

MUTUAL LEARNING PROGRAMME:
PEER COUNTRY COMMENTS PAPER - THE NETHERLANDS

Can a central policy measure serve effectively various groups of
young unemployed in their regional labour market?

Peer Review on Project Learning for Young Adults: A social integration programme
helping young people back into work and education”

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1 LABOUR MARKET SITUATION IN THE PEER COUNTRY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on the Netherlands' comments on the policy example of the Host Country for the Peer Review. For information on the policy example, please refer to the Host Country Discussion Paper.

As in Slovenia the recent economic crisis has suddenly reversed economic growth and labour market trends in the country, in particular concerning youth unemployment. From 2005 (see Table 1 below) we can see that the GDP rose moderately until 2008. From the second quarter of 2008 a slight decrease developed, but overall there was still a growth in the year as a whole. In the first two quarters of 2009 however, the decline was higher than expected.

Table 1: Growth in percentage points of Gross domestic product in the Netherlands, 2005 - 2009 (2004 = 100)

2005	2006	2007	2008	First quarter 2009	Second quarter 2009
2.0	3.4	3.6	2.0	- 2.7	- 1.1

Source: ([http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=03751eng&D1=0-49&D2=a&D3=\(I-11\)-I&LA=EN&VW=T](http://statline.cbs.nl/StatWeb/publication/?DM=SLEN&PA=03751eng&D1=0-49&D2=a&D3=(I-11)-I&LA=EN&VW=T))

In 2008, the Centraal Planbureau (Netherlands Bureau of Economic Analysis) and the Government were still rather optimistic regarding economic development and employment trends in the country. CPB expected a 0.75 % decrease in the Dutch economy in 2009 and a slight recovery in 2010, with unemployment rising from 3.9% in 2008 to 6.5 % in 2010. This optimism changed dramatically during 2009; table 1 shows the main results of the CPB expectations in September 2009. The decline in GDP in 2009 will amount to 4.75 %, 4 % more than the figure recorded for December 2008. Moreover, unemployment is now estimated to increase from 3.9% in 2008, to 5.25% in 2009 and 8% in 2010 (that is an additional 300,000 unemployed individuals compared to 2008).¹ Unemployment developments follow GDP trends with a certain time lag.

Unemployment among younger members of the population is rising rapidly; from 9.3% in the second quarter of 2008 to 11.4% in the same period in 2009. Kösters and den Boer argue from historical data that if conditions in the labour market deteriorate during a period of economic crisis, young people are usually the first to be affected.² Indeed, young people without basic qualifications have been hit harder by the recession than any other group, often as a result of early school leaving. In Table 2 we look at young people aged between 15 and 25 years without a basic qualification³ who were not attending any form of education. In the second quarter of 2008 unemployment among these groups was still

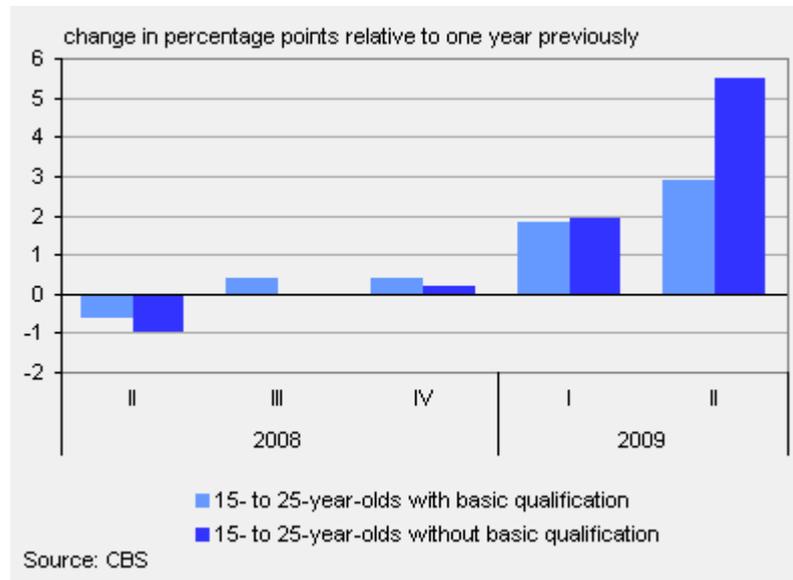
¹Unemployment rate August 2009: 4.7 % (Central Bureau for Statistics, www.cbs.nl)

²In 1983, in the midst of the global crisis, unemployment among 15 to 25-year-olds rose to 17.3 percent. With 8.2 percent, unemployment among over-25s was significantly lower then.

³In the Netherlands, a person has a starter qualification for the job market if he/she has completed mbo (secondary vocational training) at level 2 or is graduated from higher general secondary education (havo, vwo), i.e. has completed an education at at least secondary education level (level 4 of the Standard Classification of Education).

improving with a 1% decrease in comparison to the previous year. Only 12 months later the rate for this age group increased significantly to 15.2%, an increase of nearly 6 %.

Table 3: Youth unemployment among people not attending any form of education by basic qualification, between 2008/2 and 2009/2



The unemployment rate for young people leaving school with a proper qualification stood at 6.7%, which is higher than the figure for 2008 but which is still only half of the rate recorded for young people without basic education.⁴ Those who were still in school were hardly affected by the downturn in the labour market; unemployment within this category grew by 0.7 %.

Comparing tables 2 and 3 it appears that youth unemployment is permanently higher than general unemployment, even during periods of growing GDP and decreasing unemployment in the country. The Ministry of Labour indicates that in general youth unemployment is normally double the general rate and among migrant workers it is four times as high. Special policy measures, directed towards specific groups of young unemployed or potential unemployed people are therefore essential and have been developed since 2004.

⁴See also OECD, Jobs for Youth, 2008: *'The Netherlands has a dynamic youth labour market, but a large group is marginalised.'*

2 ASSESSMENT OF THE POLICY MEASURE

The Slovenian observation that youth unemployment is around 200% of general unemployment (see Figure 2 in the Host Paper) is similar to the Dutch experience. Like in Slovenia, the Netherlands also saw an improvement of employment among young people aged 15 - 24 years in 2008 had its parallel in the Netherlands. Since then the situation has changed dramatically for all employees; in particular for young people, who tend to be in more vulnerable jobs than their older colleagues.

Two groups of young people have been at the centre of policy attention during this decade:

- unemployed young people in general and specific sub-groups from a labour market perspective; policy activities of the Ministry of Labour,
- *voortijdig schoolverlaters* (early school leavers without a starter qualification) - the high risk group of future unemployed; a policy objective for the Ministry of Education and partly for the Health Ministry as most of these young people have combinations social, psychological, health, (inter) cultural, financial and behaviour problems.

With regards to the first category, the government installed the Taskforce Jeugdwerkloosheid (Task Force Youth Unemployment) in 2003, which was tasked with finding solutions to bring down youth unemployment. Indeed, from 2003 to 2007 youth unemployment decreased substantially, from 65,000 to 30,000 individuals. In particular, the promotion and facilitation of '*leerbanen*' (learning jobs) seemed a successful result of the task force activities. As de Boer (2004) states, 'a learning job means earning money and achieving a formal vocational diploma. Youngsters work four days a week in a company to achieve work experience. They get a good picture of the branche and the company they are working with. For employers too the learning job is an important instrument. They can get acquainted with the younger generation, profile themselves as an attractive employer and take advantage of that in the future'. The task force also involved SMEs in the process, who had until then been relatively distant from vocational training and young unemployed people. The taskforce claimed to have created 40,000 learning jobs throughout its existence.

A second field of activities involved vocational education and training (VET). The task force ran a series of projects to help VET students to make responsible and promising career and education choices. A high number of early school leavers and drop-outs turned out to have made wrong or unrealistic choices regarding which VET track they wanted to follow. The task force has put pressure on VET institutions to pay greater attention to information, guidance and coaching at the start and during the curriculum.

Early school leaving has been a persistent problem for many years. In 1999, the government presented a *Plan van aanpak voortijdig schoolverlaten* (Scheme Early School Leaving). It established a number of target groups, and emphasised decentralisation, registration and co-operation between different stakeholders. The most 'difficult' target group were the 'high risk youngsters', who were concentrated in the four big cities. This group was to receive extra attention as their problems were the most complex.⁵

Eight years later however, early school leaving was still a problem. The Ministry of Education created a new policy instrument *Aanval op de uitval* (Attacking Drop Out). It no longer prioritised high risk young people but facilitated a series of more general measures preventing school drop-out from language deficits, to more work placements, as well as

⁵It seems this groups is most near the target group of 'Learning for Young Adults' in Slovenia

more care and personal help in VET. Most strikingly, it raised the age of (partial) compulsory education from 16 to 18. This was a clear policy change: instead of implementing targeted measures for specific target groups, the extension of compulsory education means that all schools should now take the necessary measures to ensure that all young people are kept until education until they have reached the minimum qualification.⁶

In 2009, the economic crisis is strongly affecting low or poorly skilled young people. The former Task force produced an *Actieplan Jeugdwerkloosheid* (Actionplan Youth Unemployment), which was at the heart of the government's crisis management.⁷ The Action Plan, for which EUR 250 million has been made available (Ministerie SZW, June 2009) contains the following key priorities:

- To keep young people longer in the school. The goal is to keep keep 10,000 VET pupils with low labour market perspectives in school for one more year;
- Covenants with 30 regions, producing 30 regional plans combating youth unemployment;
- A 'matching offensive', confronting and guiding employers' and the qualities of young labour market entrants. A commitment with social partners to create a trainee place in a company for any young person who has been unemployed for more than 3 months. The regional UWV Werkbedrijf (the regionalised Unemployment Service) will co-ordinate this offensive;
- A *stageplaats* (work placement) or a *leerwerkbaan* (learning job) for every school leaver who has been unemployed for longer than 3 months (implicating a creation of 150,000 of these placements/jobs);
- Special provisions for 'vulnerable youngsters', combining care, education, guidance and labour market orientation. Some pilot projects have already started, such as a 24 hours internal project preparing high risk young people for a job in security, and a project connecting youth care, education and the labour market.

The results of the Task Force and VSV policy are diverse. Youth unemployment went down until the economic crisis reversed the trend. VSV initiatives before 2007 have been criticised for a lack of focus and continuity. In a comparative study, which compared policies to address early school leaving in the UK, France, Germany, Sweden and Belgium with the situation in the Netherlands, the sheer number of measures and regulations in the Netherlands was seen as one of the key factors behind policy failure (in WRR, 2009).

Dutch policy measures have for some time been more decentralised (regional stakeholders and individual employer play major roles) and differentiated between target groups (although the 2007 VSV and the brand new Action Plan Youth Unemployment in which VSV is partly integrated policy approaches).

A national and long term programme like the Slovenian example has not been implemented. It could help to solve the fragmentation problems sketched out, but does not seem to match the Dutch policy priority of seeking to integrate young people as efficiently as possible into employment.

⁶The question remains however *how* they can realise this. Here the combination of school attendance and learning jobs in companies seems one of the spearheads to withhold these often less motivated young people from dropping out.

⁷H. de Boer, *Tegen de stroom* in (Against the stream), Noordwijk, May 2009

3 ASSESSMENT OF THE SUCCESS FACTORS AND TRANSFERABILITY

The success factors of 'Learning for young adults' tend to be: the long term integrating effects; the attraction of a non compulsory year programme for groups of high risk young people; the attention given to the 'psycho-social rehabilitation' of individuals as a prime condition of success; the curriculum which offers individual choices developing into specific goals and standards; the quality of the mentors as modern pedagogical experts as opposed to the 'unsuitable approaches' of the regular teachers in the school system; and the flexibility of the programme.

All these factors could be transferred to the Dutch policy arena. However they cover only a small part of actual policy making and priorities in this field.

The Netherlands has reorganised its VET systems over the last five years. *Competentiegericht onderwijs* (Competence Oriented Learning, CGO) is replacing the traditional curriculum that is based on disciplines and specialist but narrow knowledge of the teachers. Social partners and individual employers have welcomed this change, as they argue employees of the future need to be more flexible and able to move to new skills during their career. These changes tend to be a success for the better students, but can cause problems for the more vulnerable groups. They can feel alienated or isolated in school, lacking structures when teachers minimise their contact with students through CGO so as to let students develop and find their own solutions.

More and more schools now organise combinations of more traditional and knowledge based education and competence oriented learning activities. However, recent initiatives have created special '*vakscholen*', (craft schools, where people experience structure and teachers have experience as skilled) to prevent VSV for risk groups.⁸

Transferring the Slovenian example into the Netherlands' VET and youth unemployment system now covered by the *Actieplan Jeugdwerkloosheid* would certainly involve difficult discussions and decisions. The main elements are:

- The Dutch regional and individual orientation (also financially), where 'work first' is the leading message for most initiatives (meaning involving individual employers, bringing school into work and vice versa): a national programme, apart from regional stakeholders, regional covenants and regional employers could be an isolated and atypical initiative.
- The Dutch, compulsory orientation, to be either at school or in a learning job or work placement scheme, is quite different from the individual-oriented and non-compulsory adult learning plan in Slovenia.
- The pedagogical focus on non-traditional forms of education and guidance could hinder the actual 'bearing surface' of such measures, since they can be qualified as 'soft', not-employment-focussed and lacking the evidence based evaluation that these methods work out in favour of high risk groups;⁹

⁸One of the 'fall-outs' of the experiments of the Taakgroep Jeugdwerkloosheid.

⁹On the contrary researchers and policymakers often plead for more traditional and protecting education structures, to build up self-esteem and help empowering risk groups. The Actieplan Jeugdwerkloosheid experiment with a security qualification track based on 24 hours internal and 'controlled' presence illustrates these tendencies.

- Youth unemployment in the Netherlands has an important migrant aspect: young migrants - even second or sometimes third generations, and in particular among boys - have extra difficulties in finding a qualified place on the labour market; it is unclear what the Slovenian example has to offer for this particular group.

On the other hand, the fact that it is a long-term initiative, which is disseminated nationally and which can be promoted nationally (enabling visibility across the country) is certainly a very positive factor in relation to a number of Dutch activities.

In order to make the initiative more suitable to the individual needs of the Netherlands, at least five steps could be taken:

1. Identify which special target groups could benefit from a similar programme to act as a bridge between the Dutch labour market and the competences needed;
2. Present more specified evaluations on the qualifications and competences acquired through this type of measure and how they are related to the properties of the scheme;
3. Compare the effects/results concerning labour market perspectives (15 % entering part-time employment, 9 % full-time employment, 41 % continued education) with existing specific measures for high risk young people, in order to gain more insights into the potential gains within a Dutch context¹⁰;
4. Can the overall principal behind the Slovenian project be transferred to the regionally decentralised and job-entrance-dominated policy that the Netherlands has developed? What adaptations would be needed?
5. Compare the essentials of the project with special programmes for young migrants, such as learning jobs, and investigating what the Slovenian example can bring as an added value for these groups.

¹⁰It would be important to have more longitudinal data on the 41 % continuing education. What happened in the years after? Did they qualify for a job and did they enter the labour market. What after 25 years of age? A programme like Learning for Young Adults offers a lot of interesting long term research and policy evaluation possibilities.

4 QUESTIONS

- Why is it a one year scheme? Even with the flexible entry options, is a one year scheme the best time frame for all participants? Can the project involve different starting conditions and different labour market perspectives for its participants?
- Is there more detailed information available on the 'labour market effects?' (i.e. what type of jobs do participants in the project perform after entering the labour market? what happens to the 76 % of participants who do not directly enter the labour market after finishing the scheme?)
- Has there been experience in attracting young migrant workers into the project?
- Has the scheme influenced traditional VET in Slovenia, in the sense that success factors are now used to prevent early school leaving instead of repairing it?
- Are the different partners co-operating with employment stakeholders at regional levels (i.e. social partners, employers, employment service, health services, and the police)?

ANNEX 1: SUMMARY TABLE

Labour market situation in the Peer Country
<ul style="list-style-type: none"> • Youth unemployment in the Netherlands is double the general unemployment rate. For migrants, youth unemployment can be four times as high. • In 2009 there was a dramatic increase in (youth) unemployment and further increases are expected in 2010. • Young people without starter qualifications are most vulnerable in the actual crisis.
Assessment of the policy measure
<ul style="list-style-type: none"> • The Dutch approach to youth unemployment and early school leaving is more and more decentralised towards regional stakeholders; is orientated towards jobs and employment from the start; and is within a compulsory framework (compulsory education raised to 18, after months of unemployment obligation to go into a work placement or learning job). • Slovenian target group of high risk young unemployed is only one focus point in Dutch labour market measures, which concentrate on tailored training with a substantial labour element. • Matching employment and young unemployed people is a crucial element in the Netherlands and is not a last phase activity as in the Slovenian project.
Assessment of success factors and transferability
<ul style="list-style-type: none"> • Transferring the Slovenian initiative to the Netherlands is possible but complicated: regional policy dominance (also financially), compulsory character of actual policy measures, job-orientation-from-the-start at the basis of most projects and initiatives. • The pedagogical principles of the project could raise high barriers in public and political discussions, as they are not associated with empowering high risk young people (in the slipstream of the debate on CGO in VET, which could just lead to early school leaving among risk groups). • Lack of insight into long term labour market effects on the large number of individuals not directly entering the labour market could hinder transfer to the Netherlands. • The long term and nationally disseminated character of the scheme is attractive and is an inspiring example for the ever changing policy and measures used in the Netherlands.
Questions
<ul style="list-style-type: none"> • Why one year for all? • Indirect labour market effects • Migrant workers in the project? • Influence on traditional VET • Regional co-operation and partnerships?