tailored to both the needs of young people and the requirements of the labour market.

Evidence on what types of programmes work for youth have been collected and are summarized below.

#### **Box 4 Key success features of active labour market measures targeting youth**

In many countries, different approaches towards the promotion of decent work for youth have been developed through narrow programmes, with little knowledge of the characteristics of young people and determinants of labour supply and demand. The evidence stemming from evaluations of youth employment initiatives points to the following success features:

- ✓ *Design that responds to labour market requirements* improves the employment opportunities of participants. Reliable labour market information is essential for the design of employment programmes that effectively (re)integrate young people into jobs.
- ✓ *Targeting and tailoring to individual needs and labour market disadvantages* have produced better programme results. Generic targeting based on age may fail to reach disadvantaged youth.
- ✓ *Comprehensive packages of services* that combine various components relating to both labour demand and supply can be more effective than single measures.
- ✓ *Link to work experience and involvement of the private sector* (e.g. through in-company training, work placement) increase employment opportunities, especially if programmes place participants with private companies.

Source: ILO and OECD, 2011. *Giving youth a better start. A policy note for the G20 meeting of labour and employment Ministries* (Paris, ILO and OECD).

## ANNEX 1 – Peer Review Agenda

Employment and Social Affairs Platform

Peer review workshop on youth employment programmes

30 -31 May 2018, Palmon Bay Hotel, Herceg Novi

### AGENDA

30 May 2018

09.00 - 09:30 Registration of participants

09:30 - 09.45 Opening session

Ms. Ljiljana Simovic, Director General for EU integration, Programming and Implementation of IPA funds, Ministry of Labour and Social Welfare

Mr. Nand Shani, ESAP Team Leader, RCC

09.45 - 11.00 Youth employment programmes – the case of Montenegro

Presentation by the host country experience, Ms. Edina Desic, General Director, Directorate for Labour Market and Employment, Ministry of Labour and Social Welfare

Questions & Answers / Discussion

11.00 - 11.30 Coffee break

11.30 - 13.00 Youth employment programmes in Western Balkan economies

Presentation of youth employment programmes by Western Balkan government representatives

Questions and Answers

13.00 - 14.30 Lunch

14.30 - 15.10 Youth employment programmes in Western Balkan economies

Group work exchange of experience and good practices

15.10 - 15.30 Coffee break

15.30 - 16.00 Youth employment programmes in Western Balkan economies

Group work exchange of experience and good practices

Close of day 1

31 May 2018

09:30 - 10.15 Youth employment programmes in Western Balkan economies

Brief presentation of key conclusions and insights resulting from group discussion

10:15 - 11.15 Youth employment programmes in Western Balkan economies

Presentation on common practices, lessons learned and key challenges by independent expert, Ms. Dragana Marjanovic

Questions and Answers

11:00 - 11:30 Coffee break

11:30 - 12:30 Youth entrepreneurship in Montenegro

Mr. Uroš Bulatović, Founder and CEO at Union of young entrepreneurs of Montenegro

Questions and Answers

12.30 - 13.30 Lunch

13:30 - 14.15 Evidence from impact evaluations of youth employment interventions in the EU

Mr. Drew Gardiner, Youth Employment Specialist, ILO

Questions and Answers

14.15 - 15.00 Final plenary session

Participants exchange further opinions about the practice, especially focusing on the potential transferability in their domestic context. To this regard, both facilitating and constraining factors will be highlighted and the main messages emerged from the peer review will be summarized.

15.00 - 15.30 Summary, conclusions and next steps

Departure of participants