TRACE - Access routes to employment for young people in danger of exclusion
Paris, 2-3 October 2001
Executive Summary

1. INTRODUCTION

The TRACE Programme was the focus of a Peer Review meeting held in Paris on 2-3 October 2001. Experts from five European Union peer countries took part (Belgium, Denmark, Finland Italy and Luxembourg), together with French officials involved in employment policy for young people.

The TRACE programme was launched in 1998, specifically to help disadvantaged and marginalised youngsters not only to find work, but also to achieve overall integration into society. Its target group covers people under 26 who may have family, health or personal problems, or be homeless, and usually lack educational qualifications. This means they are generally excluded from conventional job-seeking networks. They need help not only with training, obtaining qualifications and applying for work, but at the same time social support to sustain their position in the workforce.

TRACE aims to be available to all the young people who need such assistance. The individual programme lasts for 18 months, during which time the young person receives personalised guidance from an experienced counsellor. The overall target is for a minimum of 50% of TRACE participants to leave with a permanent job or contract lasting at least six months.

This summary report explains why the French Government launched TRACE, and how it operates, in partnership with a range of national, regional and local players. It details the programme's objectives, and results achieved so far. The report describes TRACE's strong points, as well as obstacles to success, and difficulties in evaluating its impact. Finally, it records the views of the peer review participants, who outline the measures taken in their own countries to tackle the problem of youth unemployment, and assess the transferable aspects of TRACE.
2. BACKGROUND AND POLICY CONSIDERATIONS

Almost one in five young people (25 and under) is registered unemployed in France, while 30-40% are working. Youth unemployment fell from 20% in 1997 to 18% in 2001, in parallel with the drop in the overall jobless total, but young people still suffer a much higher rate of unemployment than the workforce in general. More young women are looking for work (21%) than men (16%).

Figure 1: Unemployment among 15-24-year-olds in %

<table>
<thead>
<tr>
<th>Year</th>
<th>All</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>28.1</td>
<td>24.5</td>
<td>32.8</td>
</tr>
<tr>
<td>1998</td>
<td>25.4</td>
<td>21.8</td>
<td>30.0</td>
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<tr>
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<td>2001</td>
<td>18.7</td>
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</table>

Economic conditions have a strong impact on youth employment, and after 25 years' experience in France of helping young people into employment; it has become clear that it is not easy to offset the impact of the labour market. Overall, young people now start work later and have more diplomas than in the past. Of those with jobs, four out of 10 are subsidised. Young job-seekers have difficulty because they are beginners in the labour market and are therefore offered less-skilled or temporary work. School-leavers with diplomas find work more quickly, but this makes it even harder for those without. Thus TRACE is designed for those who form the ‘hard core’ of youth unemployment.

Figure 2: Development of levels of qualifications of young people, by sex

Source: Employment Surveys, INSEE

Stephan Clément, of the employment and training division of the French Department of Employment and Solidarity (DGEFP), said the problem of youth unemployment has led the French authorities to introduce a series of special measures in recent years, with strong backing from the public. These include initiatives to create new jobs and improve the quality of existing ones, and to encourage firms to recruit youngsters by, for example, reducing employers’ social costs. Efforts are designed to improve skills, and securing training, apprenticeships or work experience. Special measures target, in particular, the long-term unemployed or those with severe difficulties. Hundreds of thousands of young people have already taken part in these programmes.
Florence Lefresne, the independent expert appointed to assess TRACE for the peer review, noted that – in the wake of the 1981 Schwartz Report - action centred exclusively on training young people has given way to a comprehensive approach to young people in difficulty. Training is developed in conjunction with other action to improve health, combating delinquency, etc. The aim is to link the occupational and social dimensions of integration. New decentralised structures are responsible for advising young people and dealing with their problems, in conjunction with local social and economic players. These include PAIO (Accommodation, Information and Guidance Centres) and MLs (Missions locales) – together known as the Réseau d’accueil (Youth Reception Network) – in which the local authorities, responsible for improving provision for school leavers, participate. The DIJ (Inter-Ministerial structure for youth integration) co-ordinates the network at national level. Partnership between associations, firms, local authorities, etc. is designed to promote local public involvement. There are currently about 376 MLs and 209 PAIO in France.

The idea of developing personalised integration paths has led to various measures: CFI (Individualised training credits) in 1989 corresponds to the aim of access to training that leads to a qualification; PAAQUE (Active preparation for a qualification and employment) in 1992 emphasised local partnerships; and IPIP (Personalised paths to occupational integration) in 1997 aims at those who are most disadvantaged. Each of these measures emphasises the relative difficulty of dealing with these groups, especially in a context of mass unemployment, and the need to give up a purely instrumental rationale – personal guidance for young people makes the employment policy instruments meaningful.

Other initiatives include the ‘New Start’ programme launched by the ANPE (Agence National Pour l’Emploi/National Employment Bureau) in 1998. ‘New Start’ works on the principle of offering immediate ‘preventive’ aid. Within a month of signing on with the ANPE, each individual is interviewed by an expert and receives personal guidance. The programme targets young people within the first six months of unemployment, and adults within the first year. Youngsters may be referred on from ‘New Start’ to TRACE.

Another measure, the ‘New Services, New Jobs’ (Nouveaux services, emplois jeunes/NSEJ) programme, was set up by the French Government in 1997. This sets out to reduce the toll of youth unemployment while at the same time developing new activities in the service sector in France. The programme assists organisations in creating ‘socially useful’ employment by awarding a grant of € 14 484 per year, for each new job, for a maximum of five years.

French employment policy instruments for young people fall into three categories:
- Measures to improve employability through vocational training. Some 200 000 young people, most without qualifications, take part in short courses that may include work experience. But numbers in employment at the end remain limited.
- Measures to recruit young people into private companies, by reducing labour costs and encouraging work-linked training. These have been more successful in securing lasting jobs (590 000 young people in 2000) but firms have become more selective. Now 65% of recruits on such schemes have at least the baccalaureate.
- Non-market sector measures designed to address collective needs, including the NSEJ. Although no qualifications are required, these schemes are also less accessible to youngsters with difficulties. 267 000 young people took part in 2000.
Employment policy initiatives play a major role in youth employment in France. In 2000, they involved 1 million young people, with 38% of workers under 25 in subsidised employment. However, reinforcement of segregation is a problem, as work-linked training absorbs the more highly qualified, and others are relegated to non-mainstream sectors. The CES (Contrat Emploi - Solidarité / Solidarity-Employment Contract) aims to avoid selection, but has a less than successful record in affording access to permanent employment.

The TRACE Programme is specifically designed to address both the occupational and social needs of the disadvantaged young clients who take part. In France, people under 26 are not entitled to income support. Mr Clément stressed that the government’s approach is to get young people into work, rather than offering indefinite social support, and it continues to pursue this objective. “We don’t need to give up yet,” he argued. “We have been able to see that this programme works and has met the targets set for it.”

3. DESIGN AND IMPLEMENTATION

TRACE is built on the French law, passed in July 1998, to counter social exclusion. In its efforts to achieve social and professional integration, the programme focuses on three areas: employment, health and accommodation.

Although the programme is a national one, it is implemented through concrete action at local level, involving partnerships between public authorities and economic and social actors. The Missions locales, established in 1982, are central to delivery of the scheme. The MLs form a network of decentralised units forming an information and support resource for a range of young people. During their visit to the ML in Le Mans, the peer review participants saw this structure at work.

Director Philippe Costeux described the MLs’ three client groups:
1. Independent youngsters, who use the Mission locale largely to access information, documentation or Internet facilities (30%).
2. Young people with particular problems – this is the target group for TRACE (25%). At least one counsellor is available for every 30 youngsters.
3. Others, who fall between groups 1 and 2 and require less-intensive support in a range of areas.
   One counsellor covers 150 young people in this group (45%).

The MLs also offer a range of services such as employment fora for companies and job-seekers, help with mobility through hire of bicycles or mopeds, health care, and special work camps – Le Mans has links with a school-building project in Senegal.

Young people may be referred to TRACE by other services, or may have heard about it themselves through friends, teachers or from publicity materials. Some are registered with the ANPE, but this is not obligatory. After a four-week assessment period, the young person wishing to join TRACE agrees with a counsellor on a personal development plan (contrat pédagogique) and makes a commitment to the programme for 18 months. The plan may involve training, job-search, health care, finding accommodation, etc, according to individual circumstances.

The MLs are supported by external operators already active in the field of reintegration and training of young people in difficulty. They work with MLs and PAIO that are not immediately able to ensure the assistance and monitoring of young people who might benefit from the programme. These operators dealt with 25% of the young people in 2000.
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External operators are chosen according to their specific skills regarding disadvantaged young people, familiarity with difficult groups in society and with the workplace, and ability to work as part of a wider organisation. The main types of external operators are training organisations, economic integration organisations (able to help the programme participants into employment), associations responsible for the protection of young people, and social services.

Partnership
The mobilisation of the partners is one of the key aspects of the programme. TRACE has three layers of local co-operation:

- the steering committee – defines strategy and guidelines. Meets two to three times a year;
- the technical committee – meets once a month to analyse needs and approve candidates;
- the counsellors.

It is important for the success of the programme to use the expertise of existing organisations working in areas such as housing and training. The committees draw together players from institutions, community representation, social economy, social work and local elected representatives. These include, for example, the DDASS (Direction Départementale des Affaires Sanitaires et Sociales) offering support on health and social grounds, the ANPE, and the PLIE (Plan Local pour l'Insertion par l'Economique / Local Strategy for Economic Integration), a joint funding source, as well as regional and municipal councils. However, the corporate world is rarely mobilised or associated.

Funding
Despite its complex structure, according to Hubert Peurichard of the DIIJ, TRACE is the least costly programme of its kind in France. This is largely because up until 2001, the programme itself did not make payments to participants, but directed them to other sources of funding.

The French unemployment benefit system has been subject to a series of budgetary adjustments over the last 15 years, which has contributed to young people being excluded from the benefits system. In 1988, the government introduced legislation limiting the payment of income support to citizens aged 26 and over, with the aim of promoting professional integration for young people. RMI (Occupational integration minimum income) is not available for those under 25. In 2000, barely 7.5% of young people joining TRACE declared themselves entitled to family support or RMI payments.

Young people on subsidised (CES) contracts receive half the minimum wage (about €396) and those in training slightly less. However, youngsters in need may apply for emergency aid from the FAJ (Fonds d'aide aux jeunes / Youth Aid Funds). The situation of under-26-year-olds ineligible for the RMI and experiencing severe financial difficulty led to the founding of the FAJ in 1989. In 1992, a second law made regional FAJs obligatory and brought flexibility to the implementation and running of the initiative to adapt these funds to local realities and guarantee a proper local partnership. Furthermore, this law facilitated special support for young people close to exclusion, by the implementation of social assistance schemes. It also introduced the possibility of renewing financial aid, previously an exceptional occurrence. A department may have a single departmental fund, one or more local funds or both. There are currently almost 350 departmental and local funds altogether. The FAJs are jointly funded by national and local authorities.

Nearly 110,000 young people benefited from FAJ assistance over the course of 2000. The sums allocated were about €228 per accepted request over the year. The sums are less for emergency procedures, about €122 on average. The amounts vary a lot from one department to another. This selective assistance is chiefly for subsistence or transport. One in five applicants for a FAJ payment is part of the TRACE programme.
Despite the improvement of unemployment benefits for young people in the scope of the new agreement signed between welfare partners, many of them will still be deprived of resources, i.e. if they live in a poor family or they are estranged from them. 80,000 young people are alone and without resources. During the 18-month period of the TRACE scheme, the young people alternate paid periods (CES contracts or training) with periods without resources, which can hamper their attempts to find accommodation. Payouts from FAJs are on average insufficient to offer a young person in difficulty autonomy.

Bearing in mind the need for fairness between regions, the modest sums allocated and the impoverished circumstances of a high number of young people, the government decided it was necessary to increase the security of the young people in TRACE.

In future, under the new programme to counter exclusion adopted by the French Cabinet on 18 July 2001, the number of young people in TRACE will increase, and when not working or training they will have the right to an employment access grant of about €300 a month, even though the long-term objective will still be to earn their own income. National criteria for eligibility will be laid down to avoid inequalities. As Mr Clément pointed out, “TRACE will not be effective if young people are sleeping under bridges.”

4. RESULTS

In 2001, an estimated 60 000 people will have taken part in the programme, and this will be doubled in 2002 to 120 000.

Table 3: Trace beneficiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>1998-1999</th>
<th>2000</th>
<th>2001 (provisional)</th>
<th>2002 (objective)</th>
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<tr>
<td>N° of young people</td>
<td>44,000</td>
<td>51,000</td>
<td>60,000</td>
<td>120,000</td>
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</table>

TRACE has a specific aim: access to a job. Its target is ambitious: 50% of young people who complete the programme should have a permanent job or contract lasting more than six months. Ms Lefresne presented statistics for young people entering TRACE in 1999 and leaving in 2000:

- Employed 33%
- Subsidised jobs (CES) 10%
- Work-linked training schemes 8%
- Unemployed without benefits 30%
- Unemployed with benefits 5%
- Other 8%

Statistics from the DGEFP show that in 2000:

- Young women represented 51.8% of participants.
- The average age has fallen since 1999, half of the participants are under 20 and a third are 19 and 20 years old.
- 95% were already known to welfare organisations before they joined the programme. Half of them have been monitored by the ML / PAIO network for less than 18 months and over a quarter for over three years.
- Over 43% of participants in 2000 had at least an intermediate level of education as opposed to less than 37% in 1999. The programme reveals a general male/female discrepancy: half the young women reached intermediate level as opposed to just over one third of young men.
Almost one young person in ten is of a foreign nationality, mostly from outside the European Union. This is especially the case for young women of North African origin who encounter particular professional integration difficulties leading them to take specific measures to find employment. These young people are not very mobile: while two out of three are prepared to journey to an area close to their place of residence for training or employment, only one third are prepared to journey further.

At present it is difficult to talk about an overall strategy because decisions are made on a case-by-case basis depending on local resources. Yet TRACE’s approach, centred on individual contracts and personal advisers, is a major asset and much appreciated by the young participants. This became clear at the ML in Le Mans, where many of the young people on the scheme laid emphasis on the quality of the personal relationship established with their counsellor, and felt this had helped and encouraged them to acquire new skills and find a new direction in life.

The programme has achieved significant results, according to Mr Peurichard. Some 93% of youngsters entering TRACE are without qualifications or have severe family problems. After 18 months, over 50% of them have a job or a training placement.

5. OBSTACLES AND PROBLEMS

Risk of stigmatisation
One of the main limits of employment policy, which forces policy-makers to confront a well-known paradox, is that the less targeted a measure is, the more it allows the selective rationale of the market to penetrate and the greater the disqualifying effect on the most vulnerable, who are excluded from it. On the other hand, the more the measure is targeted at the most disadvantaged, the greater the risk of it reinforcing disqualification from work, and of leaving disadvantaged groups alternating between insecure jobs and unemployment. In other words, some firms apparently make recruitment decisions partly on the basis of the negative impact of certain applicants having used specific measures.

There is a danger that TRACE, by focusing on youngsters with the most serious problems, might have the effect of stigmatising the very people it sets out to help. It is now known that some measures do have this impact, and some young people even conceal the fact that they have had a CES contract when they apply for a job in a firm. It should be recalled that CESs make up two thirds of the job opportunities of young people in the TRACE programme. Having a CES can be seen as an opportunity for ‘re-socialisation’ – a useful step towards employment – but the position should lead, wherever possible, to integration into an ordinary work situation, in order to avoid stigmatisation.

Links with other programmes that are closer to ordinary employment and more valued on the labour market, especially NSEJ in the non-market sector and work-linked training contracts in the market sector, can also help. This implies optimal coordination of integration players, and greater involvement of firms in complex partnerships. The fact that TRACE is based in the MLs, which attract a wide range of young people with different degrees of difficulty, also helps to offset stigmatisation.
Finding the right people
Another key issue is that of locating the young people who most need assistance. Being beset by difficulties or recurrent setbacks does not automatically lead to registration either with ANPE or an ML. Certain young people are completely outcast, living on the streets, and some young women do not leave their homes, because of geographic isolation or family restrictions.

One of the characteristics of TRACE is the worry of not managing to reach the young people who do not present themselves spontaneously at the MLs. Indeed, location of the target profile for the most part is currently undertaken using ML files, sometimes cross-referenced with those of the ANPE, and consequently 95% of the young people who benefit from the programme are already known to welfare organisations. Yet authorities may not know about some people in severe difficulties. Ideally, all potential beneficiaries should be aware of the scheme, so that as soon as they are ready to take part, they know where to go. According to Mr Peurichard, many people in local communities are already aware of the MLs, but in 2002 the centres will intensify their efforts by contacting associations for homeless people, etc.

Partnership
The structure of TRACE’s funding and administration is complex, with the participation of several different levels of government and a wide range of other agencies. Conflicts and tension, especially between central and regional government, have arisen over the years. While the state decides employment policies, responsibility for training lies with the regions. Nevertheless, regional authorities were not involved in the design phase of TRACE and this may explain a lack of enthusiasm in some areas. This structure could undermine solidarity, and bring the risk of an agency seeking to offload especially difficult cases onto other specialist services. There is also a danger of giving companies the impression that different entities are competing to secure jobs for clients – this puts TRACE in a weak position when negotiating with business. However Mr Peurichard told the peer review that the MLs and the ANPE share the same aims and work well together.

Social partner involvement
One criticism levelled against TRACE is that the corporate world is not sufficiently involved to enable participants to have full access to employment in the mainstream jobs market. In some areas, bodies representing business such as chambers of commerce sit on steering committees, but it is easier to mobilise employers’ associations than individual companies. In Le Mans, Mr Costeux stressed the difficulties of persuading French companies to hire disadvantaged youngsters or those without training. Offering financial incentives has proved to be ineffective. Trade unions are also cautious, regarding low- or unpaid job placements for young workers as exploitation or as unfair competition for their members.

Ms Lefresne stressed the importance of firms’ involvement in a successful integration strategy. Most studies show that managers do not a priori have knowledge of their labour needs, but can be more open to different experiments. Assessments of CES show that users (local authorities, public bodies, associations) are generally very satisfied with those who have a CES – they often replace permanent employees, when budgetary restrictions make it necessary. A big proportion of disadvantaged young people are, therefore, able to take on an ordinary job, provided working conditions are right. A partnership approach to those in difficulty involves a process of negotiation with firms, including reflection on their own labour needs. The use of financial incentives alone (reduced contributions and bonuses) seems limited, if one wants profoundly to influence firms’ recruitment methods. Counsellors or steering committees should identify and develop good practice in negotiating with local employers. It is also necessary for social players (trade unions and business organisations) to be more involved in dealing with young people through local structures such as youth reception networks.
TRACE drop-outs
The Missions locales aim to meet the needs of all young people who seek their help, but not all these youngsters have the motivation to enter TRACE. Some young people do not sign up because they cannot fulfil the conditions. Among the 18% who drop out, half leave in the first month. There is no research yet into why people drop out or what happens to them. There could be problems in the initial assessment, or perhaps they do not get what they expect from the scheme.

Anecdotal evidence suggests that people leave the scheme for many specific reasons, including illness, pregnancy and military service. In Le Mans, Joël Rudulier from the Regional Employment Department pointed out that locally, at least one in ten young women in TRACE has become pregnant during its 18 months duration. This is an important factor that was not foreseen at the launch of the programme, and raises questions about whether to interrupt the programme, and how to adapt the development plan to take account of a woman’s very different circumstances after childbirth.

Françoise Bouygard, of the research and studies division of the Department of Employment and Solidarity (DARES), admitted more research is needed into what happens to the 35% who leave the scheme without work, and why they are unsuccessful. Another area for study is the quality of advice offered by different counsellors, and its impact.

6. ISSUES OF SPECIAL INTEREST TO THE PEER COUNTRIES

Locating the target group – meeting needs
Peer review participants wanted to know more about how TRACE identified young people in need, and the selection criteria for access to the scheme. They learned that each ML is autonomous and activities are defined by local priorities. But in Le Mans, for example, the Mission believes it lacks the resources to serve all potential applicants. With more funding it could double the number of counsellors, and offer one adviser to 15 youngsters. At present, external operators are used to supplement the full-time counsellors.

The technical committee selects applicants on two criteria: low academic achievement and family or personal problems. A teacher’s recommendation will guarantee automatic entry. This is why the proportion of counsellors to clients has fallen, because ‘emergency’ cases see an advisor at once. But precise criteria may vary from one Mission locale to another, and a more systematic approach is needed.

Individual support and personal rights
The principle of personal counselling and a programme tailored to the individual needs of the young person was of great interest to the peer review participants, who found this one of the most positive aspects of the scheme.

Danish official Helene Morgenstierne asked whether the counsellors are available also outside opening hours. In Denmark there have been good experiences with personal counsellors being available also in the evening, when working with the most severely disturbed young people.

Belgian expert Ides Nicaise wondered why young people are not required to sign their own contrat pédagogique, but only a general form. He queried how candidates are allocated to external operators, and whether monitoring take place to ensure they receive equal treatment. TRACE counsellors have a powerful role in determining the funding their clients receive, among other things. What are the training requirements for counsellors, and what rights does a young client have to choose or reject an individual adviser? In Denmark, expert Per Madsen pointed out, counselling is a well-defined profession. He also
stressed the importance of respecting young people’s rights, and of enabling them to refuse or appeal against unsatisfactory treatment.

The meeting heard that since Missions locales are private associations, TRACE workers are not public employees. They come from a variety of backgrounds, including social work, psychology, sport, economics, law, or with a counselling diploma. Mr Peurichard said there is no national training scheme for counsellors. This may be a risk, but is also an advantage in promoting greater diversity. The quality of the adviser/client relationship can deteriorate if the young person is unsuccessful in finding work, but if problems arise, a young person can switch counsellors.

The partnership arrangement
Participants were curious about the relationship between the different organisations involved in TRACE, and whether agreements exist between the various actors. The Finnish official Anneli Tallqvist queried the cost of so many layers of administration and meetings between partners, compared with the investment in concrete measures to help young job-seekers. She wondered whether the structure was really cost-effective.

Assessing results
There was a general wish for more information about results, and more accurate methods of assessment. Mr Nicaise wondered whether the existing statistics can be said to represent success or failure. Both he and the Finnish expert Simo Aho suggested a control group would be necessary to assess TRACE’s effectiveness. Monitoring participants six or 12 months after completing the programme would also give better feedback. Italian expert Manuela Samek Ludovici felt that if TRACE could show it was helping people with severe social problems into work, rather than just increasing skills, this would be a measure of success. Mr Madsen was doubtful as to whether it was useful to have a fixed target of 50%.

The French authorities agree that more information is needed on why TRACE participants drop out and where they go, on what happens to those who remain unemployed, on what kind of jobs the young people secure, and on how many leave the labour market after the end of the programme.

Other questions
There was general agreement that greater private sector involvement would make TRACE more successful. In Denmark, as most young people on social benefits have failed in the educational system, the social system tries to place them in job training in companies in order to motivate them and make them realise that some sort of education or improved qualifications are necessary in order to maintain their job position. Peer review participants wondered whether employers could be offered more incentives to recruit young people, and suggested support measures for companies hiring people with severe psychological or relational problems.

They also asked whether some young people used the scheme as a stop-gap before qualifying for income benefits at 26, and if the new funding arrangement would attract larger numbers of young people. The answer was that while some young people with modest lifestyles might be ready to live on TRACE payments, not all will receive them. An assessment will take place before grants are allocated. However, if the new system succeeds in attracting more youngsters, this will be a good thing.
7. TRANSFERABILITY TO PEER COUNTRIES

Belgium

In Belgium, a range of measures exists for disadvantaged young people. The ‘Rosetta Plan’ combines elements of the French ‘New Start’ and TRACE programmes. It consists of an activation programme guaranteeing ‘pathways to integration’ to all those entering unemployment, and the First Job Agreement programme (FJA), which obliges companies to employ young people as up to 3% of their workforce.

The Belgian context is rather different from the French one. Unemployed young people are far better protected: about 70% of them draw unemployment benefits, and the remainder have access to the guaranteed minimum income. This has important implications. In Belgium, minimum income is considered a ‘bottom line’ with activation measures aiming at further upward mobility. This means that programmes such as CES would probably fail, unless young people were forced to accept them. The Belgian government is currently preparing a more radical reform of the minimum income scheme, aiming at guaranteeing an integration contract and job offers to all recipients below the age of 25.

The official Tom Bevers said it is easier to identify needy young people in Belgium since it is in young people’s interest to ‘sign on’, and the authorities have closer contact with them. The CPS serves a similar function to the Missions locales, but is less structured. Programmes vary from one commune to another. He felt the chief lesson Belgium can learn from TRACE is the principle of networking with a range of partners.

Mr Nicaise found that TRACE has unique features which could make Belgian measures more effective, notably the targeting of hard-to-place youngsters, and the individual, intensive guidance (with the quality of relationship between the young person and the counsellor being crucial to success). He was also impressed by the integrated approach, combining a range of services, and the harmonious relationship between programme partners. In Belgium, there is competition between authorities, despite fora for them to meet.

The degree of commitment of private enterprises is one of the most striking differences between the French and the Belgian experience in youth employment measures. In Belgium, 0.1% of the wage bill is allocated for the integration of disadvantaged people into enterprises, and legal quota rules and selective recruitment subsidies are the main instruments for the inclusion of young people in firms, besides different formulas of subsidised in-work training (industrial apprenticeships, individual training in enterprises etc.).

In Flanders, human resources counsellors at sector and company level help companies to integrate staff. Counsellors also offer job-coaching to young people when they start work. The current Belgian EU Presidency is organising a conference on corporate social responsibility, with a proposal for companies demonstrating good practice to be able to apply for a special label.
Denmark
Youth unemployment has been declining since 1993 along with the general fall in unemployment. In 2000 the unemployment rate for persons aged 16-24 years was 3%. The current Danish policy towards youth unemployment was implemented in April of 1996. It is targeted at unemployed people under 25, who are receiving unemployment benefits and not undergoing vocational education. After six months of unemployment (during the previous nine months) they have both the right and the obligation to take part in education for at least 18 months.

During the 18-months’ programme, the young person receives a training allowance. If he/she refuses to accept a reasonable offer, he/she will forfeit the right to receive unemployment benefits. A number of evaluations support the view that the special scheme to reduce youth unemployment is a significant factor in cutting the number of young people out of work in Denmark since 1996.

The general reform of Danish labour market policy in 1994 also led to a more individualised approach to activating the unemployed, including an individual action plan, drawn up after a personal interview.

Figure 4: Unemployment in Denmark

Ms Morgenstierne felt some elements in TRACE are similar to measures in Denmark, and there are some aspects the authorities can learn from. Both Danish participants were impressed by the personalised advice and by TRACE’s comprehensive approach, drawing in a range of partners. Individual counselling is very important, as is maintaining contact with young people after they start work. Ms Morgenstierne promised to take these ideas back home with her.

In Denmark, public authorities have made efforts to involve companies in initiatives, and there is a long tradition of dialogue with the social partners. For example, there are local committees where public authorities and social partners meet to discuss employment policies. Counsellors could have a dual role of advising young people and supporting the firms who employ them.

Mr Madsen’s expert paper raised some doubts as to whether TRACE could be “a direct source of inspiration” in the Danish context. First, the specific traits of the TRACE programme are probably closely related to the French institutional structures. Secondly, the limited size of youth unemployment in Denmark makes large-scale programmes like TRACE less relevant – at least for the time being.
Finland
Youth unemployment has been declining. The number of unemployed young with few qualifications in Finland is low by international comparisons, and is not expected to rise. However, the situation of this vulnerable group has weakened because secondary education has become almost a minimum norm for employment (because ‘all’ have it). Demand for low-skilled workers is structurally low, so the risk of exclusion for those with lowest qualifications and competence has increased.

Many principles of the TRACE programme, such as the comprehensive approach, individual path ‘tailoring’ and mobilisation of multiple actors, already exist in Finland. But TRACE has also some ‘new’ interesting features, especially the commitment strengthened by an agreement between the young job-seeker and the counsellor.

The length of the TRACE programme and the personalised guidance are the most interesting aspects for Finland, said Mr Aho. ‘Trust person’ relationships have already been set up, but they do not exist everywhere, and are not long-term. In TRACE, the relationship between the client and the sponsor is established for a period of 18 months. In Finland, the guidance relationships are usually shorter. A typical length of a placement into a workshop, for instance, is six months.

The TRACE programme as such does not seem relevant to Finland, but it might be appropriate to transfer some of its innovative principles, although their implementation would have to be adapted to Finnish institutions. A tradition exists of cooperation between different services, but it is less systematic, and varies according to local initiatives. The existence of the Missions locales is a prerequisite for the success of TRACE, but there is no such network in Finland, and it would not be realistic to imagine setting one up. “If we adopted elements of TRACE, they would have to be embedded in existing structures,” said Mr Aho. This could be through local social workers, although young people tend to regard them in the same light as police and teachers, as people who make life difficult. Alternatively, project-based structures might be appropriate.

Mr Aho added that targets would be a problem in Finland, since there would be sanctions if they were not met, whereas this does not seem to cause problems in France. Equally, in Finland the signing of a plan or contract implies a strong control element with penalties if undertakings are not met. The crucial factor in any transfer would be that the TRACE approach could show promising results in comparison to conventional policies or measures already implemented in Finland.

Italy
Youth unemployment is one of the biggest labour market issues in Italy, and for this reason the French TRACE programme is particularly interesting. The official Cristina Altigieri drew attention to major regional variations, and said youth and long-term unemployment is a particular problem in the south of Italy. As in France, young people looking for their first job are not covered by any income support measure (unemployment benefits almost exclusively cover those who have lost a long term job).

Most of the Italian active policies are aimed at young people. The main youth employment schemes in Italy are work training contracts, which absorb more than 30% of total expenditure. Contratti di Formazione e Lavoro (CFL) are aimed at people aged under 32 and Apprenticeship contracts at the under-24s. These fixed–term employment contracts have a training content and the hiring firm is entitled to reductions in social security contributions. They include both on-the-job and formal training. In 1999, 383 674 young people were employed on Apprenticeship contracts and 219 253 were involved in CFL jobs, equivalent to 28% of the population below 32 years of age. Since 1997, reforms have been taking place to simplify the administration of employment services.
The main weakness of the Italian intervention system for youth employment lies in its being largely based on automatic incentives schemes: there is no targeting besides age, no personalised pathways to employment according to the specific needs of the disadvantaged person, and the actions adopted often compete with each other rather than being complementary. Ms Altigieri said TRACE represents a more targeted approach. She was in favour of transferring the personalised intervention system to Italy, even though conditions are different. “I was very impressed by the words of the young people, and the fact that they found somebody to support them and to whom they could turn at different stages,” she added.

TRACE also involves partnership among the national and public institutions and the social partners at the local level, which is particularly interesting for Italy in the transition process toward a decentralisation of active labour market policies.

Ms Samek Ludovici said there is little experience in Italy of this kind of active intervention. She identified targeting, and the length of the programme, as of special interest. Public authorities in Italy are now trying to include integration in the delivery of all employment policies. For example, the Ministry of Labour has become the Ministry of Labour and Social Affairs. More reforms are planned, but the country has yet to decide whether to adopt a French or Danish model. Traditionally, families support their young people, but this will not be the case in the future.

Ms Samek Ludovici drew attention to the difference between France, where the state plays an important role in employment policy and thus national/local partnerships are necessary, and Italy, where it is the competence of regional authorities. Too many participating bodies can cause complications and waste time and money. She said Italy could think about measures directed at business such as company counsellors. Some services might be delivered through the private sector, just as the Missions locales are a combination of private and public. However, while such a programme might work in northern Italy, in the south it would be much more difficult because of the absence of jobs.

Luxembourg

At a general level, the economic situation in Luxembourg is especially favourable. In 2000, growth was the highest for six years; domestic employment was up by 5.8% and unemployment decreased to 2.6%. Among young people, 6.7% of those between 15 and 24 years are unemployed, compared with 2.1% of 25-49 years old and 2.4% of the whole working population. This rate is the lowest in the EU-15 after Austria.

However, young people’s unemployment is still an important problem. Currently, under-26-year-olds represent 17.5% of people registered with the employment services. The individualisation of the insertion course is already very marked in Luxembourg, especially for underprivileged people.

The official Pierre Schlösser outlined reforms in measures for young people, and said Luxembourg is turning more and more towards individual social and psychological support, taking account of the personality and background of each young job-seeker. But there are no systems as institutionalised as TRACE. Given Luxembourg’s small size, good cooperation exists between local and regional players, and decisions are taken on a tripartite basis involving government and social partners. However, there is growing competition between the commercial and social sectors of the economy.

Some aspects of TRACE already exist in Luxembourg, but Mr Schlösser said he found the role of counsellors in the French programme most impressive. Many people have difficulties relating to institutions such as banks, and the advisers could help them.
The expert Claude Houssemand admired the individual attention as the most striking point of the programme. He was also impressed by the end results, and said a similar kind of initiative in Luxembourg produced a smaller proportion of job placements: about 10-15%. There are very few jobless people not enrolled at employment centres, but the large numbers of cross-border workers in Luxembourg may bring specific structural or cyclical problems, and their impact on local job-seekers should be examined.

He drew the conclusion that young people with difficulties need the support of clear structures rather than being forced directly onto the competitive labour market. As a first move towards transferring the lessons of TRACE to Luxembourg, Mr Houssemand suggested establishing contact between programme operators in the regions of France closest to the border such as Alsace Lorraine, and Luxembourg officials, in order to discuss cooperation on possible joint initiatives to help young people with difficulties into work.