



From long-term unemployment to a matching job

The role of vocational training in sustainable return to work



From long-term unemployment to a matching job

The role of vocational training in
sustainable return to work

Please cite this publication as:

Cedefop (2018). *From long-term unemployment to a matching job: the role of vocational training in sustainable return to work*.

Luxembourg: Publications Office. Cedefop reference series;

No 107. <http://data.europa.eu/doi/10.2801/785536>

A great deal of additional information on the European Union is available on the Internet.

It can be accessed through the Europa server (<http://europa.eu>).

Luxembourg:

Publications Office of the European Union, 2018

Copyright © European Centre for the Development
of Vocational Training (Cedefop), 2018
All rights reserved.

PRINT

ISBN: 978-92-896-2531-9

doi:10.2801/785536

TI-05-17-255-EN-C

PDF

ISBN: 978-92-896-2530-2

doi:10.2801/937641

TI-05-17-255-EN-N

*Designed by Missing Element Prague
Printed in the European Union*

**The European Centre for the Development
of Vocational Training** (Cedefop) is the European Union's
reference centre for vocational education and training.

We provide information on and analyses of vocational
education and training systems, policies, research and practice.

Cedefop was established in 1975
by Council Regulation (EEC) No 337/75.

Europe 123, 570 01 Thessaloniki (Pylea), GREECE

PO Box 22427, 551 02 Thessaloniki, GREECE

Tel. +30 2310490111, Fax +30 2310490020

Email: info@cedefop.europa.eu

www.cedefop.europa.eu

Mara Brugia, *Acting Director*

Tatjana Babrauskiene, *Chair of the Governing Board*

Foreword

Long-term unemployment (LTU) is a pressing problem, with serious consequences for those concerned and society as a whole. Although the current employment recovery contributed to a modest decrease, in 2016 almost 10 million people in the European Union (EU) were still long-term unemployed. In 10 EU Member States, more than half of the unemployed were out of work for over a year.

Since the economic crisis, it has become harder to escape from LTU. Recovery alone cannot reverse this. Skill deficits and mismatches – linked to lacking skill development opportunities – make the long-unemployed less attractive job candidates for potential employers.

Cedefop's own evidence, based on data from the European skills and jobs survey (ESJS), indicates sustainability challenges in activation practices. People entering employment after a spell of LTU tend to end up in less complex and skill intensive jobs and have fewer opportunities to develop their skills compared to job-changers in continued employment.

Engaging the long-term unemployed and providing vocational training lies at the heart of activation practice. Critical success factors include tailoring training content and provision to the skill gaps of job seekers (both basic and life skills) and to employer needs; there should also be tangible training outcomes such as the acquisition or recognition of formal qualifications. Validation of prior learning also offers opportunities to build an otherwise shattered person's job profile. This requires good understanding of the characteristics of the long-term unemployed and of how they ended up in joblessness, strong employer involvement, and good use of EU education and training tools. Innovative, skills-based matching tools already being used in some countries illustrate the role web-based technology and analysis can play in making people-job matches more sustainable.

At Cedefop's policy learning forum (PLF) *Vocational training for the long-term unemployed: learning from inspiring practices* (Thessaloniki, 15 and 16 June 2017) practitioners and experts from across Europe were invited to share practices and experiences. This report blends the case studies they presented, annexed as summaries to this report, with Cedefop's earlier work and other evidence. Forum participants also discussed what they see as promising areas for further development. The result is an overview of innovative approaches, principles, methods and tools at the different stages of activation.

Rethinking the approach, support infrastructure and tools and methods can help prevent the former long-term unemployed from going back to having no job and ending up as 'returning customers' of public employment services (PES); apart from high individual costs, this has negative implications for society. While it might be challenging to overcome resource constraints, investment in the capacity of countries to address and prevent LTU is worth it. I hope this report can contribute to making the case.

Mara Brugia
Acting Director

Pascaline Descy
Head of Department

Acknowledgements

This publication was produced by Cedefop, Department for skills and labour market, under the supervision of Pascaline Descy. It is the outcome of a team effort, drafted by Cedefop experts Konstantinos Pouliakas, Jasper van Loo and Stelina Chatzichristou, under the *Skills mismatch* project.

Cedefop wishes to acknowledge the contributions of participants of the policy learning forum *Vocational training for the long-term unemployed: learning from inspiring practices*, held in Thessaloniki on 15 and 16 June 2017.

Table of contents

Foreword	5
Acknowledgements	6
Table of contents	7
List of boxes, figures and tables	8
1. Recent trends in long-term unemployment and integration challenges	10
1.1. Rising long-term unemployment	10
1.2. Consequences of long-term unemployment	11
1.3. Skill deficits among the long-term unemployed	14
1.3.1. Low-educated face higher LTU risk	14
1.3.2. Long-term unemployed lack skill development opportunities	16
1.4. Activation towards sustainable jobs	18
1.5. Learning from innovative practice to drive progress	22
2. Engaging the long-term unemployed	24
2.1. Reaching out to different groups	24
2.2. Innovative engagement approaches	27
2.2.1. One-stop-shops easing access to services	27
2.2.2. Capitalising on the potential of e-tools	27
2.2.3. Engaging with local communities	28
3. Identifying suitable interventions	30
3.1. Customisation: options and challenges	30
3.1.1. Making group-based approaches more effective	30
3.1.2. Linking activation with education and training tools	33
3.2. Developing employability and meeting skill needs	34
3.2.1. Linking activation to skills intelligence	34
3.2.2. Basic skills for mobility and sustainable employment	36
3.3. Tapping the potential of work-based learning	37
4. Making matching more sustainable	40
4.1. Using ICT to improve matching	40
4.2. Towards more sustainable activation	42
4.2.1. Post-programme support	42
4.2.2. Linking payments to service providers to results	42
4.3. Optimising partnerships	44
4.3.1. Supporting hard-to-place groups	44
5. Ideas for ways forward	47
5.1. Key intervention areas	47
5.2. Options for making activation more sustainable	48
5.3. In conclusion	49
List of abbreviations	50
References	51
Further reading	54
Websites	55

List of boxes, figures and tables

Boxes

1	Underlying causes of long-term unemployment	13
2	Integrating LTU: differences between EU Member States	19
3	Restarting careers	24
4	Using a matrix to assess self-reliance	25
5	NGOs as partners in engaging the unemployed with a personal touch	25
6	Registration with public employment services among the long-term unemployed, 2016	26
7	One stop-shop approaches	27
8	Using the internet innovatively to engage the unemployed	28
9	Profiling the long-term unemployed	31
10	Improving 'priority groups' approaches	31
11	Shaping individualised guidance for the unemployed	32
12	Integrating education and training tools in activation programmes	33
13	Activation based on skills anticipation	35
14	The added value of comprehensive skills governance systems	35
15	Developing general skills of the unemployed	36
16	Workplace learning as part of activation measures	38
17	Job rotation (Denmark)	39
18	Work-based learning programmes in the public and non-profit sector	39
19	Online competence-based matching platforms	41
20	Using ICT/web platforms as feedback tools	42
22	Programmes linking payments to results	43
21	Continuing support after training	43
23	Activation programmes for hard-to-reach, vulnerable groups	45
24	Promoting stakeholder partnerships	46

Figures

1	Long-term unemployment in the EU: rate and share of total unemployment, 2006-16	10
2	Long-term unemployment rate in EU countries (aged 15 to 74), 2007, 2013 and 2016	11
3	Lack of opportunity to attend job interviews by past labour market status, adult employees (aged 24 to 65), 2014	12
4	LTU rates by skill level (% of labour force), 2004-15, EU-28	14
5	Composition of LTU by highest education level, 2006-15, EU-28	15
6	LTU rate by programme orientation, 15 to 34 year-olds with medium-level qualifications, 2015, EU-28	16
7	Participation (%) in non-formal job-related education and training by labour market status, adults (25 to 64), 2011	17
8	Difference (adjusted) in mean assessed literacy skills by labour market status (relative to employed), adults (16 to 65), EU-19	18
9	Share of adult employees with skill gap at start of job in relation to past labour force status, 2014, EU-28	21
10	Difference in skill formation and skill needs of jobs by prior labour market status, EU-28, 2014	23
11	Intervention areas	48

Tables

1	Probability of skill gap at start of job in relation to past unemployment, 2014, EU-28	21
---	--	----

Recent trends in long-term unemployment and integration challenges

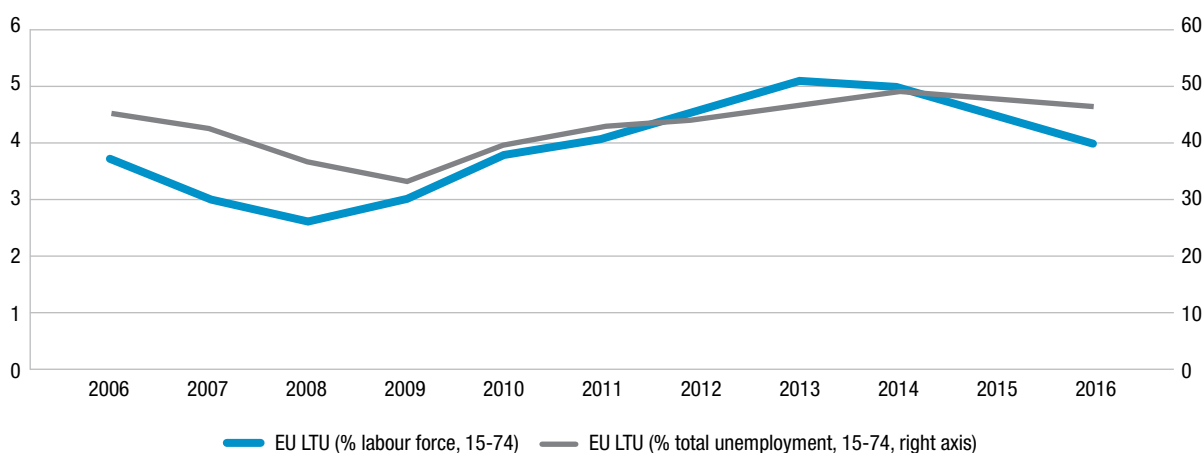
1.1. Rising long-term unemployment

An important legacy of the financial and economic crisis that hit Europe in 2008 has been the increase in LTU (Figure 1). The share of people unemployed for more than a year reached 5% in 2014, almost double the 2008 rate (2.6%). The share of LTU in total unemployment rose from 33% in 2009 to 48% in 2015 ⁽¹⁾. Compared to the situation before the crisis (2007), close to four million more Europeans were out of work for over a year in 2015. Despite recent employment growth recovery and the LTU rate declining to 4% by 2016, nearly half of all jobless people – almost 10 million EU citizens – were long-term unemployed in 2016. Nearly two thirds of them

are very long-term unemployed: they have been out of work for over two years ⁽²⁾.

The EU average masks important differences between Member States (Figure 2). In some countries, most notably Greece, Spain and Croatia, more than one in 10 people in the labour force were LTU in 2013, and they represented 6% to 9% of the labour force in Bulgaria, Ireland, Italy, Cyprus, Portugal and Slovakia. The recession had a strong impact on the LTU rate of Greece and Spain, which jumped from the 2% to 4% range in 2007 to 18% and 13%, respectively, by 2013. Ireland, Croatia and Cyprus also saw their LTU rates rise by 5% points or more in the same period. While long-term unemployment has recently declined in most countries, the speed at which the situation is improving varies

Figure 1 Long-term unemployment in the EU: rate and share of total unemployment, 2006-16



Source: Eurostat's labour force survey (LFS).

⁽¹⁾ While LTU is conventionally measured as the share of individuals unemployed for a period of more than one year, this definition does not accurately reflect differences in cultural and institutional factors and in social norms between EU countries (European Commission, 2012). Some countries do not apply a strict definition of LTU.

⁽²⁾ Eurostat database [data extracted 13.7.2017].

widely. Bulgaria and Croatia were close to their 2007 level in 2016, while in Greece, Spain, Italy and Cyprus, long-term unemployment remained much closer to the 2013 level.

LTU affects half of the unemployed population or more in 10 EU Member States (Belgium, Bulgaria, Ireland, Greece, Croatia, Italy, Portugal, Romania, Slovenia, Slovakia) and four out of every 10 unemployed people in 10 other countries ⁽³⁾. In contrast, less than one third of the unemployed are long-term unemployed in the Nordic countries (Denmark, Finland, Sweden), Estonia, Austria and the United Kingdom.

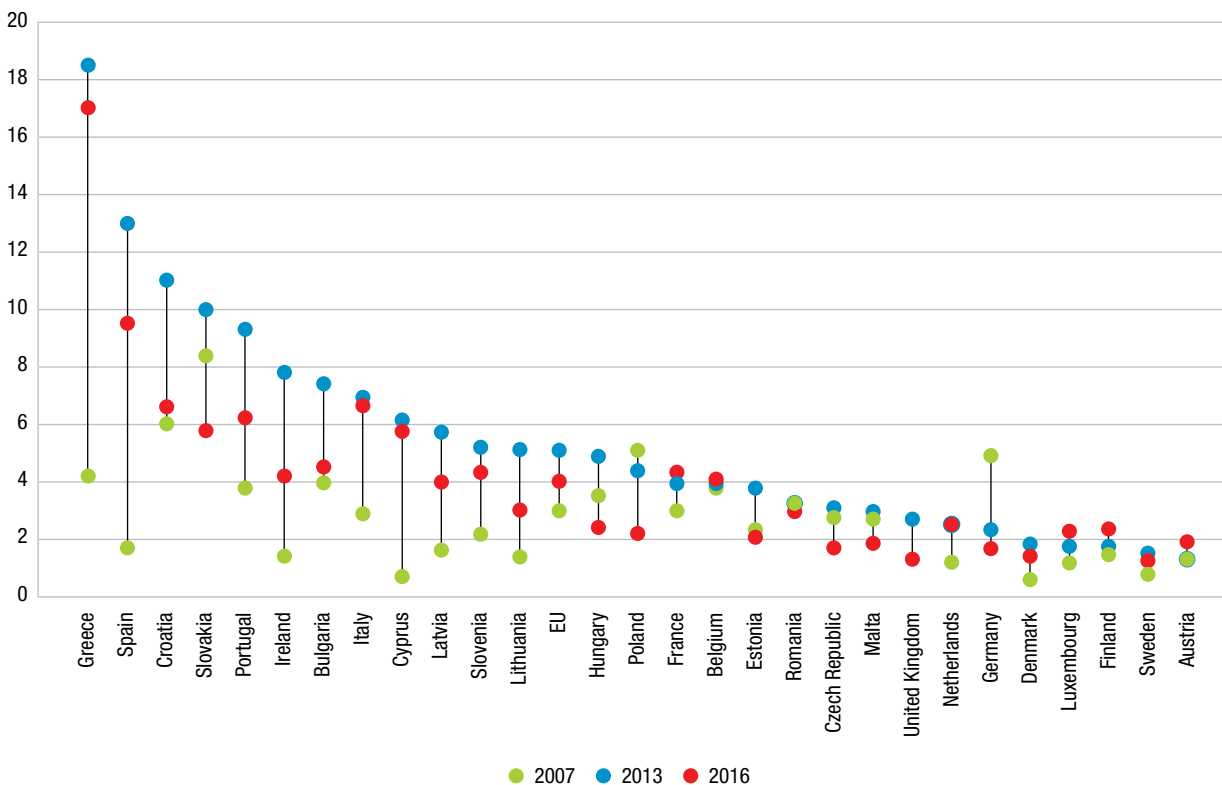
Along with the increase in LTU since the great recession, the composition of the pool of long-term unemployed has undergone a transformation. In the pre-crisis years – against the backdrop of robust employment growth – LTU mainly affected the low-skilled and those facing multiple employment

barriers, health limitations or wider social exclusion concerns. Since the onset of the economic crisis, other groups, such as middle-skilled individuals, young graduates and non-natives, have been increasingly affected by LTU in more countries.

1.2. Consequences of long-term unemployment

Skill deficits, negative ‘scarring’ effects, such as increased likelihood of returning to unemployment due to a negative impact on mental and psychological wellbeing resulting from a prior unemployment spell, and loss of relevant job market networks and/or a supportive environment drive the persistence of LTU (the likelihood of remaining unemployed after one year). They make the long-term unemployed less attractive to potential

Figure 2 Long-term unemployment rate in EU countries (aged 15 to 74), 2007, 2013 and 2016



Source: Eurostat's LFS.

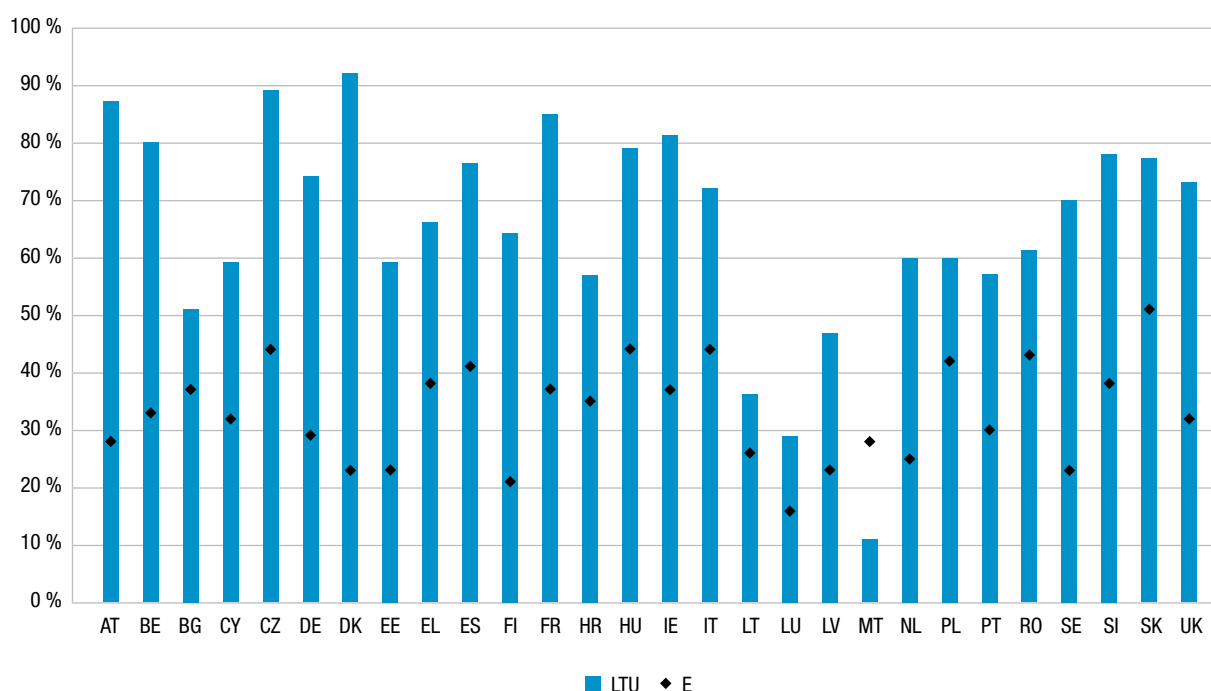
⁽³⁾ In Greece, 72% of all unemployed persons have been in that state for over a year, while the same is true for six out of every 10 unemployed in Bulgaria and Slovakia.

firms. As a result they face greater distrust from employers, who tend to offer them fewer chances to compete for job openings (Figure 3). Over time, LTU can lead to permanent alienation and detachment from the labour market, increasing risks of material deprivation, poverty and social exclusion (European Commission, 2012).

The persistence of unemployment has increased significantly in the post-crisis years due to decreasing vacancy-unemployment ratios, anaemic job creation and rising skill mismatch in many EU countries: 38% of people who became jobless in 2012 were still looking for a job in 2013, compared to 27% during 2007-08. Persistence among the already long-term unemployed was even higher, rising to 63% in 2012-13 compared to 50% during 2007-08 (European Commission, 2014).

This raises concerns about the extent to which the dramatic rise in overall unemployment in the EU since the great recession has become structural in addition to cyclical. LTU may contribute to an overall deterioration in the efficiency of the skills matching process in some labour markets, where high rates of unemployment coincide with unfilled job vacancy rates (sometimes due to skill shortages), rendering it a core component of structural unemployment (European Commission, 2013; Cedefop, 2015a) ⁽⁴⁾. Economic recovery alone cannot easily change the fate of the long-term unemployed. Due to deep rooted skill deficits and mismatches, exit rates out LTU tend to be less sensitive to changes in the economic cycle, compared to the short-term unemployed.

Figure 3 **Lack of opportunity to attend job interviews by past labour market status, adult employees (aged 24 to 65), 2014**



NB: Responses to question: 'Did any of the following circumstances apply before you started working for your current employer? - Despite sending many job applications, I had few opportunities to attend job interviews'; E = employed in another job before starting current job; LTU = unemployed for more than one year before starting current job.

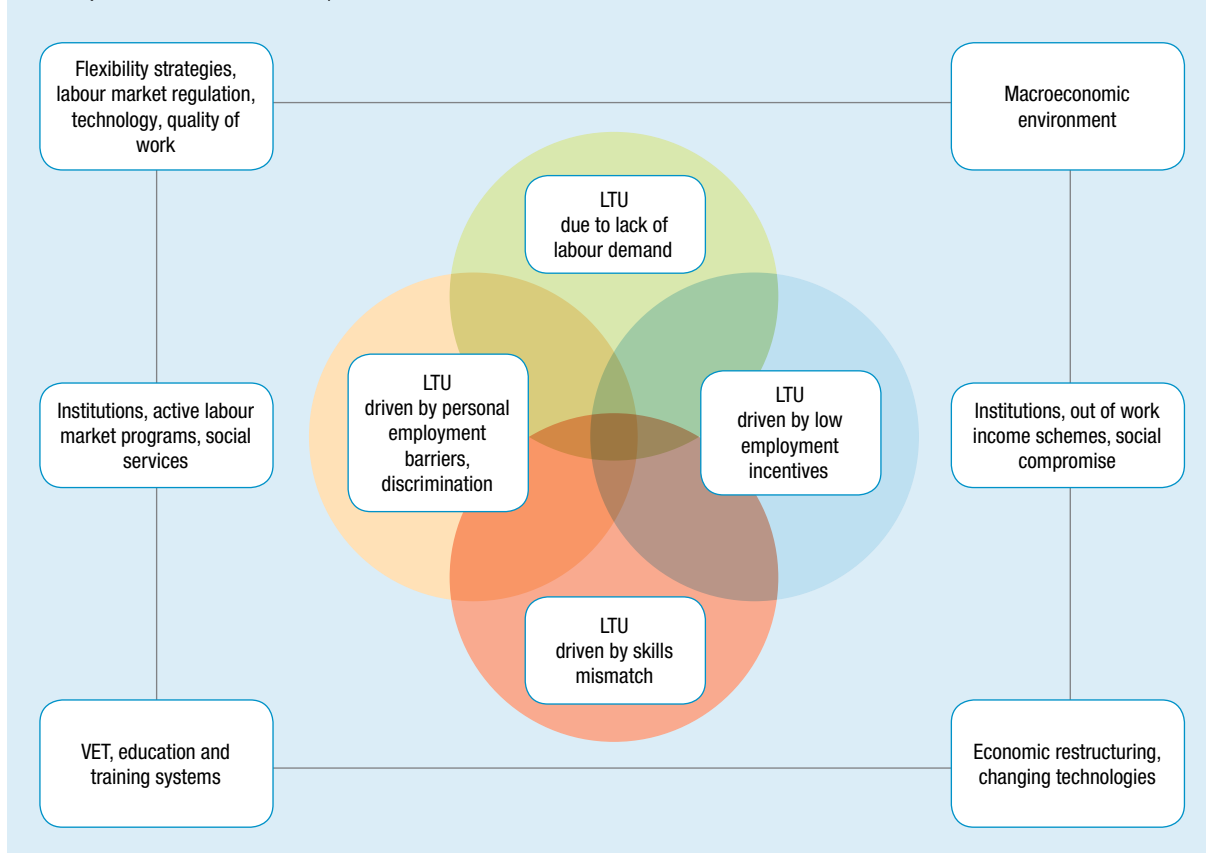
Source: Cedefop's ESJS.

⁽⁴⁾ Structural unemployment in the EU rose due to the crisis. Estimates suggest an increase of about 1.5% (from 8.8% in 2008 to 10.3% by 2013) in the non-accelerating wage rate of unemployment (OECD, 2012; European Commission, 2013). So-called hysteresis effects, manifested by extended durations of unemployment spells and a higher share of long-term unemployed in the total unemployment pool are part of the explanation.

Box 1 Underlying causes of long-term unemployment

The extent to which LTU feeds into higher structural unemployment is deeply rooted in macroeconomic policies that fail to stimulate aggregate demand in the economy, labour market rigidities (such as high labour and non-labour costs; strictness of employment protection legislation), ‘unconditional’ social protection and welfare benefit systems and the quality of matching institutions (such as efficiency and capacity of public/private employment agencies). These factors may influence the demand side of the labour market by affecting expectations of product market demand, raising the cost of hiring (long-term) unemployed persons and shaping overall company recruitment and flexibility strategies. They will also affect the labour-leisure trade-off of job seekers, and hence labour supply, by altering their reservation (minimum acceptable) wage and incentives to search for and accept employment.

The quality of vocational education and training (VET) systems and their links with (local) economies will also influence the labour market (re)integration prospects of the LTU, in particular younger socially excluded individuals (NEETs) ⁽⁵⁾ and unemployed adults. Atrophy/obsolescence of the skills of those experiencing extended periods of labour market detachment drives persistent LTU. Non-accumulation or loss of work-related skills and mismatch between the skills of (low-skilled) people previously employed in sectors undergoing significant economic restructuring and contemporary labour market needs are also contributing factors. Along with the economic value of an individual’s skill set declining the longer he/she is out of work, additional impacts come into play: increased risk of marginalisation due to low self-esteem, discouragement and poor health (Clark and Oswald, 1994; Cedefop, 2013; European Commission, 2014).



Source: Cedefop, 2015c; Duell et al., 2016

⁽⁵⁾ NEETs stands for not in education, employment or training.

The costs of LTU for society are much higher than the economic, psychological and welfare costs experienced by the long-term unemployed themselves. Apart from resource intensive active labour market policies, passive labour market expenditures and social assistance systems kick in after the long-term unemployed exhaust their unemployment insurance entitlements. LTU also leads to higher social insurance costs due to earlier labour force exit of older age cohorts and because long-term unemployed tend to take refuge in long-term sickness/disability insurance schemes in some countries.

Economies with high LTU are more likely to witness rising inactivity: people stop looking for work after an extended and unfruitful period of job search though some of those who have withdrawn from the labour force would be willing to work if (suitable) jobs were available. This may mask the true magnitude of LTU in some countries (Duell et al., 2016). Ultimately, a significant part of the labour force becoming idle for long curbs growth potential and leads to shrinking national income and widened inequality.

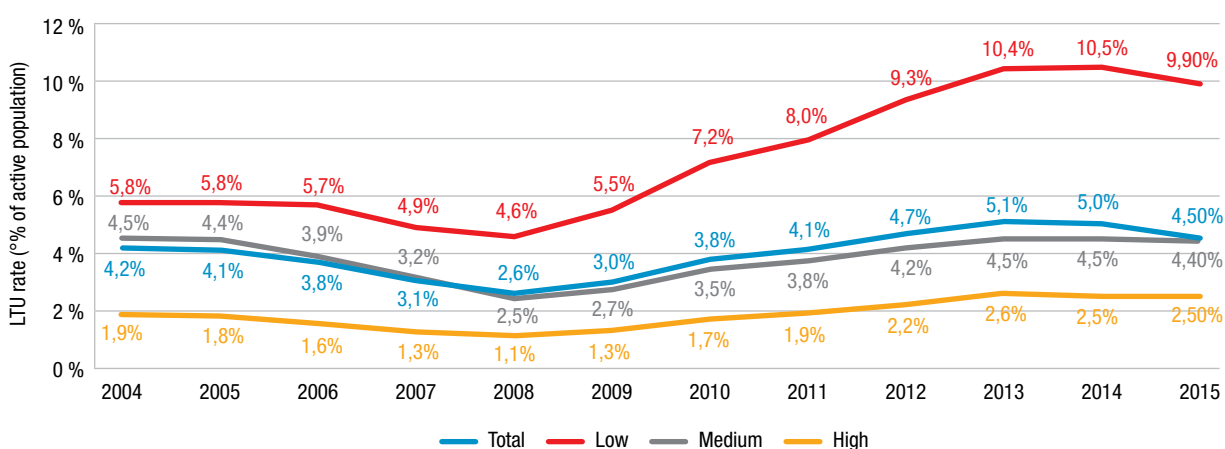
1.3. Skill deficits among the long-term unemployed

1.3.1. Low-educated face higher LTU risk

In most EU Member States, those with lower education and skill levels face the highest risk of LTU. Since 2008, the gap in LTU rates between low-skilled workers and medium- or highly skilled workers has widened significantly (Figure 4). About 9% of all active individuals with, at best, lower secondary education were affected by LTU in 2015. The corresponding rates for those with medium-level qualifications (less than 4%) and higher qualifications (2%) are much lower.

Although, in most EU countries, higher-level qualifications have continued to shield people from LTU during the recession (European Commission, 2014), highly qualified workers were not completely immune to the threat of joblessness, due to its severity in some EU countries ⁽⁶⁾. More higher-qualified graduates entering unemployment has altered the composition of the pool of LTU over the years (Figure 5). About 16% of the long-term unemployed in the EU possessed a higher-level qualification in 2015 (up from about 10.5% in 2006), while medium- and low-skilled made up 43% and 41% of LTU, respectively.

Figure 4 **LTU rates by skill level (% of labour force), 2004-15, EU-28**



Source: Eurostat's LFS.

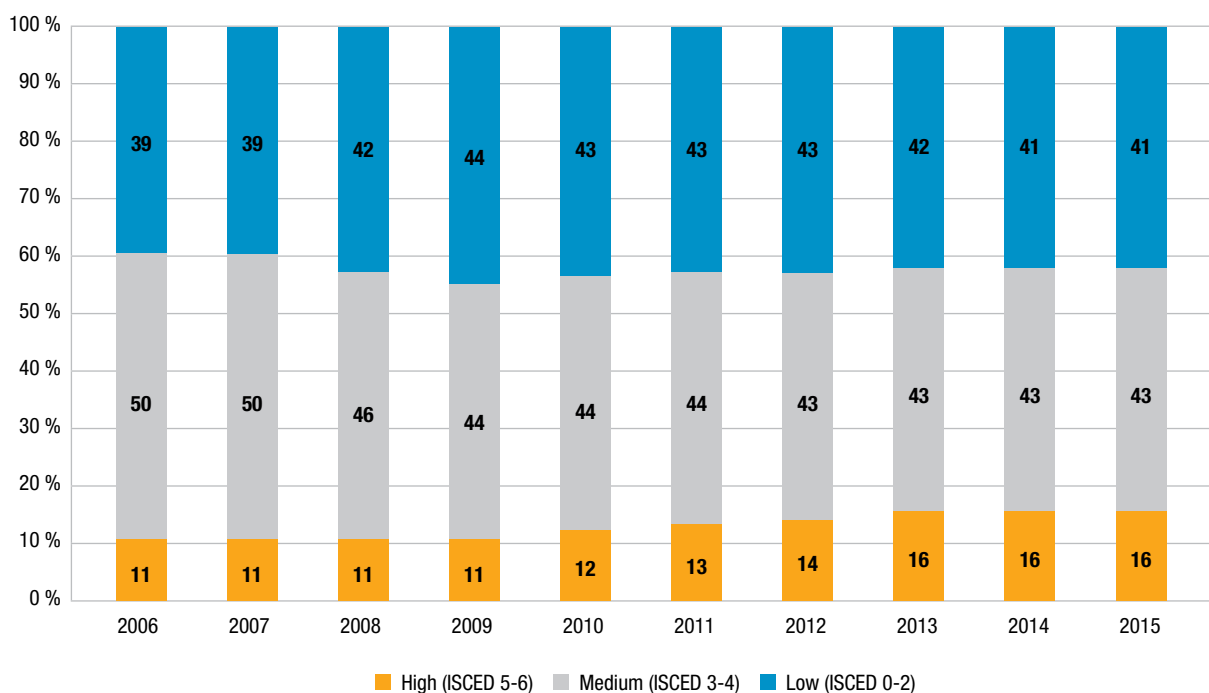
⁽⁶⁾ Cedefop's ESJS shows that sustained employment rates of higher qualified workers come at a cost of rising chances of overqualification, as recent graduates with higher qualifications are increasingly accepting jobs that need lower qualifications than their own relative to previous cohorts (Cedefop, 2015b).

Apart from education level, factors such as age, sex, immigrant/ethnic minority status, region of residence and prior labour market status – including past job sector/occupation – play a role (European Commission, 2012). The risk of LTU tends to increase as individuals enter their prime-age and falls when they approach retirement (7). LTU is more common among males; during the crisis they were more likely to be dismissed from jobs in the traditionally male-dominated sectors hit hardest by the crisis, such as manufacturing and construction. Immigrant background and disability are also important LTU risk factors. Because of differences in economic growth, industrial structure and the skills composition of their populations, LTU varies between regions (rural/urban). While in densely populated areas, people tend to be at a higher risk of LTU, ‘pockets’ of persistent LTU prevail in many rural areas within countries, underlining the importance of effective outreach (Chapter 2).

After considering the influence of these demographic factors, which correlate with both the education level and the propensity of individuals to be long-term unemployed, econometric estimates confirm that lower educational attainment strongly increases the chances for an individual to be in LTU (8). All other things equal, compared to someone with a tertiary degree, a ‘typical’ low-educated person in the EU had a 1.6 percentage point higher probability (and the medium-educated one percent) of experiencing a long-lasting unemployment spell in 2015.

Programme orientation also matters. Young people (15 to 34) with a VET qualification at upper secondary or post upper-secondary (non-tertiary) level are more likely to be long-term unemployed than comparable general education graduates, at 4% against 2.5% across the EU (Figure 6). In Sweden the difference in LTU rates is negligible but in many countries the risk of LTU among those with a VET background is 1% to

Figure 5 **Composition of LTU by highest education level, 2006-15, EU-28**



Source: Cedefop analysis based on European LFS microdata.

(7) While younger adults tend to experience shorter spells of LTU during the school-to-work transition, during the crisis there was a notable increase in LTU among them (some were early school leavers or NEETs) in some EU countries (Cedefop, 2013; European Commission, 2014).

(8) Estimation results based on the European LFS are available in Annex 1.

2% points higher than for general study graduates. The LTU risk penalty for those with a VET qualification is highest in Greece (+12%) and Croatia (+10%) and significantly higher in Spain, Italy and Slovakia (+4%).

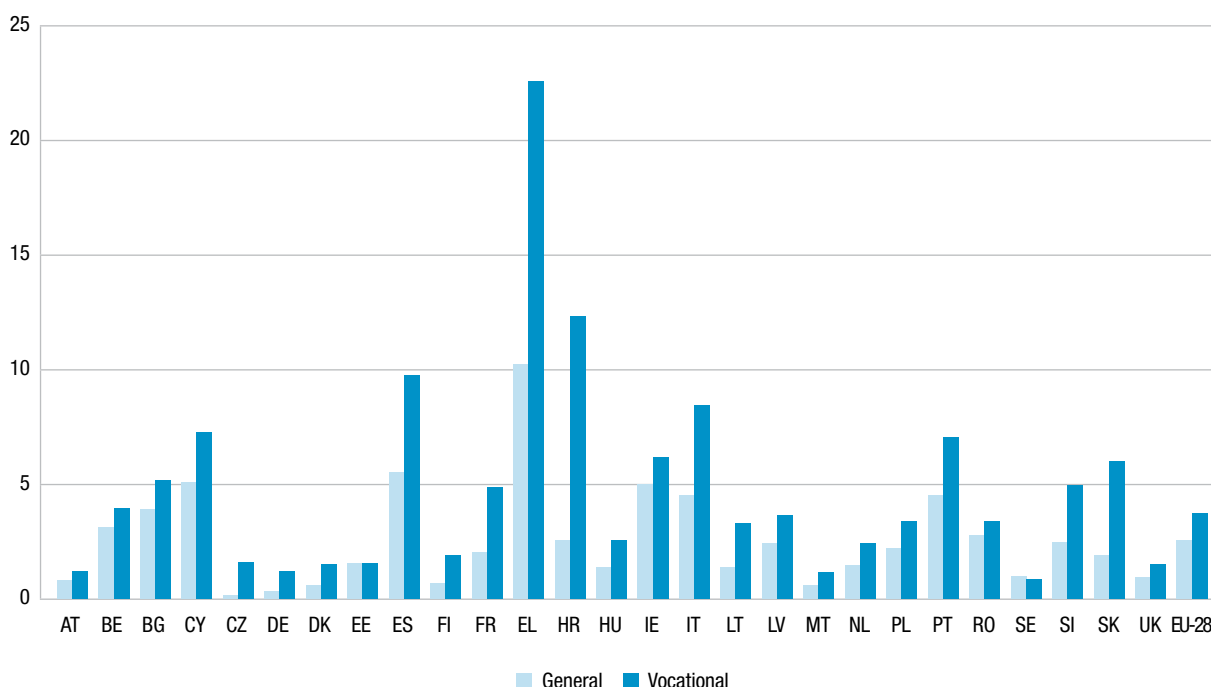
1.3.2. Long-term unemployed lack skill development opportunities

Skills acquired via work experience and work-based learning (WBL) are also crucial to preventing LTU and reintegrating low-skilled unemployed adults (Cedefop, 2013), to avoid economic and social marginalisation. Nevertheless, in 2015 one in five long-term unemployed in the EU, most of them under 35, had never worked before. They need to be guided towards active policy measures and given support to help them find their first job.

Due to their distance from the world of work, the long-term unemployed lack opportunities for continuous skill development. Compared to the employed, and despite the lower marginal cost of their time, unemployed people tend to participate less in adult learning and are particularly disadvantaged in terms of participation in non-formal training for job-related purposes (Figure 7) ⁽⁹⁾. Those in employment had 41% higher odds of participating in adult job-related training in the previous year, relative to the inactive population; the unemployed had a 16% higher likelihood of receiving adult training compared to the inactive population ⁽¹⁰⁾.

The unemployed participate less in lifelong learning than the employed in all EU countries, showing they have few opportunities to exploit

Figure 6 **LTU rate by programme orientation, 15 to 34 year-olds with medium-level qualifications, 2015, EU-28**



Source: Cedefop analysis based on European LFS microdata.

⁽⁹⁾ Cedefop’s analysis of a random sample of unemployed individuals (OECD PIAAC data, 17 EU countries) confirms that there is a statistically significant negative relationship between the probability of LTU status and participation in non-formal education for job-related reasons in the last 12 months. This correlation is robust to differences between short-term unemployed and long-term unemployed in terms of gender, age, migrant status and levels of education. Results are available from Cedefop upon request.

⁽¹⁰⁾ Results are based on discrete probability model estimates on a pooled sample of EU adults surveyed as part of the 2011 adult education survey. For details see Cedefop (2015d).

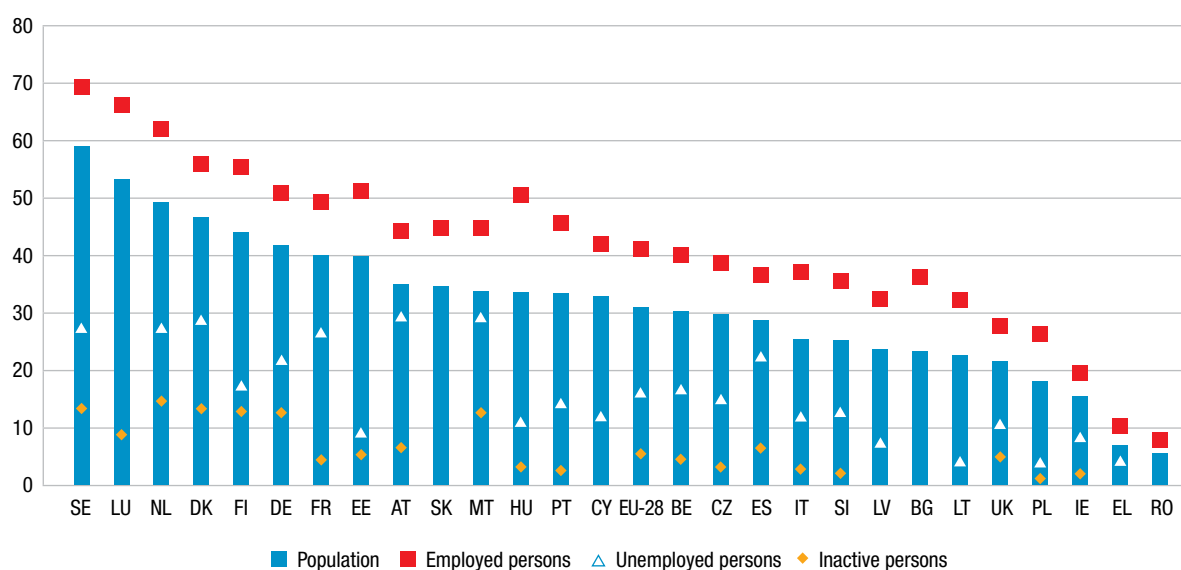
the leisure time at their disposal while out of work to improve their skills. The higher training intensity of the employed tends to be driven by their participation in non-formal job-related training, which underlines the critical role of work in developing skills. Disadvantages faced by the unemployed in accessing guided on-the-job training, evidenced by the adult education survey, corroborate this finding.

Lower formal qualifications among the long-term unemployed, and fewer opportunities to develop skills while in the labour market, go together with lower cognitive and non-cognitive skills. On average in the 19 EU countries participating in the Organisation for Economic Co-operation and Development (OECD) survey of adult skills (PIAAC) (11), the difference in mean literacy and numeracy proficiency between the employed population and unemployed or inactive individuals is about 13 points on the respective skills assessment scale. The proficiency gap is larger for the long-term unemployed (19 points) and smaller for the short-term un-

employed (nine points difference in the literacy assessment scale). Composition effects, such as age and gender differences, may partly explain the observed differences. The short-term unemployed tend to be younger or have higher qualifications, and are hence more skilled compared to older or lower-educated counterparts who are more likely to suffer long-term joblessness (OECD, 2013a) (Figure 8).

Multivariate analysis based on PIAAC data shows a robust and statistically significant cognitive skills proficiency gap between the employed and LTU in most countries, independent of confounding factors such as age, education level, gender, native status, attitudes to learning and the highest level of education of parents. The (adjusted) gap is lowest in Denmark, Estonia, France, and Lithuania and highest in Sweden, Germany, Norway and the United Kingdom, which could reflect the relatively high share of hard-to-place long-term unemployed in these countries (Figure 8). In Greece, the Netherlands, Austria, Poland, Slovenia and Finland,

Figure 7 Participation (%) in non-formal job-related education and training by labour market status, adults (25 to 64), 2011



NB: Participation is measured in the 12 months prior to the interview and explicitly includes guided on-the-job training. Data for Belgium and Ireland are not fully comparable. Data points not displayed are not fully reliable due to small sample sizes.

Source: Eurostat's adult education survey.

(11) PIAAC stands for programme for the international assessment of adult competencies.

the difference in skills proficiency is statistically insignificant. As in most countries, the proficiency gap declines (and in some countries, such as Estonia and France, becomes insignificant) once the education level of parents is taken into account, indicating that the lower cognitive skills of the LTU are partly driven by their disadvantaged socioeconomic background and unequal lifetime opportunities.

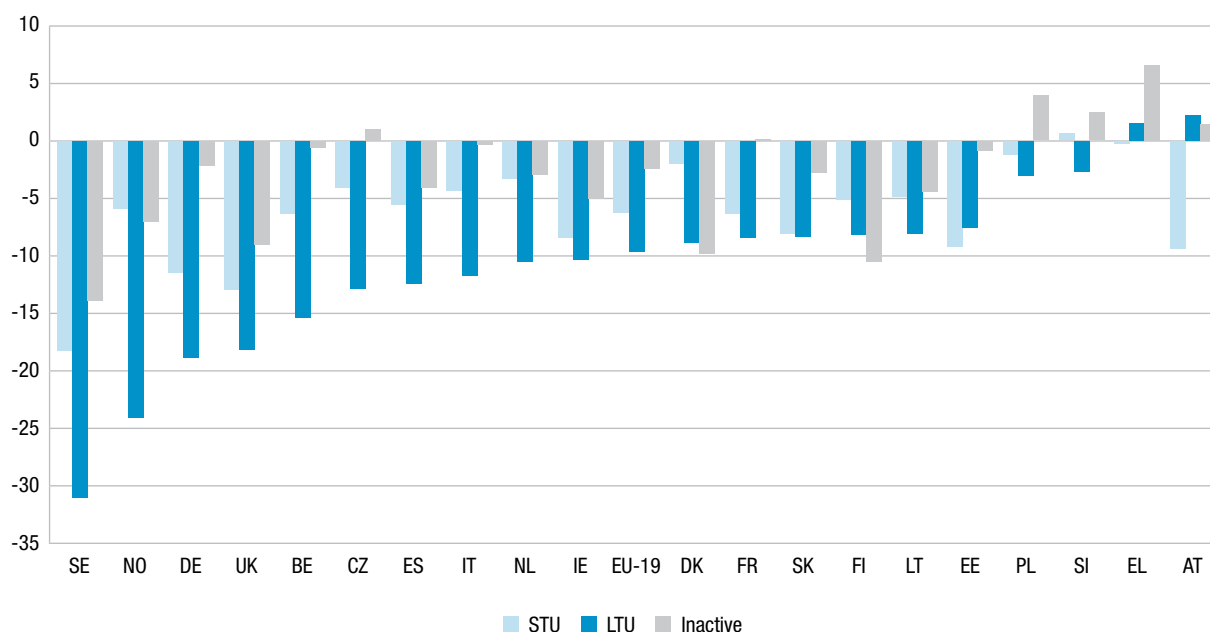
1.4. Activation towards sustainable jobs

With lower average skills and greater personal barriers than the rest of the population, helping the long-term unemployed back to work is challenging. Skills atrophy (or lack of further skill development), while outside the labour market makes it more likely that they have lower skills than needed by their new jobs. This requires investment in vocational skills, once they return to

the job market, to ensure that they can cope with changing job requirements.

As most of the long-term unemployed used to be employed in low-skilled (elementary workers) or semi-skilled occupations (such as crafts and related trades, services and market sales), ensuring that their return to the labour market is durable and does not feed into chronic unemployment (underscored by a no-pay/low-pay cycle) or underemployment is an additional concern for policy. Skill underutilisation can act as a conduit through which the ‘scarring effect’ of unemployment may operate: this is characterised by the higher probability of future unemployment spells linked to past unemployment episodes (Mavromaras et al., 2015). There is also ample evaluation evidence that many benefit recipients are activated to take up low-wage jobs, which offer few career opportunities (Martin, 2017).

Figure 8 **Difference (adjusted) in mean assessed literacy skills by labour market status (relative to employed), adults (16 to 65), EU-19**



NB: Ordinary least squares (OLS) regression estimates controlling for age, gender, level of education, immigration status and attitudes to learning. Reference group: Employed. The size of the bars indicates the negative cognitive skills penalty of the unemployed (both short- and long-term) and inactive populations relative to the employed.

Source: Cedefop analysis based on OECD survey of adult skills (PIAAC) microdata.

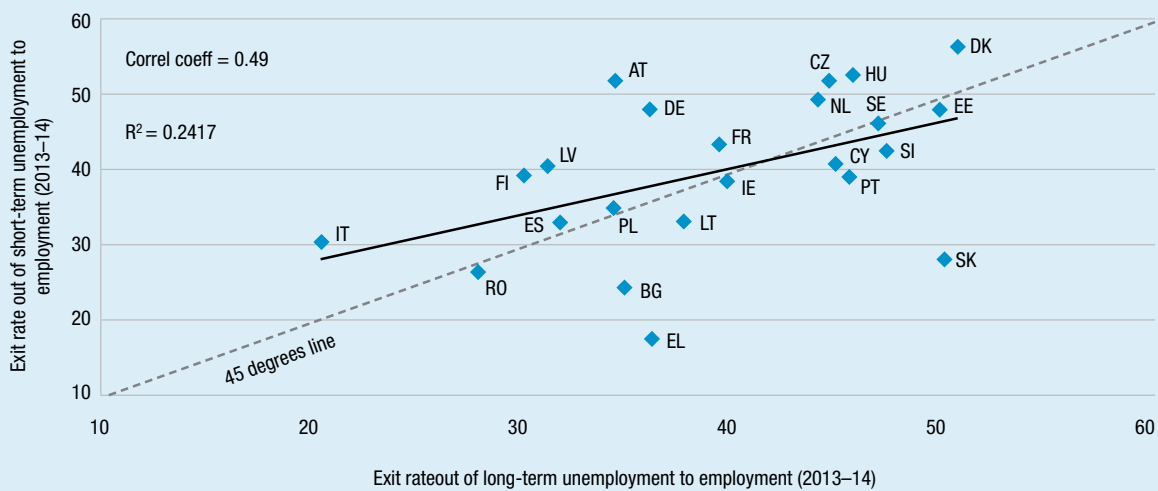
Box 2 Integrating LTU: differences between EU Member States

Stemming the inflow of individuals into unemployment and ensuring quick reintegration of the unemployed back to work helps avoid LTU. A tight labour market and preventive measures (such as short-term work arrangements and sheltered employment subsidies) help ensure cyclical unemployment does not become structural ⁽¹²⁾.

Most countries with high exit rates from short-term unemployment (STU) also have high exit rates from LTU. But some countries successful in helping the short-term unemployed return to work (such as Germany and Austria) have relatively low exit rates from LTU. This can be explained by fundamental skill deficiencies, barriers to labour market entry or reintegration measures not doing justice to the significant investments needed. Greece, Romania, Bulgaria and Italy have low exit rates from both STU and LTU.

Exit rates from unemployment tend to decline with unemployment duration – especially between 12 and 24 months. While, among those unemployed for one year, one in three succeed in returning to a job, fewer than one in six unemployed for over two years manages to do so.

Transition from unemployment to inactivity, traditionally indicative of discouraged worker effects or demotivation, has declined during the economic recession. As declining (unemployment to inactivity) transition rates were more evident in EU countries hit hardest by the economic downfall, this is most likely due to added-worker effects – spouses entering work to mitigate declining household incomes – and other financial constraints (European Commission, 2014).



Source: Cedefop and Eurostat's LFS – ad hoc experimental calculations using longitudinal data.

In developing and implementing activation measures ⁽¹³⁾ policy-makers are often faced with a trade-off between:

- (a) 'work-first' activation policies, lowering the cost of extended non-employment by focusing on quick reintegration into the labour market (irrespective of the job quality and skills match);

⁽¹²⁾ 'A worker who might be viewed as structurally unemployed, as facing serious mismatch in the current state of the economy, may be readily employable in a tight labour market' (Diamond, 2010, p. 336).

⁽¹³⁾ The OECD (2013b, p. 132) defines activation strategies as ways 'to bring more people into the effective labour force, to counteract the potentially negative effects of unemployment and related benefits on work incentives by enforcing their conditionality on active job search and participation in measures to improve employability, and to manage employment services and other labour market measures so that they effectively promote and assist the return to work'.

- (b) 'train-first' approaches, aiming for better job matches by strengthening the human capital investment component of active labour market policies (Chapter 2).

It has proven difficult to test which approach leads to the best outcomes. In many regards, the 'work-first' versus 'train-first' choice is a false dilemma as it depends on individuals' specific circumstances (such as the extent of skill gaps and proximity to labour market) and labour market context. Data constraints have also been a barrier to impact analysis of past unemployment spells on the quality of subsequent job matches by type of activation support received while out of work ⁽¹⁴⁾. Few studies examine whether the jobs of formerly unemployed job finders are more or less likely to have high skill content, or if formerly unemployed workers have higher chances of becoming mismatched or improving their skills in their new jobs, relative to other job changers.

Cedefop's ESJS sheds some light on these issues ⁽¹⁵⁾. It confirms higher rates of underskilling (self-reported skill levels lower than needed by the job) at job entry among previously (especially long-term) unemployed workers compared to those who were previously employed in another job (Table 1). This particularly concerns socioemotional skills such as communication skills, team working, planning and organisation (Figure 9). The chances of the former unemployed reporting underskilling when they started their job are highest in the Baltic states, the Czech Republic and Slovakia; they are lowest in Spain, the Netherlands, Slovenia, and the United Kingdom (Cedefop, 2015b).

The length of the unemployment spell increases the chances of underskilling, suggesting that extended unemployment fosters skills atrophy. Although many unobserved characteristics of the long-term unemployed (ability levels, personality, other behavioural traits) which could explain their higher relative skill gaps cannot be

captured using ESJS data, it is possible to control for a wide range of factors influencing the risk of LTU (Table 1).

The possibility that larger skill gaps among the long-term unemployed are driven by their higher average age at entering a new job, gender effects or their typically lower education level, can be excluded. The same holds for the 2008 economic recession and its impact on labour market entry and vacancy prospects, mismatch in the job before becoming long-term unemployed, and a disadvantaged financial position (individual or household). In comparison to continuously employed job-changers, the long-term unemployed are also found to have a higher probability of experiencing a skill gap at labour market re-entry after accounting for differences in the quality of jobs between the two groups. The greater skill gaps of the long-term unemployed do not only reflect their different aptitudes for learning and/or motives for selecting a job (extrinsic factors, such as wages or fringe benefits, as opposed to intrinsic reasons, such as the nature of job tasks). Excluding all such factors raises confidence in the prediction that extended unemployment spells raise the chances of underskilling when returning to work, presumably due to various scarring effects (including skills atrophy) affecting individuals during the period they were outside the labour market.

The greater probability of underskilling at hiring among the formerly long-term unemployed should be a concern. First, the long-term unemployed who manage to find a job are likely have competitive advantages (better job-search networks, better skills) compared to those that do not manage to re-enter the labour market. It is reasonable to assume that the latter face significantly higher skill deficits than the former, which will complicate their labour market reintegration, posing even more difficulties for public policy. Second, the jobs EU workers enter after long-lasting unemployment tend to be less complex and skill intensive compared to the jobs of

⁽¹⁴⁾ Proper analysis requires longitudinal data linking previous and current labour market status and capturing the type of active labour market intervention received while in LTU. Most available datasets have only a limited set of proxies of job match quality, such as wages on re-employment and contractual stability. While Cedefop's ESJS collected in-depth information about the skill intensity of workers' jobs and skill mismatches, it did not ask respondents whether they received any type of active labour market support before finding their current employment, if previously unemployed.

⁽¹⁵⁾ Cedefop's ESJS is a state-of-the-art study of around 49 000 adult employees (aged 24 to 65) in all 28 EU Member States, carried out in spring 2014. It analyses the match between the skills of EU workers and the skill needs of their jobs. Results and key indicators are available from [Cedefop's website](#) and the [Skills Panorama](#).

Table 1 Probability of skill gap at start of job in relation to past unemployment, 2014, EU-28

	Impact of past unemployment (main specification)	Impact of past unemployment (extended specification)	Impact of past unemployment by unemployment duration (main specification)	Impact of past unemployment by unemployment duration (extended specification)
Previously unemployed	0.08*** (0.019)	0.07*** (0.022)		
Previously STU			0.067*** (0.022)	0.059** (0.026)
Previously LTU			0.095*** (0.025)	0.080*** (0.029)
Pseudo R2	0.03	0.09	0.03	0.10
Observations	48 306	39 583	48 306	39 583

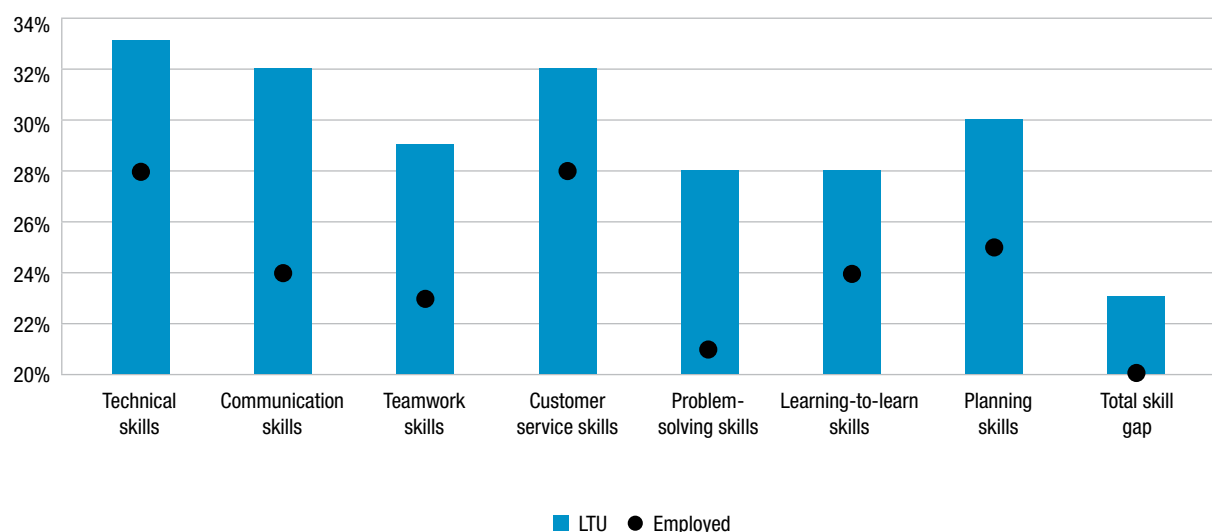
NB: Probit estimates; Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1; STU = unemployed for less than one year before starting current job; LTU = unemployed or in inactivity for more than one year.

Main control variables: gender; highest level of educational attainment; age at start of job.

Extended set of control variables; skill mismatch status in previous job; current job is first job; individual attitudes to learning; individual job preferences (reason for selecting job was career, suitability with skills, work-life balance, job security, work experience, employer reputation, intrinsic nature of work, pay and benefits, proximity to home); financial constraints of individual or family prior to job entry; suitability of job opportunities at time of job search; changed occupation or location prior to job entry; occupation; industry; part-time work; permanent contract; hours of work; public sector; workplace size; workplace part of larger organisation; skill intensity of job (level of literacy and information communications technology (ICT) skills needed, importance of technical and soft skills); degree of routine tasks in job; 28 country dummies.

Source: Cedefop's ESJS.

Figure 9 Share of adult employees with skill gap at start of job in relation to past labour force status, 2014, EU-28



Source: Cedefop's ESJS.

employed job-changers. The higher skill gaps of the long-term unemployed must, therefore, be driven primarily by their poorer skills and cannot be explained by higher skill demands of their new jobs. Disadvantages linked to returning to lower-quality work can also be persistent, given that skill formation by individuals over their lifespan is just as much a function of their past investments in human capital as it is dependent on the nature of skill needs in their jobs (Desjardins, 2014; Cedefop, 2015b).

Testing whether the formerly long-term unemployed are less likely to have improved their skills at work is important, since it helps assess whether skill mismatches during labour market reintegration, which may have arisen as a result of ‘work-first’ activation, or low quality training received before and/or during an unemployment spell, are temporary or persistent. ESJS findings indicate that – on average in the EU – the skills of the formerly unemployed are less likely to have improved on the job relative to job changers in continued employment or students taking up their first job (Cedefop, 2015b) (Figure 10). Significant ‘skill formation penalties’ for the previously unemployed are found in some EU Member States: Bulgaria, Germany, Greece, Spain, the Netherlands, Slovenia and the United Kingdom. The finding of slower skills growth among previously unemployed adults, relative to those who were continuously employed, holds even when accounting for other factors: different levels of skill mismatch between the two groups when they started their new jobs, changes over time in technologies and tasks their jobs require, and whether or not their career progressed within their job (through being promoted).

On top of lower continued skills formation, a prior incidence of LTU also raises the chances that an adult employee becomes underskilled for his/her job over time, even if the person had skills matching job requirements at the start. This should raise concern about the long-term impact a prolonged unemployment episode may have on people’s ability to retain continued balance between their skills and the skill needs of their job over time.

1.5. Learning from innovative practice to drive progress

This chapter highlights the considerable challenge facing policymakers in helping long-term unemployed people return to work, even as the EU returns to a path of economic recovery. The evidence also suggests that activation should be about more than providing training and helping people find employment. Sustainable activation addresses skills challenges and promotes skills matching at different stages of the journey from LTU to a decent job. It can then become a stepping stone towards developing and using people’s skills and potential and – ultimately – a career.

These ideas are prominent in the EU policy debate. Its jobs and growth agenda (Juncker, 2014; European Commission, 2014a) puts addressing LTU centre stage. The Council recommendation on the labour market integration of the long-term unemployed (European Commission, 2015) and the European Commission’s New skills agenda for Europe (European Commission, 2016) have called for a multifaceted strategy that combines better activation and skills matching policies. Countries incorporating these policy aims in activation measures are at the forefront of innovation to make activation more sustainable. Understanding the features, mechanisms and triggers underpinning effectiveness of such practices offers great potential for policy learning. Lessons learned (success factors, but also pitfalls and bottlenecks) from measures in a particular country or region can – when they consider differences in context – be of value elsewhere.

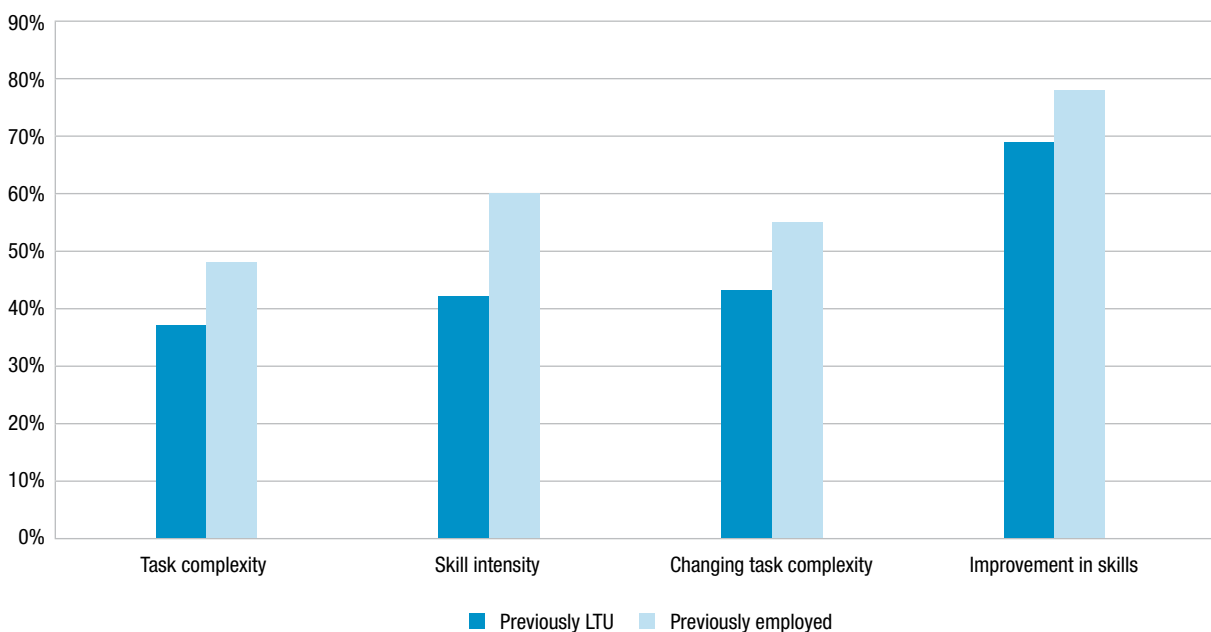
This report builds on Cedefop’s research on skill mismatch and unemployment (Cedefop, 2015b) and expert and practitioner contributions⁽¹⁶⁾. It is not a comprehensive overview or assessment of current policies and practices. Rather it focuses on presenting examples from across Europe to showcase the value of innovative vocational training and related measures for improving activation. While the focus is on measures and policies for the current long-term unemployed, the insights can also inform pro-

⁽¹⁶⁾ Cedefop’s PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

grammes and measures for people facing a high risk of ending up in this state in the near future.

The report is structured according to the typical journey of a long-term unemployed person to labour market reintegration to show how – at critical stages – innovative principles, policies and measures can make a difference.

Figure 10 **Difference in skill formation and skill needs of jobs by prior labour market status, EU-28, 2014**



NB: Graph depicts % of employees at the top of each scale e.g. above 3 in the scale of task complexity; above 7 in the scales of skill intensity, changing task complexity and skill improvement.

Scales in graph derived as Cronbach's alpha scale coefficient based on following items:

- (a) task complexity (0-4 scale) = 'How often, if at all, does your job involve the following? 1. Responding to non-routine situations during your daily work; 2. Learning new things; 3. Choosing yourself the way you do your work';
- (b) skill intensity (0-10 scale) = 'How important are the following skills for doing your work? 1. Literacy; 2. Numeracy; 3. ICT; 4. Technical; 5. Communication; 6. Learning to learn; 7. Team-working; 8. Foreign language; 9. Customer handling; 10. Problem-solving; 11. Planning and organisation';
- (c) changing task complexity (0-10 scale) = 'Have the following increased, decreased or remained the same since you started your job with your current employer? 1. The variety of tasks; 2. The difficulty of tasks; 3. The need to learn new things';
- (d) improvement in skills (0-10 scale) = 'Compared to when you started your job with your current employer, would you say your skills have now improved, worsened or stayed the same?'

Source: Cedefop's ESJS.

Engaging the long-term unemployed

The aftermath of the economic crisis, coupled with employment and skill challenges stemming from the changing world of work, call for a more comprehensive and sustainable approach to activation. Preparing a long-term unemployed person for a matching job is a much more complex process than offering measures developed around the notion that success means helping people return to work as soon as possible. Sustainable activation means challenging conventional thinking on how success is perceived, broadening its definition in terms of the dimensions and timeframe considered.

The journey from LTU to a well-matching job starts with identifying and engaging the long-term unemployed. Engaging them is a solid foundation for further steps and a driver of effectiveness and sustainability. It requires good understanding of who the long-term unemployed are and where they come from. Personalised outreach efforts and intervention programmes can prove beneficial as part of overall input on ‘sustainable integration’ (European Commission, 2017). This implies acknowledging different subgroups in the pool of the long-term unemployed to take account of their characteristics, needs, challenges and possibilities. It also means ensuring the right tools are used to map their particular ‘itinerary’ and reasons that have led to LTU.

This chapter highlights some of the main challenges and opportunities linked to engaging the long-term unemployed. Practices from EU Member States illustrate the main arguments.

2.1. Reaching out to different groups

The prolonged economic downturn has affected the composition and characteristics of the long-term unemployed in European labour markets. They should not be treated as a homogenous group as their diverse needs call for customised approaches.

Traditionally vulnerable groups, such as migrants or minorities and low-skilled individuals with a challenging socioeconomic background, require different approaches from recent arrivals among the long-term unemployed, such as highly educated people who lost their job during the crisis. Against the backdrop of the crisis, adverse local and/or sectoral developments and constraints in social security systems, older individuals inclined to extend their working lives have also faced barriers in returning to the job market. Some EU countries have launched specific programmes to engage the older unemployed (Box 3).

Box 3 Restarting careers

In Luxembourg, the European Social Fund (ESF) project *Relancer ma carrière* was launched in 2016 and targets the unemployed aged 45 to 64. The project interventions unfold based on coaching that each programme participant enjoys. Assessing the individual’s competences and aspirations through personalised guidance leads to the selection of a suitable professional pathway, increasing the individual’s benefit from the training modules offered. The project is foreseen to run until the end of 2017.

Source: <http://www.fonds-europeens.public.lu/fr/projets-cofinances/fse/2014-2020/1017/index.html> [accessed 26.7.2017].

Box 4 Using a matrix to assess self-reliance

The self-reliance matrix (ZRM) used by many cities in the Netherlands maps people's self-reliance in terms of income, employment and education, use of time, living conditions, relationships at home, mental health, physical health, substance use, life skills, social networks, social participation and criminal background. Amsterdam's social services use it to screen clients distant from the labour market. The matrix – a variant of the validated self-sufficiency matrix (SSM) of the Utah Homeless Management Information System – was developed by Amsterdam's public health services (GGD) ⁽¹⁷⁾ and the municipality of Rotterdam; it has been adjusted since its introduction in 2010 following user feedback. It has been scientifically proven a valid instrument in several important areas.

Source: <http://www.zelfredzaamheidmatrix.nl/> [accessed 30.8.2017].

The approach and success of EU Member States in engaging the long-term unemployed is usually related to the severity of LTU. In some countries with low unemployment and/or low LTU, those harder to engage, train and place in suitable jobs are the key clients of PES. This usually concerns people facing severe problems not directly related to employment or skills, such as physical or mental health challenges, addiction, debt, and social exclusion. Approaching and engaging them requires a focus on tackling their multidimensional challenges before moving on to substantial training and job-oriented approaches. In Latvia, for instance, the unemployed with addiction problems were the focus of a measure launched in 2012: participants were offered addiction treatment as part of the programme (Ministry of Welfare of the Republic of Latvia, 2013). The approach taken by Dutch cities (Box 4) is an example of using a scientifically validated tool to map and monitor the challenges people face with a view to supporting professionals and informing support ⁽¹⁸⁾.

While extending outreach to different groups of long-term unemployed is important, reaching out to individuals registered with PES but no longer entitled to welfare or activation support requires different outreach approaches compared to those registered and still eligible for intervention. Counsellors have a difficult task extending support to individuals who are not registered and in socially marginal situations. It is also important to distinguish among those who are already integrated in recovery programmes, sometimes provided by actors other than PES, such as non-governmental organisations (NGOs) and those completely without support.

The relative importance of supporting particular groups varies between countries. Eastern Europe countries tend to focus on the registered long-term unemployed deemed fit for work. At the opposite end of the spectrum, Scandinavian countries tend to implement programmes to reach the most marginalised groups and work closely with local NGOs and employers (Box 5).

Box 5 NGOs as partners in engaging the unemployed with a personal touch

Stockholm Stadsmission's social enterprise offers work training placements for people wanting to get closer to the labour market (work or education). The NGO offers opportunities in cafés/bakeries, second-hand stores, grocery stores, warehouses/transportation and textile production. No previous work experience is required. The website of Stockholm Stadsmission contributes to building motivation for engagement by highlighting personal and professional development opportunities and by ensuring prospective participants an individual engagement plan based on abilities, experiences and interests, adapted to individual circumstances.

Source: <http://www.stadsmissionen.se/> [accessed 30.8.2017].

⁽¹⁷⁾ GGD stands for *Gemeenschappelijke Gezondheidsdienst*.

⁽¹⁸⁾ Chapter 3 presents the internship programme for unemployed in Amsterdam.

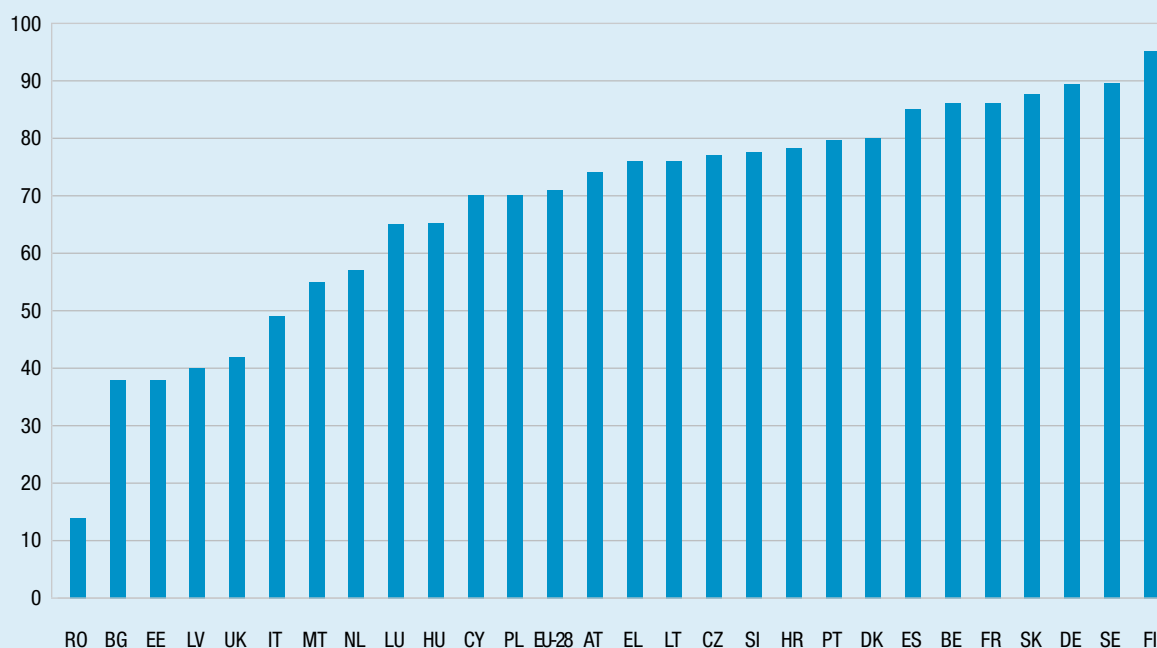
In addition to varying scope of outreach interventions, countries also differ in terms of strategies for contact and reengagement. This includes the ability to reach remote areas and to facilitate cooperation arrangements between stakeholders (government institutions at different levels and guidance associations, employers, NGOs and other actors). It also determines the

extent of possible adaptation in outreach methods (skills and attitudes assessment, motivation work, tailored training) so that they fit the needs of the long-term unemployed. The action plans developed by stakeholders in lagging regions in Slovakia, for example, lead to locally developed projects benefiting the long-term unemployed in the region ⁽¹⁹⁾.

Box 6 Registration with public employment services among the long-term unemployed, 2016

Contacting and registering with the PES is a prerequisite to benefitting from their training, career guidance and counselling and job brokerage services. Discussions with career counsellors, supported by profiling tools, open up opportunities to participate in a programme that fits individual needs and career aspirations. This is the basis for preparing the long-term unemployed for a well-matching job.

The share of long-term unemployed registered with the PES in 2014 differs widely between countries. In several Member States (Bulgaria, Estonia, Latvia, Romania and the United Kingdom), the rate is below 50%. For the EU as a whole, registration decreased slightly from 77% to 73% during the crisis. Most of the decline appears to be driven by the steep reduction in registration among those unemployed for four years or longer (79.9% in 2007; 71.6% in 2016). These findings should be reason for concern, as many unregistered long-term unemployed have no access to passive and active support measures. It is essential to make the receipt of welfare payments contingent on registration with the PES and ensuring better coordination between offices responsible for social insurance payments and those in charge of delivering activation programmes (European Commission, 2015).



Source: European Commission (2015); European Commission fact sheet 2015: http://europa.eu/rapid/press-release_MEMO-15-5562_el.htm and Cedefop analysis based on EU labour force survey microdata

⁽¹⁹⁾ For a complete description of the Slovak action plans, see Annex 3.

2.2. Innovative engagement approaches

Better understanding the long-term unemployed opens up possibilities to develop and use tailored approaches to attract them. Profiles (comprising skills and personal characteristics) can be a basis for deciding on the most suitable way for the PES to contact and attract them to engage in a labour market reintegration programme. This is particularly important for the long-term unemployed who are not active or autonomous jobseekers.

2.2.1. One-stop-shops easing access to services

Fragmentation and lack of coordination in service provision are barriers for the long-term unemployed. To ease access to services, several EU countries (including Denmark, Germany, Ireland, the Netherlands and the United Kingdom) have introduced one-stop-shops (Box 7) (European Commission, 2015). These are single points of contact that improve coordination between passive and active labour market services based on cooperation between agencies such as PES, social services and municipalities. Better cooperation and coordination can be expected to improve the continuity, relevance and effectiveness of the services offered, with positive effects on social protection and on engaging the groups furthest from the labour market.

Box 7 One stop-shop approaches

One-stop-shops offer several functions in one organisation. In Denmark they integrate client intake, follow-up, employment services and welfare benefit sanctions, while in Norway all services have been integrated. In Germany, the Netherlands and the United Kingdom, one-stop-shops administer benefit payments along with other activation services. In Finland, municipal labour force service centres (LAFOS) integrate social support services, but not benefit payments.

In France the system was fragmented until 2009. The regions and the two former public employment centres (ANPE ⁽²⁰⁾ and Assedic ⁽²¹⁾) had their own agenda, constructing diagnoses in a separate and often redundant way. To address this, Pôle Emploi – a ‘one-stop-shop’ State job agency resulting from the merging of the two former public employment centres – was set up.

Source: European Commission, 2016.

To be effective, one-stop-shops should be based on formalised agreements between agencies. These help delineate responsibilities between PES, social services and other partners, and ensure smooth functioning of front-line services and client intake through a system of cross-organisational referrals and data sharing (Bouget et al., 2015). One-stop-shops may support smooth and secure transmission between service providers of information on jobseekers’ support history and individual assessments, in compliance with data protection legislation.

2.2.2. Capitalising on the potential of e-tools

Technology and the internet have proven useful tools for raising awareness among particular groups and engaging them in activation measures. PES can incorporate e-tools and platforms in their websites and overall communication strategy, or other stakeholders can raise awareness through their own (dedicated) websites or platforms. Either way, the internet can be used to collect and provide information but also as a counselling tool to guide and support the long-term unemployed after their awareness has been raised. Smart combinations of online ‘self-service’ tools and regional service provision, such as offered by education and work service centres in the Netherlands, appear to be particularly effective (Box 8).

⁽²⁰⁾ ANPE stands for *Agence nationale pour l'emploi*. This has been replaced by *Pôle emploi*.

⁽²¹⁾ Assedic stands for *Association pour l'emploi dans l'industrie et le commerce*.

With social media use becoming increasingly common among different age groups and different types of users, its relevance as a tool to engage different groups of the long-term unemployed is increasing. Among comparatively more tech-savvy younger cohorts ('millennials'), introducing a profile of the PES or of a specific measure or support programme on social media platforms can attract the interest of such users more effectively compared to traditional approaches.

Using the internet to provide information and stimulate engagement has obvious benefits. It helps reach out to the long-term unemployed in remote areas or facing mobility challenges for personal or family reasons. E-tools allowing them to register as unemployed eliminate the need to travel/visit the local PES office; this is a clear advantage for those taking care of children or a family member. Information and guidance through e-tools can also be a means to re-engage the very long-term unemployed who have lost trust in 'traditional' support. They may empower them in terms of offering feedback about the quality of training courses received. Up-to-date, accessible and understandable information online also helps reduce costs and reserve caseload capacity for people requiring face-to-face support.

2.2.3. Engaging with local communities

The double challenge of extending outreach to the hard-to-engage long-term unemployed and simultaneously providing programmes relevant to local labour market needs shows the importance of engaging with communities. The benefits go far beyond employers providing local labour market and skills intelligence to inform the development of up- or reskilling programmes. A local approach benefits the identification, engagement and development of a trusted relationship with long-term unemployed.

The roots of LTU can be better understood by looking at socioeconomic developments locally. Being in close contact with local and community opinion leaders and key actors can help the PES identify pockets of LTU and the factors leading to it, which may not be visible in national statistics. Engaging locally also makes it easier to obtain information on particularly difficult cases, to adjust guidance and training provision.

Capitalising on the wealth of 'informal' knowledge locally can help the PES shape the integration of training and employment support with social services that address barriers to activation (European Commission, 2015). Accessing PES services, seeking information and, especially, actively participating in a programme may not be

Box 8 Using the internet innovatively to engage the unemployed

Education and work service centres (*leerwerkloketten*) offer the unemployed (and the employed and employers) information on and access to lifelong learning in 33 Dutch regions. There is some loose national coordination, but regional partners (municipalities, education and training institutions, PES and employers) are in charge to ensure regional focus. Easily accessible online services via a national platform that was revamped in 2015 complement the centres. They give the unemployed the information and the tools they need to take steps towards labour market integration. Apart from offline workshops and training, additional support for benefit recipients with some distance from the labour market includes the online training 'how to find a job using social media'.

The unemployed in Belgium (Flanders) use 'my career' to self-rate their competence profiles for the occupations they would like. The registration platform is part of the competence-based training and matching approach applied by the PES (VDAB) ⁽²²⁾ in all its services (more information in Chapter 3).

Source: <http://www.lerenenwerken.nl/>; <http://www.vdab.be/> [accessed 31.8.2017]; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

⁽²²⁾ VDAB stands for *Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding*.

feasible for some people due to family obligations such as caring for children or the elderly. Mapping such roadblocks helps establish the evidence base for justifiable and impactful policy decisions on offering incentives such as child-care allowances or support provision.

Local engagement can be a platform for motivating the long-term unemployed, especially those that have been disappointed and discouraged. To convince and engage them, authorities can use success stories to showcase inspiring journeys. Beyond giving 'technical'/job-relevant advice, in local interventions or events, mentors and/or formerly long-term unemployed individuals can give inspiration and hope.

Viewing LTU through the lens of the community helps optimise stakeholder collaboration in 'local ecosystems' involving authorities, PES, employers, and private training providers. For example, in local communities where employment is strongly dependent on the performance of a particular sector, action plans could be jointly developed by key stakeholders to mitigate the impact of the economic crisis or other economic trends. Such an action plan could foresee specific steps for the training and job matching of LTUs.

By increasing mutual understanding, collaboration can also be a pathway to curbing employer prejudice and offering attractive networking opportunities to the long-term unemployed themselves.

Identifying suitable interventions

Matching individuals to jobs is the ultimate goal of all activation efforts. It is important to acknowledge that the roots of ‘good matching’ lie in the initial steps of identifying the long-term unemployed and profiling them. This helps uncover their specific needs in terms of skills and other areas, map career aspirations and support drafting an action plan that takes into account the history of the individual. This approach is followed in most countries to avoid repeating solutions that did not work in the past and to encourage suitable and sustainable choices.

Suitability also means developing and providing programmes in line with labour market needs. This is linked to programme content, but also type of provision (as in work- or school-based) and the focus on particular types of skills that programmes aim to develop. Different types of labour market intelligence, hand-in-hand with employer feedback, inform the process.

This chapter reflects on the challenges in addressing both dimensions of suitability when designing and implementing activation measures. Insights from innovative activation practice in EU countries are blended with selected research findings to provide an overview of the most important issues, trends and challenges.

3.1. Customisation: options and challenges

Activation practice across EU countries evidences the principle of taking account of the heterogeneous learning needs of the long-term unemployed and those at risk of ending up in LTU. Governments and PES frequently design activation support measures by targeting specified population groups with a high risk of becoming (long-term) unemployed. The most common groups are older workers (aged 50+), the low-skilled, younger age groups and migrants. Although lower priority appears to be given to

females, people affected by disability and different ethnic groups, some countries do focus on them. In Slovakia, for example, action plans for lagging regions pay attention to supporting Roma communities, which are often socially and economically challenged.

The individualised approach to identifying the optimal intervention is often based on ‘profiling’. Statistical methods or interviews with case workers are used to inform the choice of early interventions aimed at preventing the unemployed from falling into the ranks of the LTU pool. Profiling distinguishes between those who are harder-to-place and ready-to-work job seekers and separates them into groups/categories that can either receive ‘standard support’ or require ‘case management’ support, such as more specialised counselling and individualised services. Ireland has developed a profiling model that estimates the probability that the registered long-term unemployed will remain or exit their state (Box 9). Profiling tools can be useful to prevent deadweight costs associated with training programmes and to ensure that scarce resources are used efficiently.

3.1.1. Making group-based approaches more effective

While group-based approaches are the basis for customisation, failing to take into account the distinct needs of individuals within a group can hamper their effectiveness. Criteria to define groups, such as education and age, past exposure to the impact of the crisis, and socio-economic characteristics known to increase the risk of LTU, cannot fully determine what type of intervention would be optimal for a particular unemployed person (Box 10). Skills and training needs, prior circumstances leading to job loss, and other employment or social barriers vary widely. This is the case for all jobseekers but is particularly true for the long-term unemployed,

Box 9 Profiling the long-term unemployed

Ireland has developed and revised a statistical profiling model to be applied to the population of long-term unemployed claimants, the Department of Social Protection's new Probability of Exit (PEX) profiling model. The original PEX model was rolled out as part of the Government's new integrated employment and support service Intreo, which was introduced in October 2012. The recent approach differs in several important ways. First, it is based on administrative data only, whereas the original PEX model was developed using a combination of administrative and profiling survey data, so the range of explanatory variables included in the new model is more restricted. Second, the individuals to whom it is applied have already been on the 'live register' 12 months or longer. This means that the score can no longer be interpreted as a predicted probability of becoming long-term unemployed. Instead, the score can be viewed as the predicted probability that the individual should have already left the register, given their characteristics. Thus, the score is more a measure of relative labour market disadvantage (LMD) as opposed to an expected probability of future exit from the live register.

Source: McGuinness et al., 2014.

Box 10 Improving 'priority groups' approaches

While active labour market and social inclusion programmes should be tailored to individual and household characteristics, correctly identifying or 'narrowing down' on population subgroups in greater need of activation tends to be difficult. Many countries faced with administrative and/or capacity constraints are forced to design generic active labour market policies (ALMP) that target broader groups; introducing and streamlining a well-functioning case management approach is likely to be a long-term process.

Reliable data and sophisticated statistical methods are necessary to make policy interventions more effective by better distinguishing between groups in the total 'at risk' population. A recent European Commission/World Bank/OECD project investigating portraits of labour market exclusion in 12 EU Member States goes beyond the typical PES statistical profiling approach using the registered unemployed population. It adopts an advanced statistical clustering method (latent class analysis) to identify distinct priority subgroups in the wider population of people out of work and marginally employed. Criteria used to denote employment barriers include inhibited work-capacity (low education, impaired health), weak job search incentives (out of work or other social benefits) and scarce labour market opportunities (job vacancies). Such segmentation enables governments to review the fit or adequacy of policies and programmes in relation to whether they respond to the needs of the identified groups.

Analysis using data on Greece, the EU country with the highest unemployment, illustrates how such an approach may help tailor policy interventions better. It considers 49% of the working-age population (out-of-work (unemployed and inactive) individuals plus the marginally employed (unstable jobs, restricted hours, near-zero income)) and strips out eight subgroups faced with multiple employment barriers: low-income middle-aged long-term unemployed with work experience; older inactive with past work experience and health limitations; low-educated inactive women with no work experience; educated long-term unemployed NEETs; well-off relatively educated retirees; rural middle-aged unemployed or in unstable jobs; middle-aged part-time workers and married stay-at-home mothers with care responsibilities.

Source: Sundaram et al., 2014.

who tend to require customised services and ‘special’ interventions (outreach and guidance, skills diagnosis, social support) that may differ from those needed by other unemployed people in the same group.

It is important to ensure the suitability of tools to assess individual capabilities. For example, self-assessment is widely used as a method for direct or indirect mapping of a person’s skills and aspirations and is a standard part of the portfolio of tools used by many PES when profiling jobseekers during initial meeting(s) with the guidance counsellor. However, some long-term unemployed may be far less capable of self-assessing their skills, learning needs or even career aspirations, compared to others. To address the multifaceted needs of a diverse group of individ-

uals such as the long-term unemployed, authorities would benefit from having in place a range of support tools/options (Box 11).

As with all policy tools, there is no one-fits-all type of grouping or profiling that serves the needs of different countries and groups. Rather than copying ‘best practices’, researchers and experts highlight the importance of flexibility. Some suggest reconsidering the role of employers – the dominant stakeholders in the last part of the ‘journey’ out of unemployment – in facilitating placement and matching. They argue that, apart from signalling potential problems more promptly, engaging them early can enrich the methods and tools used by PES by incorporating more direct links to the labour market perspective.

Box 11 **Shaping individualised guidance for the unemployed**

FOREM ⁽²³⁾ (PES in Belgium, Wallonia) counsellors offer the unemployed individualised guidance. Based on an assessment interview with a counsellor, the unemployed person decides which type of training is necessary for his/her desired profession as part of an individualised action plan. Job seekers receive thorough orientation on the labour market and personalised help in their job search, as well as training to find the most suitable employment given their (improved) skill set. Individualised support also means that counsellors are responsible for interacting with companies to identify their needs and analyse the job market.

VDAB (PES in Belgium, Flanders) designs WBL programmes for the unemployed based on well-defined competences per occupational profile. Career guidance counsellors support the unemployed in assessing them. This helps tailor training to the job seeker in a way that supports matching to employer needs.

In Latvia, the profiling system developed and used by the State Employment Agency (SEA) takes into consideration demographic characteristics, but also more ‘behavioural traits’ such as self-esteem, motivation for looking for a job and willingness to collaborate with SEA. It is argued that these criteria help the agency appropriately adjust the types and intensity of training and improve matching long-term unemployed to vacancies.

A tool currently being piloted helps Danish jobseekers assess multiple aspects of their situation using a questionnaire. It includes job search motivation, expectations of re-employment probability, psychological well-being, health barriers, issues with transportation, and others. The results of the questionnaire are summarised visually for job counsellors to use in the initial interview. The approach has proven useful for identifying individuals who are likely non-autonomous jobseekers and those who need additional services to avoid becoming long-term unemployed. It also helps assess whether someone can be expected to find a job quickly building on or complementing initial statistical profiling which relies mostly on ‘hard data’.

Source: Cedefop, 2015c; European Commission, 2017; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017).
Summaries of practices presented at the policy forum are available in Annex 3.

⁽²³⁾ Forem stands for *Office wallon de la formation professionnelle et de l'emploi*.

Customising guidance and training in activation measures is challenging and there are trade-offs between cost-effectiveness and personalised approaches. The adoption of a case management approach imposes significant constraints on the capacity of PES, requiring modernisation of systems and infrastructure and additional training for PES staff (Karamesini, 2015). In many southern and eastern EU Member States, the high caseload PES counsellors face is an acute problem and an obstacle to adopting more innovative and refined skills matching approaches.

3.1.2. Linking activation with education and training tools

The effective design of individualised action plans requires greater use of education and training tools that have been recently developed in European countries; most important are the design of national qualification frameworks, validation systems for non-formal and informal learning, and digital competence-based assessment and matching platforms, within the realm of ALMPs. Taking stock of the skills of the unemployed early on, both in cognitive skill domains and in other skills relevant to labour market needs (such as

Box 12 Integrating education and training tools in activation programmes

In response to rising unemployment in Portugal in the late 2000s, the PES felt the need to focus on increasing employability and combatting unemployment. *The Active life – qualified employment* initiative provides the unemployed with the opportunity to learn new or develop existing skills, through modular training based on short training units complemented by on-the-job training. Their profile, interests and motivation inform the choice of training modules, which must contribute to the acquisition of skills relevant to labour market needs. All training leads to formal qualifications. Participants are invited to engage in a certification process – consisting of skills’ recognition, validation and certification – for skills formally or informally acquired in previous jobs or training. On completion, the beneficiary may be granted not only a professional but also an educational qualification. Certification of skills – acquired or recognised – allows the unemployed to demonstrate their skills through a certified document to a future employer.

In Portugal, recognition of non-formal and informal learning is promoted through validation opportunities offered in Qualifica Centres throughout the country. Promoting adult qualifications is a national priority, which has supported the proliferation of the Qualifica Centres, and the options on offer lead to a nationally recognised qualification or certificate. Partial certification – requested and considered sufficient by many employers – is also possible. In this case, the validation process can also function as skills mapping to make targeted vocational training possible to develop ‘missing skills/elements’ of a certification.

The Romanian PES (ANOFM) ⁽²⁴⁾ validates non-formally and informally acquired skills of the LTU and other disadvantaged groups. The measure aims at supporting these groups in overcoming inactivity cycles, as validation aids employment or continuation of vocational training. The assessment part of the validation is based on national occupational standards.

The *workplace training scheme* of the Croatian PES offers the unemployed two options. Training leading to an employer’s certificate is for participants with up to secondary education qualifications, without sufficient experience to perform tasks for which they were trained. Acquiring a competence certificate helps those with no or primary education qualifications, who also lack work-relevant experience, acquire practical knowledge and skills. The programme combines on-the-job with theoretical training.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

⁽²⁴⁾ ANOFM stands for *Agentia Nationala pentru Ocuparea fortei de Munca*.

socioemotional skills), is viewed as a key success factor in activation. Personalised skill assessments help PES identify the most appropriate way forward for each job-seeker.

Despite the attractiveness and novelty of such an approach, PES in many Member States have been reluctant to introduce relevant components in activation delivery. Coordination problems among typically distinct groups of stakeholders from separate policy arenas (education and training, activation) contribute to inertia. However, due to the paradigm shift towards learning outcomes, education and training tools such as the validation of non-formal and informal learning, development of qualification frameworks and modularised training are increasingly seen as powerful tools in customising activation. Validation of non-formal and informal learning makes prior learning and skills developed through different pathways visible (Box 12) ⁽²⁵⁾. It aids profiling by PES, increases the possibilities of a more accurate match, and increases employability, especially among job seekers lacking formal qualifications. Combined with (on-the-job) training provision, it can help the unemployed, especially of more mature age, return to the labour market faster ⁽²⁶⁾.

It is not surprising that countries which are forerunners in the implementation of qualification frameworks and recognition of prior learning, or those which have placed lifelong learning high in the policy agenda, make use of such instruments for recognising skills as part of their ALMP measures as well.

Modularisation of initial and/or continuous VET programmes has long been used in some Member States as a flexible way to address the training needs of groups with challenges, such as the unemployed (Cedefop, 2015d). Offering the long-term unemployed training modules and modular certification options can be a way to better target the skill development needs of those who need to be up- or reskilled. It is also

a way to overcome barriers (such as family commitments) to investing the time and effort needed to acquire a full qualification. Coupled with recognition and validation of non-formal and informal learning, this flexible approach can support the use of 'skills portfolios', where the completion of a module will be recognised (for example, as a 'skills badge') towards the attainment of a certification or meeting the skill demands for a particular job. Practices such as vocational certificates, contribute to training programme success by boosting participants' self-confidence.

3.2. Developing employability and meeting skill needs

3.2.1. Linking activation to skills intelligence

EU Member States increasingly understand that a well-defined connection between skill needs anticipation and activation measures is crucial to helping the unemployed find sustainable employment (Pouliakas, 2017). In the aftermath of the economic recession, several countries adopted a strategy aimed at strengthening ties between the training they provide to unemployed and labour market needs (Box 13). In several EU countries PES and/or ministries of labour and education rely on skills assessment and anticipation outputs to adjust their support to job-seekers, update labour market training policies, and inform the design of apprenticeship schemes (Skills Panorama, 2017). PES in some EU countries actively guide training of the unemployed towards identified shortage occupations or sectors deemed critical for future strategic development.

While integrated labour market intelligence and skill anticipation systems are crucial tools driving the effectiveness of activation measures, in several EU countries data and information on skill needs is insufficient ⁽²⁷⁾. The most pressing issue is the shortage of information on skill demand and skill supply in different occupations. Another

⁽²⁵⁾ See <http://www.cedefop.europa.eu/en/events-and-projects/projects/validation-non-formal-and-informal-learning> for analysis of validation of non-formal and informal learning and examples.

⁽²⁶⁾ Voucher systems can also support customisation because the unemployed themselves may best know which skills they lack and what type of training they need. But voucher systems are still 'horizontally' determined and are typically time- or unit-constrained. Their success is often determined by the quality of training and services provided by public and private VET providers.

⁽²⁷⁾ Lacking data on transitions between and within occupational groups, transitions from school to work and graduate employability based on tracer studies, and correspondence between education programmes and occupation choices, are some examples of data gaps affecting most labour market analyses that could inform the design of activation policies and measures.

er bottleneck is the national scope of many skills anticipation systems, as the information they provide is ill-suited to the development of training and matching at local/regional or sectoral level. As a result, policymakers and education and labour market actors often rely in practice on imperfect proxies of skill needs, such as vacancy data or claims of recruitment difficulties by employers.

Designing activation measures solely based on current vacancies or other simple proxies can compromise the employability of the long-term unemployed in the long run. Many of those trained to cater to specific skill shortage areas

face less favourable career prospects when economic trends change and drive job growth towards other economic sectors. Distinguishing between vacancies representing additional job opportunities and those emerging because of normal turnover and replacement needs is an important prerequisite for ensuring durable job prospects for both job-ready and disadvantaged job seekers (McGrath, 2015; Pouliakas, 2015). Comprehensive skills governance systems (Box 14) provide this and other types of information to support policy-making and reform VET practice (Pouliakas and Ranieri, forthcoming).

Box 13 **Activation based on skills anticipation**

As part of the instrument *training for the unemployed* (Croatia) the PES draws up an annual training plan based on: analysis of statistical indicators for labour supply and demand; expert opinions (employment service counsellors); an employer survey and development programmes implemented at county level. Programmes to be offered to the unemployed are developed from these local annual training plans and proposals for training.

An ESF-funded approach was adopted in Ireland during the crisis. *Momentum* was developed to contribute to matching the skills of the longer-term unemployed to local labour market needs. LTUs were provided with training in areas with recognised skill shortages and vacancies, so that they gained access to work opportunities in growing sectors.

The Greek programme *Training and certification for adults in cutting-edge sectors* targets 23 000 unemployed. It helps them develop skills and acquire a qualification meeting labour market needs. It combines theory (120 hours) and on-the-job training (500 hours) in private companies in logistics, retail, international trade and ICT. Participants benefit from counselling at the start, during and at the end of the programme.

At least once a year, the Ministry of Welfare and the SEA in Latvia select the training fields and educational programmes on offer in line with labour market analysis (short-term labour market forecasts) and based on agreement with experts and social partners.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

Box 14 **The added value of comprehensive skills governance systems**

A comprehensive 'skills governance' system fully integrates the needs of actors and stakeholders in different spheres of education and training and the labour market in production, use and dissemination of labour market intelligence. As it benefits from the input of all stakeholders it can be expected to deliver relevant information on emerging trends and skill needs and help address skills issues before they turn into skill mismatches. Inclusive and responsive skills governance can help education and training respond faster and more efficiently to the needs of emerging types of work. In an increasingly digitalised economy, it can help equip learners with emerging skills.

Source: Cedefop, *Assisting EU countries in skills matching project* <http://www.cedefop.europa.eu/en/events-and-projects/projects/assisting-eu-countries-skills-matching>

3.2.2. Basic skills for mobility and sustainable employment

A 2013 study concluded ‘most training programmes tend to focus on job-specific skills and do not target the development of key competences in a systematic way and the approach taken to integrate these competences in ‘return to work’ programmes seems to be implicit and lack comprehensiveness’ (Cedefop, 2013, p. 10). This appears to be changing. A more recent Cedefop study (Cedefop, 2015c) on skills policies and instruments implemented in the aftermath of the crisis shows several countries have adopted training programmes geared towards upgrading general skills of the unemployed or have revised existing programmes in this direction (Box 15).

The principle of judging the effectiveness of activation in terms of improving labour market

position in the long term – as opposed to focusing on job-finding rates – is gaining ground. The long-term unemployed, particularly hard-to-place groups, tend to face multiple disadvantages when looking for jobs. Addressing basic and ‘soft’ skill deficits through training improves employability and opens up a wider range of job options if followed by targeted interventions focused on acquiring job-related skills. It is a basis for ensuring better and more durable matches between skills and labour market needs.

‘Soft’ skills such team working, learning to learn, and agility in jobs are increasingly seen as drivers of success across sectors and hierarchical ladders. They are also gaining momentum in training programmes for the long-term unemployed. Such skills facilitate quicker reintegration in the labour market and career transition. As

Box 15 Developing general skills of the unemployed

The *Key competences training* programme in France includes training initiatives targeted at specific skills, such as written comprehension and expression, basic mathematics, science and technologies, language, and digital skills. Training is offered by regions ⁽²⁸⁾. Training prepares participants for certifications such as the CléA ⁽²⁹⁾, the first national and interprofessional certificate attesting proficiency in these and other skill areas. The CléA was developed in 2015 by the social partners and has been recognised by the State. The certificate targets individuals with no prior qualifications, both unemployed and employed.

In Scotland the *Get ready for work* scheme targets young people unable to make the transition to sustainable employment without tailored work-based support. The programme helps eligible young people develop generic and transferable work skills for sustained employment, employment with training, or further education. An innovative element of the scheme (part of the Scottish employability fund) is moving away from funding specific learning or training programmes towards training balancing participant and local labour market needs.

Training in transferable and not job-specific skills is also available in Ireland. The unemployed can participate in the same training as employed individuals, in areas such as ‘assertive/effective communication skills’ and ‘managing conflict and having courageous conversations’.

In Latvia, the Ministry of Welfare and the SEA offers training programmes to the (long-term) unemployed that are structured to develop, where necessary, basic skills and competences. This supports inclusion and serving the needs of learners facing particular challenges.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3; <http://www.skillnets.ie/courses/assertiveeffective-communication-skills-0> [accessed 19.9.2017]

⁽²⁸⁾ For example, see the training offered by the region of Brittany: <http://www.seformerembretagne.fr/component/mfpdispositif/dispositif/62/104-formation-competences-cles-region.html> and the Loire Country: <http://www.orientation-paysdelaloire.fr/donnees/fiche-dispositif/301>

⁽²⁹⁾ CléA stands for *Socle de connaissances et compétences professionnelles*.

employers demand them, they are a key success factor in promoting sustainable employment of the (long-term) unemployed (European Commission, 2017).

An integrated approach can be beneficial and effective in terms of time and resources for the long-term unemployed needing support to develop their basic and job-specific skills. Taking such a perspective to skill development builds human potential. The basic skills developed are career assets and indispensable for career mobility. It is important to ensure that the way they are defined can be flexible as they follow and anticipate labour market developments. With the technological advancements used across sectors and occupations, what is considered basic ICT skills has changed considerably in recent years. Innovative training goes beyond reacting to changes by also integrating skills that could prove ‘basic’ in the near future. This is the rationale for the PES in Belgium-Flanders to incorporate basic ICT skills training in training programmes for occupations with currently little or no exposure to such technologies, such as cleaners⁽³⁰⁾.

A bottleneck in developing and learning from approaches to tackling basic skill deficits is the lack of common understanding on the definition of such skills among stakeholders and across countries. A systematic framework could help address this challenge⁽³¹⁾.

3.3. Tapping the potential of work-based learning

Programmes improving job seekers’ skills in a real work context – as opposed to training only provided in classrooms – are effective activation measures. They help low-qualified, long-term unemployed individuals overcome the barriers they face in (re-)entering employment (Cedefop, 2013). With many of them likely to have a history of past failure and negative learning experiences, WBL is a more attractive, relevant and suitable form of learning for low-qualified unemployed adults than ‘traditional’ school-based approaches.

The past decade has seen a revival of WBL. It has become widespread, not only for the young but also adults. Many EU countries have introduced new apprenticeship and internship programmes or reformed existing ones to re-engage early school leavers as well as inactive or socially excluded job seekers (Cedefop, 2013, 2015c). To help people stay or return to VET, several countries have introduced WBL programmes that incorporate career management skills and language learning (for students from migrant backgrounds). They have also modularised their offers to help young and adult learners acquire a qualification more flexibly.

The benefits of WBL in activation programmes for the unemployed are many. It is not only more suited to the needs of the long-term unemployed in terms of the skills it fosters; it also helps overcome negative stereotypes held by employers, strengthens employment networks and offers support in easing the gradual transition from training to work. Socialisation into the roles, behaviours and norms of contemporary workplaces can help the long-term unemployed acquire appropriate work attitudes. This is important: on top of lacking key competences, workplace conduct, motivation, confidence and self-esteem are often obstacles to employment.

For the young long-term unemployed, a broader and more future-oriented approach to WBL can be useful. A WBL scheme with modules in several expanding sectors can help them develop not only sector-specific skills, but also transversal ones (for example, teamwork and addressing complex problems). As these skills are transferable and highly valued in the labour market, such WBL schemes can boost participants’ employability and prepare them for the changing world of work⁽³²⁾.

Building trust and robust partnerships among stakeholders (PES, VET providers, employer associations/chambers and employers) are essential for offering high quality training placements, targeted to the learner’s skills and career aspirations, as well as meeting the needs of employers (Box 16). Combining work placements with basic skills training and coaching and mentoring support by multi-professional teams (teachers,

⁽³⁰⁾ More information on VDAB’s competence-based training and matching is available in Annex 3.

⁽³¹⁾ Suggestion made by participants of the Cedefop PLF *Vocational training for the long-term unemployed* (June 2017).

⁽³²⁾ Suggestion made by participants of the Cedefop PLF *Vocational training for the long-term unemployed* (June 2017).

Box 16 Workplace learning as part of activation measures

Individual training in enterprise (IBO) has long been part of active labour market policy in Flanders. The measure includes skill gaps assessment, which informs drawing up a training plan in collaboration with employers, who approach the PES after hiring an eligible candidate. The training/work programme may last up to six months and combines training by the PES and the employer. Employers are obliged to hire the candidate at least for the duration of the training – a factor contributing to the success of the measure – and are entitled to a so-called productivity-contribution, lowering their personnel costs. The programme has had positive results: 2016-17 data show a quarter of participants were long-term unemployed; 85% found a job after training. In response to the economic crisis, the measure was also used for ‘curative training in enterprise’ for the vulnerable long-term unemployed (up to 25 years unemployed for more than a year, and over 25 years unemployed for over two years). The role of the PES is more prominent in these variants to ensure training (which can be extended up to a year) is tailored to individual needs.

Employment internships in Portugal aims to support the transition of the unemployed (youth and others) into employment, complementing their skills through training and practical experience at the workplace. By improving qualifications and skills, the internships promote employability and support the transition between the education system and the labour market. Success factors include the shared funding of wages by the PES during the relatively long (12-month) internship period. A factor that contributed substantially to the long-term impact of the internships is that enterprises benefiting from the measure were entitled to compensation once the internships ended. Another support programme helped them engage former participants as young recruits. Nearly 70% of participants were employed nine months after completing the internship, roughly 45% in the same company and 24% in other companies.

The Croatian Employment Service runs the *Workplace training* programme for the unemployed that includes up to 170 hours of on-the-job training per month. Employers select the ‘trainee’, so the programme also contributes to meeting employers’ skill needs. To participate, employers have to ensure the contextual conditions for training (including training materials and mentors) and employ a share of the participants after training in order to be eligible for another cycle of the programme.

The Human Resource Development Authority of Cyprus (HRDA) has operated the *Scheme for the training of the long-term unemployed in enterprises/organisations* since July 2016. The scheme features a four-month in-company training tailored to the qualifications of the individual and job requirements. Assisted by PES guidance counsellors, employers select the participants. The HRDA subsidises participating employers.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

counsellors, psychologists, social workers) also contributes to the success of work-based activation programmes.

As with all types of WBL, engaging employers into offering placements is a clear success factor. To address this issue, an innovative approach of ‘double upskilling’, is in place in Denmark. The *Job rotation* scheme seeks to exploit efficiency gains by tackling unemployment and promoting continuing vocational training among the employed simultaneously (Box 17).

Countries sometimes use public work schemes or sheltered work environments (such as temporary jobs in socially oriented companies), typically in the non-profit sector and in NGOs, to ease labour market integration of the hardest-to-place long-term unemployed (Box 18). Such efforts take place despite evidence of a poor track record of public work measures in facilitating labour market integration and associated stigmatisation effects (Card et al., 2016). Nevertheless, work experience in a sheltered environment may yield positive outcomes. While

Box 17 Job rotation (Denmark)

The *Job rotation* scheme is a relatively old instrument (introduced in 1994) established to address high unemployment and to counter the unwillingness of companies to invest in upgrading their employees' skills. It was adapted in 2007 so that the focus became to create employment for the unemployed. As part of the negotiations between labour market stakeholders in 2006, a new and less complicated scheme was developed and agreed within the so-called welfare agreement (*Velfærdsaftalen*). The basic idea is to fund companies to enable them to offer their employees reskilling and training opportunities. During their absence, their workplaces are made available for the unemployed with the aim to strengthen their practical experience and their connections to the labour market. Both public and private companies can apply for funding for training of skilled or unskilled workers. In order to receive funding, a company is obliged to employ an unemployed person and pay the same salary as the employee in training.

The key feature of the approach is that local job centres match companies to the unemployed and cooperate with education institutions to stay informed on education/training opportunities. Through their intermediary role, they seek to provide employees with basic skills the means to grow and the unemployed with the opportunity to develop professional skills in employment. Stakeholders involved in the scheme are all convinced that it offers good chances for upskilling the workforce and supporting the unemployed.

Source: Cedefop, 2015c; Danish Agency for Labour Market and Recruitment. Summary of the Job rotation scheme can be found in Annex 3.

Box 18 Work-based learning programmes in the public and non-profit sector

The community public work programme established in Hungary in 2011 provides basic professional skills, occasionally supplemented with specific vocational qualifications. It seeks to connect work and practical training to eliminate employment disadvantages, increase job seeker qualification levels, improve their basic skills and gain practical professional experience. The programmes are related to local community work (environmental, infrastructure or care jobs) and target vulnerable groups, such as long-term unemployed, physically handicapped and the Roma community. People can also participate in a parallel ESF funded programme (*I learn again*) to acquire skills relevant to their field of temporary public work. It focuses on skill needs identified by county level chambers of commerce and industry.

Some of the participants of the internship scheme offered by the Municipality of Amsterdam engage in WBL at a municipal employer such as city hall or the municipal conference centre. These so-called internal internships target the long-term unemployed who lack basic 'employee skills' (collaboration with colleagues, having a 'boss' or respecting corporate rules) and offer intensive coaching to develop them.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

it is not a desired regular or systematic feature of activation policies for all the long-term unemployed, those not yet ready for WBL at a regular employer can benefit from reconnecting with aspects of working life in a sheltered setting. To be effective, such programmes should preferably

be small-scale, well-targeted to disadvantaged groups, and include a training component (European Commission, 2014b).

Making matching more sustainable

The aim of effective activation should be not only to get people off benefits and into work, but also to help them access ‘quality’ jobs. This is easier said than done (Martin, 2017). Activation programmes are frequently criticised on grounds that they focus on the immediate placement of the unemployed in jobs rather than on providing adequate support and retraining for the process of finding a matching job over the long term (Ohlsson and Storrie, 2007).

Monitoring systems tend to follow activation practice and focus on transitions to employment and earnings among participants; typically they do not capture the quality of the skill match and/or the sustainability of employment (Cedefop, 2015c). Cedefop’s ESJS evidence reveals the importance of considering these. Few long-term unemployed who have returned to work have done so because they were motivated by the suitability of the job for their skills and qualifications, or because they were driven by career or work experience motives. In returning to work they are more likely to end up in jobs with low skill requirements, limiting the potential for professional development (Chapter 1).

As in any process with interlinked phases, the quality of the match of long-term unemployed to jobs depends on how previous stages in the process were planned and implemented. While forward-looking principles, tools and measures for matching are crucial for better and more sustainable activation, the foundations are laid earlier. This underlines the importance of a holistic perspective on the different stages of activation, recognising their interdependence and taking a long-term view of engaging and training the long-term unemployed.

Building on the discussion in previous chapters, research and evidence from EU Member States, this chapter reflects on how the matching process can become more sustainable. Practices in EU countries illustrate the main arguments.

4.1. Using ICT to improve matching

Beyond providing job seekers with user-friendly information on labour market perspectives and available training opportunities (Sections 2.2.2 and 3.2.1), new digital technologies (such as machine learning and artificial intelligence) have increasingly enabled the development of ICT tools for skills matching services (Box 19). Although early research provided limited evidence of a significant impact from online match-making services on job search and recruitment outcomes, recent studies note that online job boards may have a positive effect on reducing unemployment probability (Kuhn, 2014). Innovative web-based tools, such as the Careeronestop website in the US, the Dutch *Lerenenwerken* platform and VDAB’s (PES Flanders) competence matching system can facilitate skills matching by providing job seekers with a seamless online service platform combining real-time job vacancy and individuals’ skills information (via big data extraction or self-assessment tools).

Critical to the success of online guidance portals is employer involvement during the design stage; this helps integration and dissemination of complex information on skill needs in an appropriate format so that the skills matching algorithms underlying them yield sensible outcomes. Linking such platforms to national qualification and occupation frameworks enriches them with comprehensive information on learning outcomes of different training paths and can improve effectiveness. Regular updates are necessary to ensure web-based systems remain relevant; so is possession of adequate technical expertise (either in-house or externally contracted) to avoid development of matching digital tools susceptible to methodological simplicities.

Box 19 Online competence-based matching platforms

The VDAB launched *Competence-based matching* in 2010. The vision was to develop a web application that more precisely matched the skills of the unemployed to labour market needs. It is innovative because it combines a vacancy database with a skills database (developed by the Flemish Social and Economic Council, SERV) featuring a list of skill needs for most occupations. Jobseekers use the tool to indicate their skills profile (a personalised suggestion is made based on previous work experience and education background). The application links this to the skills requested for vacancies and calculates matching scores, along with suggestions for skills and personal development opportunities. The philosophy is that vacancies can be relevant for a person who already has half or more of the required competences. The innovative VDAB matching system has proven valuable outside of Flanders. Malta's PES *Jobsplus* uses the same system to match job seekers to vacancies. The technical part of the matching process, which does not require human intervention, takes place remotely on VDAB systems and servers.

The Czech *Education and work* web portal provides information to jobseekers to steer them towards a qualification required for subsequent matching to a job vacancy. It offers an overview of newly introduced short VET programmes (vocational qualification, VQ) and vacancies. Through a matching process, jobseekers are guided to these vacancies and – where required – made aware of the necessary steps towards acquiring and using a VQ. The tool connects vacancy, course, provider databases and generic occupation overviews and helps jobseekers navigate the possibilities of the national qualifications framework. In April 2014, the portal had around 10 000 registered users who were provided with around 20 000 job offers linked to almost 800 generic professions, 2 000 training courses and about 500 VQ exams.

The PES in Germany offers an online tool (*Jobbörse*) to help jobseekers and employers find an appropriate match based on 40 criteria. After registration, jobseekers develop their skills profile; assisted by a counsellor, they can go through their profile and make necessary changes. Employers use *Jobbörse* to submit job vacancies for which registered jobseekers can apply. The website caters to the needs of jobseekers facing challenges. Online chat is available to help them overcome difficulties and a dedicated page explains the tool in simplified language.

Source: European Commission, 2017; Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3; <https://www.vdab.be/nieuws/pers/2016/vdab-european-leader-competence-based-matching-unique-cooperation-jobsplus-malta> [accessed 19.9.2017].

By lowering job search and recruitment costs, and making information on skill requirements transparent, digital tools and platforms for improving employment and skills matching services bring significant value. Experts and practitioners, however, warn that fully relying on them may hinder effective activation. Some PES have responded to budgetary pressures by focusing on providing e-services at the expense of face-to-face interaction with caseworkers. This may jeopardise their ability to offer customised and targeted support. Some job seekers – particularly the long-term unemployed – need personal guidance.

The proliferation of digital technologies makes it likely that PES will increasingly provide e-services. As Martin (2017) observes, it remains an

open question whether this will come at a cost of lower service quality. Smart combinations of online and face-to-face support can be used to address quality concerns, and such set-ups are likely to become a new norm. Counsellors can train individuals in better use of online job portals, skill intelligence systems and communication services. Caseworker consultations may increasingly take place remotely via digital media later in the activation process, after barriers to using them have been addressed. Web-based platforms can also be used for monitoring. Real-time feedback by participants helps track programme quality and relevance and informs programme development (Box 20).

Box 20 Using ICT/web platforms as feedback tools

Labour market training (often offered or organised by the PES) aims at expanding the supply of skilled labour in Finland. It improves the professional skills of unemployed adults and those at risk of becoming unemployed, and helps strengthen their capacities to become entrepreneurs. Among its innovative features are self-motivated studies, tailored workplace-oriented curricula and on-the-job training in line with individual and workplace needs. Two national web-based systems for participants provide stakeholders with information on training effectiveness and success. This is innovative as – although activation programmes are often criticised in terms of their labour market relevance – the unemployed generally do not have adequate feedback opportunities.

Web-based polls are among the tools used to gather learner feedback about the voucher training programmes run in Latvia by the SEA. Learners provide feedback on their satisfaction with the training course and the provider and report on the knowledge and skills they developed. They also rate SEA staff and service quality and can suggest how to improve training and online services. Results help improve training quality and feed into an ICT tool on the agency's website (showing how many participants progress to employment or education/training) to inform clients about the best services in the voucher training offer.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

4.2. Towards more sustainable activation

The traditional approach to enabling job seekers to find a job with career progression potential is one of investing in the development of their existing basic and generic skills via general or key competence training programmes (Section 3.2.2). While such schemes are likely to have long-term beneficial effects, they may not always be the most effective strategy when implemented in isolation. Countries facing depressed aggregate demand because of austerity and abrupt deregulation policies are unlikely to achieve the results they hoped for when they focus on supply-side measures, shifting the entire responsibility for career mobility and employability to individuals. Evidence also highlights that individuals may get 'trapped' in jobs not well-matched to their skills, inhibiting their ability to progress in the labour market even if well-trained (Baert et al., 2013; Cedefop, 2018).

4.2.1. Post-programme support

A more recent route has been to introduce in-work employment retention and advancement

programmes, whereby the PES offers continued support to clients after they have left the unemployment benefit register (Box 21). These programmes provide counselling and continued access to training, usually coupled with in-work benefits or another financial incentive. There are not many examples of such policy programmes and some first evaluations of their effectiveness have been discouraging (Martin, 2017). Designing and implementing effective systems of 'in-work conditionality' – linking the receipt of welfare payments of vulnerable job finders to criteria for sustainable career progression within a job – is a challenge.

4.2.2. Linking payments to service providers to results

Several countries (including Denmark, Ireland, the Netherlands, Austria and the United Kingdom) are increasingly relying on services of private and NGO specialists in seeking renewed employment of disadvantaged groups. In most cases these providers operate alongside the PES, providing (fully or partially) outsourced services (diagnostics, individualised action plans, skills audits, training, professional counselling) to the long-term unemployed.

Box 21 Continuing support after training

The Irish *Momentum* programme included provision of career guidance and support to long-term unemployed participating in the programme up to six months after completing the training course. The support package for participants included expert career guidance, job preparation skills, work placements and measures encouraging placement in sustainable employment.

The aim of the individualised support scheme offered by the PES in Wallonia (FOREM) is to continue to offer support by counsellors to former job-seekers throughout their careers. While it can be expected that the extent of communication is reduced once people find a job, the practice reflects commitment to achieving long-term impact.

Source: Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

Several countries increasingly refer cases requiring resource-intensive and multilayered support to such agencies after profiling individuals. Despite potential efficiency gains, outsourced services cannot fully replace in-house capacity: managing and monitoring contracts with service providers is itself a highly complex task. Capacity building in this area tends to remain limited in several east and south-east European countries (Duell et al., 2016). Despite the belief that private provision is a more efficient alternative to the State provision of placement services, ‘none of the recent empirical evidence indicates that contracting out is necessarily more effective or more efficient than public employment services’ (Stephan, 2016, p. 1).

Recent attempts to strengthen the sustainability of activation measures include evaluating and rewarding external providers on the basis of how successful they are in placing their clients into sustainable jobs. This requires governments or their services to make payments for activation services dependent on direct evidence of the durability of the match, contractual status, the degree of earnings progression and other indicators of sustainable employment after participants leave the unemployment register. While programmes in EU countries applying the outcomes approach to payment share the same principles, they differ in terms of the time interval and the share of payments linked to outcomes (Box 22).

Box 22 Programmes linking payments to results

In the Irish *Momentum* programme, the private training providers received 30% of their total payment during ‘the outcome phase’. Payments were 30% for participants engaged in full employment and 15% for those in part-time employment. The outcome-based share of the payment could only be paid when former participants remained employed for two consecutive months within the six months following the end of the training programme.

In the United Kingdom work programme, payments to training and support providers follow the same rationale. They receive ‘job outcome payments’ only if a trainee has been in employment for three or six months, depending on the individual’s circumstances. Providers may receive further payments for each subsequent and continuous four-week employment spell. These additional payments can last for up to two years, again depending on each individual case.

The SEA in Latvia will introduce a performance-based approach for its payments to training providers that implement the ‘voucher programmes’. It is expected that the criterion used will be the (former) participant’s labour market status six months after training.

Source: Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

Traditional service contracts, relying on up-front payments before activation has started, are found to decrease employment opportunities for some beneficiaries (Stephan, 2016). Outcome-based funding models are increasingly seen as having a positive impact on cost-effectiveness and the quality of services. Other potential benefits of performance-based approaches include motivating VET providers to participate and increasing the evidence-base for evaluation.

Lacking or having only inadequate performance management systems to benchmark the quality of training and other activation services provided to the unemployed can be a barrier to introducing performance-based funding. Countries without a strong quality assurance culture would benefit from developing indicators. The European quality assurance reference framework for VET (EQAVET) and its indicators could serve as inspiration⁽³³⁾. Indicators can also be used to rank the performance of VET providers and inform quality assurance systems to ensure poor providers are identified and sanctioned. The market share shift (MSS) approach used in the United Kingdom's work programme applies these principles. The mechanism allows the Department of Work and Pensions to shift 5% of new referrals within 18 contract package areas from lower to higher performing prime providers⁽³⁴⁾.

While there are indications that performance-based funding can help promote effectiveness, it is too early to quantify its impact fully. Part of this relates to the possibility of case managers at private providers focusing on the unemployed with the best employment prospects (cream-skimming) when financing (and their own performance evaluation) is linked to re-employment criteria. More generally, more systematic evidence on whether relying on private providers is cost-effective or not is required from more cases and countries. The lack of experimental studies and of applying rigorous evaluation methods make it difficult to assess what type of approaches, instruments and programmes can

ensure sustainable return of job seekers to the labour market, for which groups they work best and what time horizon is optimal.

4.3. Optimising partnerships

4.3.1. Supporting hard-to-place groups

Stubborn pockets of unemployment are often characterised by particular groups. These include the young not in education or employment, people with few or severely mismatched skills, individuals in certain social classes, people with disabilities, ethnic and religious minorities, disenfranchised rural workers, and those who are chronically unemployed for long periods of time (Maximus, 2016). Apart from lacking skills or the capacity to develop labour market relevant skills, these long-term unemployed often face complex social barriers or constraints, such as addiction, psychosocial difficulties, and homelessness (Chapter 2). Addressing these challenges – in or alongside activation programmes – including offering subsidies to employers who hire people with challenging needs (often jointly funded by the ESF), can help place such individuals in stable jobs (Box 23).

The European Commission has emphasised the importance of such an integrated services model⁽³⁵⁾. It complements traditional employment and skills matching services with housing, health and social services. For these initiatives to be successful in overcoming the severe health limitations and psychological barriers faced by the hard-to-place job seekers, close linkages must be forged (including one-stop-shops) between government, health and mental health providers, NGOs (youth organisations, health and social services), training providers, local stakeholders, and the business community (Box 24). PES depend on in-depth sectoral or local data and expertise by third-party organisations and need social and health support services (pharmaceutical provision, check-ups, psycho-

⁽³³⁾ For more information see <http://www.eqavet.eu/gns/home.aspx>

⁽³⁴⁾ For more information on the work programme, see Annex 3.

⁽³⁵⁾ 'An integrated employment services model is a person-centric multidisciplinary approach that can be used to address complex barriers often faced by individuals in marginalized groups' (Maximus, 2016, p. 5).

Box 23 Activation programmes for hard-to-reach, vulnerable groups

In Latvia, a subsidised employment programme for vulnerable groups is used in sectors with identified or expected skill shortages. This is particularly relevant as a decreasing birth-rate and a high level of emigration mean that the country has to increase its workforce to support continued economic growth; this also requires increasing labour market participation among older age cohorts (Jakobsons, 2006). The programme offers employment, practical training in workplaces and support for particularly vulnerable groups, with the goal of providing them with the skills and qualifications needed in the labour market. The instrument includes training or workplace adaptation for people with special needs; where necessary, it involves experts, such as assistants, and/or sign language interpreters (to help people with hearing disorders). Evaluation of the instrument shows substantial increases in employability

Job Bank Pilot (Finland) offers methods of finding employment within what is termed the active labour market, for the partially disabled and long-term unemployed. It does so by pooling them in a so-called job bank, which employs them and lends them to enterprises and organisations. The employment and training measures are planned and implemented individually. While not working, people in the job bank participate in education or training.

The internships offered by the Municipality of Amsterdam target long-term unemployed who are assessed to have the potential of being ‘labour-market-ready’ between a half and two years from the start of the programme. The average age of participants is 40 and most have been unemployed for a long time. To cater to the needs of participants, the programme offers three types of internship. One type helps those who not only need job-relevant training, but also face mental disabilities (such as low intelligence quotient), psychiatric or physical disabilities.

Source: Jakobsons, 2006; Cedefop, 2015c; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

logical support, tackling addiction) to provide effective support to those out of work ⁽³⁶⁾. In return they also have an instrumental role in supporting local enterprises and other local stakeholders in applying for and implementing ESF-funded or national projects.

Setting up the infrastructure for integrated employment services is a challenging task. Apart from requiring coordination of multiple support services, it also implies a paradigm shift in the skills and responsibilities of case workers. They must be heavily involved at several stages of a ‘job seeker’s journey’, starting from a careful referral mechanism process, thorough identification of the types of skill gaps affecting the job seeker, development of individualised career plans and – critically – providing post-employment support.

⁽³⁶⁾ The coordination of such services typically takes place based on service level partnership agreements and as part of local governance structures (e.g. regional boards or councils or committees) with multidisciplinary teams comprised of representatives from the employment agency and other stakeholders (European Commission, 2014b).

Box 24 Promoting stakeholder partnerships

The Cités des métiers ('Cities of trades') are a type of one-stop shop with a local character. They engage many partners who provide information and advice to citizens on the development of their professional lives. The partners involved, the services offered, and the characteristics of the 'cities' differ across countries or cities/regions. The partners range from municipal/regional authorities, regional public employment offices, education and training providers, and associations supporting entrepreneurs to associations focusing on social inclusion. The 'cities' offer free and open-service access and anonymity. Citizens benefit from information on employment, particular sectors/occupations, career guidance, and interviews with professionals. The 'cities', along with their partners, organise information days and workshops.

In Slovakia, *Action plans for lagging regions (2015-20)* adopted a bottom-up approach to promoting local development in regions that struggle with high unemployment rates. The project foresees the development of regional councils, involving local government authorities, employers, NGOs, schools and other stakeholders. Supported by experts, these councils develop action plans on medium and long-term development goals of the regions and ways to achieve them. They agree on the priorities, projects and measures to be taken. One of the focus areas of the project is to match employer needs to local skills supply.

The *Be a producer* project (2012-15), that ran in municipalities in the predominantly agricultural area of Larissa in Greece, focused on the long-term unemployed. The goal was to engage public and private local key actors to form development partnerships and develop action plans aimed at fostering the employability and social inclusion of the long-term unemployed.

Fit4Job (Luxembourg) is a programme for those who lost their jobs in specific sectors (financial, construction, engineering). It is based on partnerships between government and sectoral entities and professionals. The programme was developed in partnership with the government, the Agency for the Development of Employment (ADEM)⁽³⁷⁾, the Luxembourg Banker's Association (ABBL)⁽³⁸⁾ and the Luxembourg Institute of Banking Education (IFBL)⁽³⁹⁾ and supported by unions. Its aim is to monitor closely people who lost jobs in the sector and improve their employability. This is achieved by a diagnostic session, followed by training developed for the sector. Collaboration with professionals from the sector ensures sectoral and job seeker needs are met.

Source: <http://reseaucitesdesmetiers.com/> [accessed 28.7.2017]; Cedefop PLF *Vocational training for the long-term unemployed* (June 2017). Summaries of practices presented at the policy forum are available in Annex 3.

⁽³⁷⁾ ADEM stands for *Agence pour le développement de l'emploi*.

⁽³⁸⁾ ABBL stands for *Association des Banques et Banquiers, Luxembourg*.

⁽³⁹⁾ IFBL stands for *Institut de Formation Bancaire, Luxembourg*.

Ideas for ways forward

Greater skill deficits and mismatches among the long-term unemployed may prolong the duration of unemployment. As many long-term unemployed are low-qualified adults with less relevant work experience they often lack not only job-specific skills but also other basic knowledge, including ‘life competences’ and work attitudes needed for successful and sustainable labour market reintegration. Providing vocational training (particularly WBL) as part of ALMPs is essential for upskilling and activating the long-term unemployed; it contributes to faster redeployment into ‘suitable’ or ‘well-matched’ job opportunities.

Member States face common challenges in supporting the labour market reintegration of the long-term unemployed despite differences in national context, such as policy priorities, available infrastructure and the population of the long-term unemployed (characteristics, importance of particular groups). Pressures on financial and human resources, often aggravated by the aftermath of the economic crisis, the availability and effective dissemination of information among stakeholders and the need to evaluate better the effectiveness of ALMPs come across as shared concerns.

Apart from presenting empirical evidence, this report has looked at innovative practices in EU countries to help the long-term unemployed find a matching job. Many were presented at a Cedefop PLF held in June 2017. Forum participants also discussed what they see as innovative ways to make activation practice more effective and sustainable in the future.

While activation policies are much wider in scope, the forum focused on approaches linked to VET. Assessing the implications, viability and potential impact of implementing the suggestions included in this report would require deeper analysis. The national context is also crucial. Ideas and suggested approaches that are highly innovative in some countries may already be com-

mon practice in others, or not feasible elsewhere because of bottlenecks or financial or other constraints. Despite these caveats, the interesting points stemming from Cedefop work and raised by participants in the PLF can serve as inspiring ideas. These are summarised in this chapter.

5.1. Key intervention areas

Evaluation studies tend to show that training programmes may have questionable short-term impacts on the probability of job finding among the unemployed⁽⁴⁰⁾. This may be due to potential displacement effects (programme participants may crowd out other regular employees, usually for the duration of the subsidised programme), deadweight costs (they finance non-disadvantaged individuals who would have found a job easily without the support) and cream-skimming effects (case workers have an incentive to target unemployed workers with higher employment probability as participants in a programme, when their own performance evaluation is dependent on reemployment criteria).

However, empirical evidence tends to show that vocational training programmes have sustained and effective gains in the long run, especially among hard-to-place or disadvantaged long-term unemployed groups (Martin and Grubb, 2001; Card et al., 2010; Card et al., 2015; Card et al., 2016; Kluve, 2010). As a result of investments in reskilling or upskilling, job seekers are more likely to change their preferences or future employability prospects, in contrast to other types of ALMPs (such as job search and monitoring). However, job search assistance programmes are typically less costly relative to training, so the latter may not always be the most cost-effective strategy in the short term or when targeting job seekers close to return to the labour market.

⁽⁴⁰⁾ When asked in a 1996 interview by *The Economist* magazine how much training schemes as part of ALMPs have helped their clientele, Nobel-prizing winning economist James Heckman replied that ‘zero is not a bad number’ (*Economist*, 6.4.1996, p. 23).

In addressing the challenge to make programmes for the long-term unemployed more sustainable at national/regional/sectoral level, policy-makers can benefit by viewing their options and decisions through the lens of key intervention areas. Such a framework can be used as a compass for programme design, implementation and evaluation. The intervention areas can be used to identify where action is necessary to establish new ALMPs, but they are also possible ‘hubs’ for innovative approaches that may alleviate current challenges and shape the way forward.

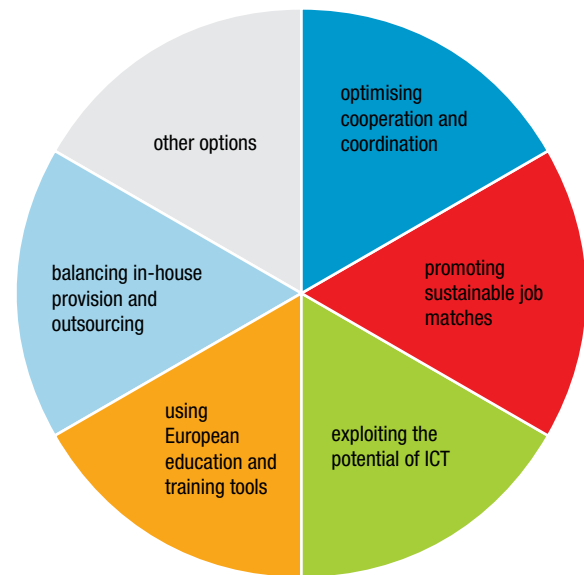
5.2. Options for making activation more sustainable

Based on previous research in the field and its own work, Cedefop identified such intervention areas (Figure 11). They can be broken down into specific actions that can be adjusted to national or local needs and specificities. In some countries, aiming to exploit better the potential of ICT could involve developing tools to disseminate labour market intelligence and support job seekers. In others, the same intervention area could aid other priorities. The areas help broaden the perspective as they can accommodate many different types of innovation. Considering intervention areas also helps to avoid a narrow focus on financial criteria and one-dimensional success measures, such as post-programme job placement rates. Apart from its role in new programme design and updating existing measures, the intervention areas can also prove useful for evaluation purposes.

This framework was used by participants in the PLF to structure different types of idea for innovation. Although the categorisation of possible ways forward to make activation more sustainable was comprehensive and perceived as a useful starting point, possible routes for innovation extend to themes not captured by the five categories. Participants also developed a range of ideas they felt did not fit any of the other categories.

Ideas to optimise cooperation and coordination included stronger involvement of services addressing ‘non-skill problems’, such as debt or health issues; this approach is already gaining

Figure 11 **Intervention areas**



Source: Cedefop’s own elaboration.

ground in several countries (Chapter 2, Box 7). Involving local actors more in outreach, linking to communities and their leaders, and using the knowledge of local employers more effectively were also seen as possibilities to drive innovation, especially when combined with locally organised practice-based research and evaluation, and measurable targets for all actors in partnership arrangements. Institutions involved in partnerships can also start playing a more prominent role as VET advocates, actively marketing to people the value that investment in VET skills can have.

ICT platforms/tools to attract/provide services to LTUs can involve significant financial costs of initial set-up (such as a platform), development and maintenance of databases (European Commission, 2011). Participants, however, identified many other opportunities to use the potential of ICT more effectively to drive innovation. Aiming to address deficits in skill areas (and barriers to re-employment), ideas to expand its use in providing programmes included tools for developing social skills and testing soft skills. Expanding social media use and other forms of electronic communication for outreach and finding suitable candidates for particular training courses were seen as strategies for better use of ICT potential. Other interesting suggestions included using

online platforms to organise stakeholder involvement in developing ALMP more effectively and establishing evaluation capacity to make the use of ICT in activation more evidence-based.

Despite its potential, practitioners and experts stressed that using ICT is not a panacea, particularly for LTUs with limited or no internet access and/or poor information technology (IT) skills. Other approaches are necessary to reach out to them, such as information desks strategically positioned in areas of interest. For example, in an area where the long-term unemployed mainly come from a particular sector, an information desk can be placed in the sectoral trade union office or sectoral chamber. To approach more remote LTUs, such as those caring for dependent individuals in their homes, PES can benefit by investing more effort into targeted marketing, using information on media preferences (such as television) to select and shape the most effective communication channel(s).

The potential to expand the use of European education and training tools was mostly seen in terms of motivating people by making their skills visible. In countries where this is not yet common, more widespread application of skills validation (also in small parts such as ‘skills badges’) can increase self-understanding, boost self-confidence and open doors to other skills. The skills focus of the tools also sets the stage for more interactive and learner-centred approaches.

Participants saw possibilities to make the matching process more sustainable by being more active in screening and preparing the unemployed and those facing high unemployment risks. Suggestions included digging deeper into personal histories, ‘face-to-face profiling’ for people with a high risk of LTU and investment in mid-career workers. To increase the success of work-based-learning it was seen as important to address missing crucial skills before work placements. In a longer-term perspective, structures and resources to keep the methods and tools used for skills matching in sync with labour market and other developments, including performance-based funding or ‘in work’ incentives for stable contractual arrangements, was also seen as a precondition for promoting sustainable matches.

Acknowledging that the framework is not exhaustive, ideas of a more transversal nature were explored. These included investing more in research and data on the long-term unemployed and on skills and labour market trends, for instance by combining big data with qualitative skills surveys. The traditional pilot-roll-out approach to the implementation of programmes and measures was challenged: more informed upscaling, with more steps and strong links between them based on evidence and evaluation, was suggested.

5.3. In conclusion

Strengthening vocational training and skills matching in activation measures is resource intensive. Better targeting training and having a long-term focus on matching long-term unemployed to jobs that fit their possibilities and potential requires financial and human resources investment, for case load capacity and developing and updating approaches and tools supporting the matching process.

While this is not easy, especially in countries with strong pressures on public finances, the empirical evidence presented in this report shows the promise and potential benefits of a forward-looking and skills matching based perspective to reintegrating the unemployed. It can help prevent them becoming ‘returning customers’ of PES, with ensuing adverse consequences for the individuals concerned, for the public budget, PES resources and, ultimately, society at large.

The innovative examples presented in this report support this reasoning. They show how – at different stages – countries can move towards making the labour market reintegration of the long-term unemployed more sustainable. While good practices may not be directly transferrable elsewhere, there is significant potential for policy learning between countries. Further exploring the examples presented in this report and suggestions made by practitioners and experts can be a basis for future innovation.

List of abbreviations

ALMP	active labour market policy
CléA	<i>Socle de connaissances et compétences professionnelles</i> [inter-professional certificate attesting to proficiency in basic knowledge and vocational skills]
EQAVET	European quality assurance reference framework for VET
ESF	European Social Fund
ESJS	European skills and jobs survey
EU	European Union
FOREM	<i>Office wallon de la formation professionnelle et de l'emploi</i> [Wallonia public employment service]
HRDA	Human Resource Development Authority of Cyprus
ICT	information communications technology
LFS	labour force survey
LTU	long-term unemployment
NEETs	not in education, employment or training
NGOs	non-governmental organisations
OECD	Organisation for Economic Cooperation and Development
PES	public employment service
PEX	probability of exit
PIAAC	programme for the international assessment of adult competencies
PLF	policy learning forum
SEA	State employment agency
STU	short-term unemployment
VET	vocational education and training
VDAB	<i>Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding</i> [Flemish public employment service]
VQ	vocational qualification
WBL	work-based learning

References

- Baert, S.; Cockx, B.; Verhaest, D. (2013). Overeducation at the start of the career: stepping stone or trap? *Labour economics*, Vol. 25, issue C, pp. 123-140.
- Bouget, D.; Frazer, H.; Marlier, E. (2015). *Integrated support for the long-term unemployed in Europe*. Luxembourg: Publications Office.
- Card, D.; Kluve, J.; Weber, A. (2010). Active labour market policy evaluations: a meta-analysis. *The economic journal*, Vol. 120, Issue 548, pp. 452-477.
- Card, D.; Kluve, J.; Weber, A. (2015). *What works? A meta analysis of recent active labor market program evaluations*. NBER working paper No 21431. Cambridge: National Bureau of Economic Research.
- Card, D.; Kluve, J.; Weber, A. (2016). Active labour market policies and long-term unemployment. In: Bentolila, S.; Jansen, M. (2016). *Long-term unemployment after the great recession: causes and remedies*. London: Centre for economic policy research.
- Cedefop (2013). *Return to work: work-based learning and the reintegration of unemployed adults into the labour market*. Luxembourg: Publications Office. Cedefop working paper; No 21. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/6121>
- Cedefop (2015a). *Skill shortages and gaps in European enterprises: striking a balance between VET and the labour market*. Luxembourg: Publications Office. Cedefop reference series; No 102. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3071>
- Cedefop (2015b). *Skills, qualifications and jobs in the EU: the making of a perfect match?* Luxembourg: Publications Office. Cedefop reference series; No 103. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3072>
- Cedefop (2015c). *Tackling unemployment while addressing skill mismatch: lessons learned from policies and practices in European Union countries*. Luxembourg: Publications Office. Cedefop research paper; No 46. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/5546>
- Cedefop (2015d). *Stronger VET for better lives: Cedefop's monitoring report on vocational education and training policies 2010-14*. Luxembourg: Publications Office. Cedefop reference series; No 98. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3067>
- Cedefop (2018). *Insights into skill shortages and skill mismatch: learning from Cedefop's European skills and jobs survey*. Luxembourg: Publications Office. Cedefop reference series; No 106. <http://www.cedefop.europa.eu/en/publications-and-resources/publications/3075>
- Clark, A.E.; Oswald, A.J. (1994). Unhappiness and Unemployment. *The economic journal*, Vol. 104, No 424, pp. 648-659. Oxford: Blackwell Publishers.
- Desjardins, R. (2014). *Rewards to skill supply, skill demand and skill match-mismatch: studies using the adult literacy and lifeskills survey*. Lund economic studies; No 176. Lund: Department of Economics, Lund University.
- Diamond, P.A. (2010). Unemployment, vacancies, wages. Prize lecture at the *ceremony of Nobel prizes in economic sciences*, Stockholm University, 8 December 2010.
- Duell, N.; Thurau, L.; Vetter, T. (2016). *Long-term unemployment in the EU: trends and policies*. Gütersloh: Bertelsmann Stiftung.
- European Commission (2011). *Profiling systems for effective labour market integration*. The European Commission mutual learning programme for public employment services. Publication supported under the European Community programme for employment and social solidarity (2007-13).
- European Commission (2012). *Long-term unemployment*. European Employment Observatory review. Luxembourg: Publications Office. <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7107&furtherPubs=yes>

- European Commission (2013). *Employment and social developments in Europe 2013*. Luxembourg: Publications Office. <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7684>
- European Commission (2014a). *Employment and social developments in Europe 2014*. Luxembourg: Publications Office. <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7736>
- European Commission (2014b). *Is unemployment structural or cyclical? Main features of job matching in the EU after the crisis*. European economy, economic papers; No 527. http://ec.europa.eu/economy_finance/publications/economic_paper/2014/pdf/ecp527_en.pdf
- European Commission (2015). *Proposal for a Council recommendation on the integration of the long-term unemployed into the labour market*. COM(2015) 462 final. <http://ec.europa.eu/social/BlobServlet?docId=14480&langId=en>
- European Commission (2016). *A new skills agenda for Europe: working together to strengthen human capital, employability and competitiveness*. COM(2016)381 final. <http://ec.europa.eu/social/main.jsp?catId=1223&langId=en>
- European Commission (2017). *Practitioner's toolkit: sustainable integration into the labour market*. Luxembourg: Publications Office.
- Heckman, J. (1996). Interview, *The economist*, 6 April 1996, p. 25.
- Jakobsons, A. (2006). Forecasting skills and labour market needs: statements and comments. *Peer review on forecasting skills and labour market needs*, Finland, 8 and 9 June 2006. http://www.opf.fi/download/145380_Latvia.pdf
- Juncker, J.C. (2014). A new start for Europe: my agenda for jobs, growth, fairness and democratic change. *Political guidelines for the next European Commission. Opening statement in the European Parliament plenary session*, Strasbourg, 15 July 2014. http://ec.europa.eu/priorities/publications/president-junckers-political-guidelines_en
- Karamesini, M. (2015). The Greek social model: towards a deregulated labour market and residual social protection. In: Vaughan-Whitehead, D. (ed.). *The European social model in crisis: is Europe losing its soul?* Geneva: ILO; Cheltenham: Edward Elgar, pp. 230-288.
- Kluve, J. (2010). The effectiveness of European active labour market programs. *Labour economics*, Vol. 17, No 6, pp. 904-918.
- Kuhn, P.J. (2014). The internet as a labor market matchmaker. *IZA world of labour*, article; No 18.
- Martin, J.P. (2017). *Whither activation policies? Reflections for the future*. Policy paper; No 114. Bonn: IZA.
- Martin, J.P.; Grubb, D. (2001). What works and for whom: a review of OECD countries' experiences with active labour market policies. *Swedish economic policy review*, Vol. 8, No 2, pp. 9-60.
- Mavromaras, K.; Sloane, P.; Wei, Z. (2015). The scarring effects of unemployment, low pay and skills underutilisation in Australia compared. *Applied economics*, Vol. 47, No 23, pp. 2413-2429.
- Maximus (2016). *Policy in practice. Integrated employment services: focus on hard-to-serve job seekers*. White paper.
- McGuinness, S.; Kelly, E.; Walsh, J.R. (2014). *Predicting the probability of long-term unemployment in Ireland using administrative data*. ESRI survey and statistical report series; No 51. Dublin: Economic and Social Research Institute.
- McGrath, J. (2015). Unemployment: tackling skills mismatches through active labour market policies. *Presentation prepared for the European Parliament workshop on the impact of crisis on skill shortages*, Brussels, 23 March 2015. <http://www.europarl.europa.eu/committees/en/empl/events-workshops.html?id=20150323CHE00091>
- Ministry of Welfare of the Republic of Latvia (2013). *General description of the labour market situation in Latvia*. https://www.lm.gov.lv/upload/darba_tirgus/darba_tirgus/labourmarket080513.pdf
- OECD (2012). *OECD employment outlook 2012*. Paris: OECD Publishing. http://www.oecd-ilibrary.org/employment/oecd-employment-outlook-2012_empl_outlook-2012-en

- OECD (2013a). *OECD skills outlook: first findings from the survey of adult skills*. Paris: OECD Publishing.
- OECD (2013b). Activating jobseekers: lessons from seven OECD countries. In: *OECD employment outlook 2013*. Paris: OECD Publishing.
- Ohlsson, H.; Storrie, D. (2007). *Long term effects of public policy for displaced workers in Sweden: shipyard workers in the West and miners in the North*. Uppsala University, Department of Economics. Working paper; No 19.
- Pouliakas, K. (2015). Skills and the crisis: implications for policy. *Presentation prepared for the European Parliament workshop on the impact of the crisis on skill shortages*. <http://www.europarl.europa.eu/committees/en/empl/events-workshops.html?id=20150323CHE00091>
- Pouliakas, K. (2017). *Strengthening feedback between labour market signals and vocational education and training*. Atlas of workplace pedagogy, Franco Angeli Publishing. https://www.francoangeli.it/Ricerca/Scheda_Libro.aspx?ID=24535
- Pouliakas, K.; Ranieri, A. (forthcoming). Governance of labour market and skills intelligence as driver of VET reform. In: Palmer, R. (ed.). Planning and reforming skills systems, Section 3. *International handbook on vocational education and training for the changing world of work*. Netherlands: Springer Publishing.
- Stephan, G. (2016). Public or private job placement services - are private ones more effective? *IZA world of labour*. doi: 10.15185/izawol.285
- Sundaram, R. et al. (2014). *Portraits of labour market exclusion*. Washington DC: The international bank for reconstruction and development/World Bank.

Further reading

- Bentolila, S.; Jansen, M. (2016). *Long-term unemployment after the great recession: causes and remedies*. London: Centre for Economic Policy Research.
- Brown, A.J.G.; Koettl, J. (2015). Active labour market programs: employment gain or fiscal drain? *IZA journal of labour economics*, Vol.4, No 12.
- Cappelli, P. (2015). Skill gaps, skill shortages and skill mismatches: evidence and arguments for the United States. *Industrial and labour relations review*, Vol. 68, No 2, pp. 251-290.
- Draghi, M. (2014). Unemployment in the euro area. Speech delivered at the *Annual central bank symposium in Jackson Hole*, 22 August 2014.
- Duell, N. (2012). Can active labour market programmes reduce long-term unemployment? Paper prepared for the *Thematic review seminar on tackling long-term unemployment – effective strategies and tools to address long-term unemployment*, Brussels, 8 November 2012.
- European Central Bank (2012). *Euro area labour markets and the crisis*. Structural issues report. Frankfurt am Main: European Central Bank.
- European Commission (2014a). *Is unemployment structural or cyclical? Main features of job matching in the EU after the crisis*. European economy, economic papers, No 527.
- European Commission (2014b). *PES approaches for sustainable activation of the long-term unemployed*. Peer review comparative paper, Brussels, Authors: Claire Duchemin, Anna Manoudi.
- European Commission; DTI (2010). *Anticipating skill needs of the labour force and equipping people for new jobs. Which role for public employment services in early identification of skill needs and labour up-skilling? Final report*. Contract VC/2009/005.
- ILO (forthcoming). *Skill needs anticipation: systems and approaches. Analysis of stakeholder survey on skill needs assessment and anticipation*. Geneva: International Labour Organisation.
- Immervoll, H.; Scarpetta, S. (2012). Activation and employment support policies in OECD countries: an overview of current approaches. *IZA Journal of labour policy*, Vol. 1, No 1, p. 1.
- Kelly, E.; McGuinness, S.; Walsh, J.R. (2015). *An evaluation of the back to education allowance*. ESRI research series No 47. Dublin: Economic and Social Research Institute.
- Martin, J.P. (2014). Activation and active labour market policies in OECD countries: stylised facts and evidence on their effectiveness. *IZA policy paper*, No 84. Bonn: IZA.
- Polachek, S. et al. (2017). Skill mismatch in labour markets. In: Polachek, S.; Tatsiramos, K. (eds.). *Gender convergence in the labour market. Research in labor economics*, Vol. 45. Bingley: Emerald Publishing Limited, pp. i-xx.
- Pouliakas, K. (2012). The skill mismatch challenge in Europe. In: European Commission (ed.). *Employment and social developments in Europe 2012*. Luxembourg: Publications Office, Chapter 6.
- Tatsiramos, K. (2014). Unemployment benefits and job match quality. *IZA world of labor*, article No 44.
- Tatsiramos, K.; Van Ours, J.C. (2014). Labour market effects of unemployment insurance design. *Journal of economic surveys*, Vol. 28, Issue 2, pp. 284-311.
- Wunsch, C. (2016). How to minimize lock-in effects of programs for unemployed workers. *IZA world of labor*, article No 288.

Websites

[accessed 30.8.2017]

- Cedefop's policy learning forum: Vocational training for the long-term unemployed. <http://www.cedefop.europa.eu/en/events-and-projects/events/policy-learning-forum-vocational-training-long-term-unemployed/inspiring-practices>
- Cedefop's project on assisting EU countries in skills matching. <http://www.cedefop.europa.eu/en/events-and-projects/projects/assisting-eu-countries-skills-matching>
- Cedefop's project on validation of non-formal and informal learning. <http://www.cedefop.europa.eu/en/events-and-projects/projects/validation-non-formal-and-informal-learning>
- Cedefop's European skills and jobs survey (ESJ). <http://www.cedefop.europa.eu/en/events-and-projects/projects/european-skills-and-jobs-esj-survey>
- European Commission fact sheet 2015. http://europa.eu/rapid/press-release_MEMO-15-5562_el.htm
- EQAVET. <http://www.eqavet.eu/gns/home.aspx>
- Eurostat's adult education survey. <http://ec.europa.eu/eurostat/web/microdata/adult-education-survey>
- Eurostat database. <http://ec.europa.eu/eurostat/data/database> [extracted 13.7.2017].
- Eurostat labour force survey. <http://ec.europa.eu/eurostat/web/microdata/european-union-labour-force-survey>
- Fonds Européens, Grand-Duché du Luxembourg. <http://www.fonds-europeens.public.lu/fr/projets-co-finances/fse/2014-2020/1017/index.html> [accessed 26.7.2017].
- Leren en werken. <http://www.lerenenwerken.nl/> [accessed 31.8.2017].
- OECD PIAAC data, 17 EU countries. <http://www.oecd.org/skills/piaac/>
- Réseau International des Cités des Métiers. <http://reseaucitesdesmetiers.com/> [accessed 28.07.2017].
- Skillnets. <http://www.skillnets.ie/>
- Skills Panorama. <http://skillspanorama.cedefop.europa.eu/en>
- Skills Panorama (2017). Overviews of skills anticipation in EU-28. [http://skillspanorama.cedefop.europa.eu/en/analytical-highlights-collection?f\[0\]=field_collection%3A765](http://skillspanorama.cedefop.europa.eu/en/analytical-highlights-collection?f[0]=field_collection%3A765)
- Stockholms Stadsmission. <http://www.stadsmissionen.se/> [accessed 30.8.2017].
- VDAB. <http://www.vdab.be/> [accessed 31.8.2017].
- VDAB European leader in competence based matching: unique cooperation with JobsPlus (Malta). <https://www.vdab.be/nieuws/pers/2016/vdab-european-leader-competence-based-matching-unique-cooperation-jobsplus-malta>
- Zelfredzaamheid-Matrix. <http://www.zelfredzaamheidmatrix.nl/>

ANNEX 1

Factors related to long-term unemployment

Table A1 **Determinants of long-term unemployment, 2015, EU-28**

Explanatory variables	Marginal probability (dy/dx) of regression coefficient (s.e)
Male	0.003*** (0.001)
Age: 25-34	0.007*** (0.003)
Age: 35-44	0.004 (0.004)
Age: 45-54	0.002 (0.004)
Age: 55-64	-0.004 (0.004)
Age: 65-74	-0.024*** (0.001)
(Ref: Age 15-24)	
Highest education level: Low	0.016*** (0.002)
Highest education level: Medium	0.010***
(Ref: High education level)	
Degree of urbanisation: Town and suburbs	-0.002** (0.001)
Degree of urbanisation: Rural area	-0.005*** (0.001)
(Ref: Cities)	
Married	-0.010*** (0.000)
Native	-0.009*** (0.002)

Explanatory variables	Marginal probability (dy/dx) of regression coefficient (s.e)
Participation in training (last 4 weeks)	-0.014*** (0.002)
Proxy respondent	0.003*** (0.002)
28 country dummies	√
Observed probability	0.03
Predicted probability (at mean of x)	0.015
Observations	3 414 448
Wald Chi sq (41)	69 856***
Log pseudo-likelihood	-388 648
Pseudo R2	0.12

NB: Marginal effects of probit estimates at means of explanatory variables; Robust standard errors in parentheses, clustered at country level; *** p<0.01, ** p<0.05, * p<0.1.

Source: European LFS microdata (2015 wave); Cedefop's own estimation.

The skills-penalty of long-term unemployment

The empirical analysis underlying Figure 10 investigates the impact of a prior spell of LTU on the subsequent skill formation of individuals by utilising a so-called propensity score matching approach. The empirical strategy first estimates the probability that individuals were long-term unemployed before entry into their current job as a function of explanatory variables that preceded their actual status of joblessness: gender, native status, highest level of education attainment, age at the time they began their new job and skill mismatch status in the job they had prior to becoming unemployed. In the spirit of Oswald's theory underpinning the wage curve, the likelihood of experiencing a previous spell of unemployment is linked to whether individuals owned their main residence (either outright or with a mortgage) before finding their new job and to if they (or their family) were faced with family obligations prior to accepting the new job ⁽⁴¹⁾.

The ESJS data highlight that the long-term unemployed who returned to work possess specific characteristics relative to other segments of the adult working population (those employed in a previous job, in STU or inactive). They are more likely to be females, lower-educated, non-residents, faced with considerable financial constraints and lower propensity to geographic mobility ⁽⁴²⁾.

At the second stage, and on the basis of the estimated probability of individuals being long-term unemployed before entering their current job, the algorithm compares the rate of skills improvement ⁽⁴³⁾ between two comparable groups of individuals: those who experienced a long unemployment spell prior to job entry (the treated); and individuals who moved into their current job directly from another, but who are characterised by a similar probability of being long-term unemployed on the basis of their observed characteristics (the untreated or counterfactual group).

The estimated average treatment effect on the treated population (ATT), shown in Table A3 below, reveals that there is a statistically significant difference in the degree of skills improvement of the two comparable groups of individuals, who differ solely by their prior unemployment status.

⁽⁴¹⁾ In a secondary analysis shown in Table A2, additional explanatory variables that are not strictly predetermined are also added in the first step regression of the matching estimation, such as whether the respondents live with a partner/spouse, with children or with their parents, if they moved home or changed occupation before starting their job with their current employer and if they (and their family) were faced with considerable financial constraints at that time.

⁽⁴²⁾ Although not shown in Table A2, the data reveal that job finders who faced a spell of LTU are more likely to suffer from technical skills obsolescence and increased risk of employer stigmatisation. Their primary motive for accepting their job is the need for job security.

⁽⁴³⁾ Workers' skill development is based on their self-assessed change in skills since the start of their current job. It is derived from the following question: *Compared to when you started your job with your current employer, would you say your skills have now improved, worsened, or stayed the same? Please use a scale of 0 to 10, where 0 means your skills have worsened a lot, 5 means they have stayed the same, and 10 means they have improved a lot.*

Table A2 Estimation of propensity score, probability of being long-term unemployed before finding current job, adult employees, 2014, EU-28

Explanatory variables	Regression coefficient (s.e)
Skills matched to what was required in previous job	0.13** (0.054)
Skills lower than required in previous job	0.24*** (0.080)
(Ref: Skills higher than required in previous job)	
Age at start of current job	0.05*** (0.003)
Male	-0.12*** (0.045)
Years of residence in country	-0.01*** (0.002)
Medium education	-0.20*** (0.067)
High education	-0.68*** (0.072)
(Ref: Low education)	
I live with my parents	0.42*** (0.075)
I live with my children	-0.08* (0.048)
I live with a partner/spouse	-0.27*** (0.049)
Few opportunities to find job for people with my skills/qualifications	0.82*** (0.052)
I turned down one or more job offers before finding current job	-0.51*** (0.057)
Family obligations before accepting job	-0.002 (0.052)
I own my house (outright or mortgage)	-0.31*** (0.051)
Financial constraints before accepting job	0.71*** (0.052)
Moved to a different country before accepting current job	-0.53*** (0.208)

Explanatory variables	Regression coefficient (s.e)
Moved to a different region of same country	-0.32*** (0.091)
Moved within the same region of same country	-0.158 (0.103)
(ref: Did not move)	
Moved to a similar occupation as my previous one	0.42*** (0.097)
Moved to a different occupation as my previous one	0.94*** (0.097)
(Ref: Same occupation as previous one)	
28 country dummies	√
Constant	-4.90*** (0.189)
Observations	48 201
Wald chi2 (56)	2 333***
Pseudo R2	0.12

NB: Logit estimates; Robust standard errors in parentheses, clustered at country level; *** p<0.01, ** p<0.05, * p<0.1.

Source: Cedefop's ESJS.

Table A3 Impact of previous long-term unemployment status on subsequent skill development, adult employees, 2014, EU-28

Sample	Treated	Controls	Difference	S.E.	T-stat
Unmatched	7.42	7.79	-.38	.038	-9.96
ATT	7.42	7.58	-.17	.045	-3.61

NB: Standard errors obtained after bootstrapping (1000 iterations).

Source: Cedefop's ESJS.

ANNEX 3

Summaries of practices



Competence-based training and matching VDAB (PES Flanders)

What it is

**Registration platform (*My career*)
with scorable competence profiles
(launched in 2012)**

**Competence-based training plans for work-
based learning (introduced in 2015)**

- Occupational profiles and related competences are the basis of all services provided by VDAB.
- Training curricula are adapted to the competence profiles, with specific attention to digital competences in occupations.
- Focus on workplace learning.
- Automatic matching to combine offer and demand.
- Working with competences can hardly be called innovative but using one single database for all labour market services (training, career guidance and placement) is new. It offers a **common language** for VDAB-consultants, partner organisations, trainers, employers and jobseekers.

How it works

- Competence-based training and matching is an approach that does not specifically focus on long-term unemployed jobseekers but this target group clearly benefits from it. It seems to be the right approach to dealing with skill gaps and skill obsolescence.
- VDAB uses one common database of competences profiles (for ± 600 occupations) in all its services:
 - **registration:** job seekers have to define their job target (occupations) and score the competences in these profiles;
 - **training in competence centres:** curricula are adapted to the occupation profiles. The digital competences in the different professional contexts are also considered;
 - **workplace training:** competence-based training plans make sure that objectives are clear for everyone involved;
 - **mediation and placement:** in every vacancy, the expected competences are specified by the employer. This is the basis for automatic matching or manual selection by employers;
 - **orientation:** *Oriënt*, an interactive digital tool, is based on the same competences;
 - **career guidance** always refers to the ± 600 professions and the related competences.
- In IBO (a specific work place training formula) 24% of the trainees are LTU (4,813). 85% found a job after training (2016-17 data).
- A major update of the competence profiles is planned at the end of 2017.

Who is involved

1. Tender partners:
 - training providers: translating learning outcomes to competences;
 - guidance or mediation providers: screening competences of unemployed.
2. Sectoral organisations.
3. Employers: describing vacancies in terms of competences, offering vacancies for work based training (and using competence-based training plans).

More information

Carlo De Smedt

carlo.desmedt@vdab.be

Training methodology expert at VDAB (PES Flanders) HQ Brussels (Belgium)

On the web

VDAB information in English:

<https://www.vdab.be/english/vdab.shtml>

Strong together for work, statistics 2015:

<https://www.vdab.be/sites/web/files/doc/trends/Key%20figures%202015%20ENG.pdf>

VDAB annual report, in Dutch:

<https://www.vdab.be/trends/jaarverslag.shtml>

Information on work-based learning for employers, Dutch)

<https://www.vdab.be/werkgevers/werkplekieren>



Momentum (2013-17) SOLAS (Further education and training authority)

What it is

Momentum funded the provision of free education and training projects to allow over 12,000 jobseekers (who were unemployed for 12 months or more) to gain skills and to access sustainable jobs in identified growing sectors (such as such as ICT, digital media, healthcare and social services, the green economy, food processing and sales and marketing).

- The programme objective is to address the chronic long term unemployment that emerged in the wake of the mid-2000s economic downturn.
- Quantitative skill forecasts – projecting labour market prospects for jobseekers to find a job and for employers to identify potential recruitment problems – undertaken by the Labour Market Research Unit (SLMRU) in SOLAS inform the programme.
- Training delivered by private contractors.
- Selection of participants by guidance counsellors from the public employment services.
- Training curriculum developed based on occupational profiles.
- Typical course length: 27 weeks including three weeks induction. Delivery phase split between classroom (10-14 weeks) and work placement (six-10 weeks) modules.
- Additional four weeks work placement for under 25s.
- Providers funded through deliverables based outcome model. 70% delivery phase/30% outcome phase.
- LTUs/trainees are offered career guidance and support for six months after course end date.
- Certification was a milestone within the programme rather than an outcome. Main measure of the effectiveness of the programme was progression into employment.
- Outcome payment (30% for full-time employment, 15% for part-time employment) only claimable if trainee in employment for consecutive two month period within the six months immediately after course end date.

How it works

- The *Momentum* programme is an innovative initiative designed to assist the long-term unemployed to gain the skills needed to access work in growth sectors of the economy where there are job opportunities. A particular focus is on under 25s with 33% of places prioritised for this cohort in the most recent iteration of the programme.
- The programme is designed to provide eligible jobseekers with:
 - access to a range of quality education and training projects;
 - links to identified job vacancies and employers;
 - work placement and support;
 - relevant industry and NQF certification.
- At its introduction the *Momentum* programme was designed as an outcomes-based model of training provision. This approach is innovative in an Irish context.

- The key design features incorporated into the programme included:
 - focus on skills, job retention and progression;
 - the need to see employment outcomes;
 - the transference of the delivery risk from the State to the training provider, resulting in:
 - (i) efficient investment of public funding through the adoption of payment by results;
 - (ii) risk and reward being more equitably distributed between the contractor, the employer, and the participant;
 - (iii) an outcomes-based approach that was new to everyone engaged in the programme.
- All *Momentum* programme education and training courses were free, and both full and part-time courses were made available. The courses offered were from national framework of qualifications (NFQ) Level 3 to 6, or to an industry-required certification standard.
- *Momentum* is not currently being funded. This circumstance is influenced by evidence that the LTU population has returned to more traditional characteristics, i.e. structural and generational unemployment.

Who is involved

1. Public employment service (recruitment).
2. Private training providers (responsible for training and post- course support).
3. Employers (providing work placements and employment opportunities).

More information

John McGrath
john.mcgrath@solas.ie
Research manager SOLAS

On the web

Programme portal: <http://www.momentumskills.ie/>
Programme evaluation: http://www.momentumskills.ie/docs/Momentum_evaluation_report.pdf
Programme information: <http://www.welfare.ie/en/Pages/momentum.aspx>



Be a producer (2012-14 >> 15) Ministry of Labour and Social Security

What it is

- A TOPEKO project (local actions for social inclusion of vulnerable groups) cofunded by the EU, Priority Axis 4 (Full integration of human resources in a society of equal opportunities) of the OP-HRD of the Ministry of Labour and Social Security.
 - For 80 LTUs in the predominantly agricultural area of Larissa (Larissa and Kileler Municipalities) in Greece.
 - To activate public and private local key actors to form development partnerships to develop tailor-made action plans for social inclusion and employability based on local key development areas, whose growth potential would be used to promote the employability of the LTU mainly through business creation and social entrepreneurship.
- During the project LTUs benefited from:
 - mapping their individual, skills, abilities, interests, aptitudes and aspirations and career guidance needs;
 - individual/group counselling, support and empowerment;
 - vocational education and training (VET) based on occupational profile (theory and on-the-job training);
 - training and certification in the Sense of initiative and entrepreneurship (30 hours, ERF, KC No7);
 - coaching and mentoring, to reduce business risk and to improve business skills (individual/group);
 - social entrepreneurship expertise;
 - business plan development and start-up support;
 - networking and awareness raising activities;
 - an e-shop to help promote their products, bypassing the intermediaries to keep prices low to benefit of both consumers and producers;
- Results were assessed three months after the end of the project in terms of matching of LTUs in local jobs and sustainability of business creation.

How it works

- The project analysed strengths, weaknesses, opportunities and threats (SWOT) of the region and the existing structure of farms. An action plan was developed proposing the production and promotion of agricultural products (selected fruits, vegetables and herbs) with integrated and sustainable management as a key solution to sustainable (social) entrepreneurship and business creation.
- The project helps LTUs:
 - start an agricultural business or social cooperative;
 - gain the qualifications to benefit from other investment programmes;
 - acquire skills that will meet identified needs of local businesses that will hire them.
- Among the project results were:
 - 46 beneficiaries created 'Gi Thessalis' Social Cooperative Enterprise (awarded the Green Social Enterprise 2014 prize in the Social business excellence awards competition held under the auspices of the Ministry of Development and Competitiveness);
 - seven beneficiaries started their own farm;
 - 13 beneficiaries submitted crop statements (yearly);
 - 16 beneficiaries got placed in local jobs;
 - 29 business plans: 28 for private agricultural business, one for a social cooperative;
 - 32 tailor-made integrated crop management systems (according to Agro 2.1-2.2 standard).

- Planned developments: microfinancing and regional support mechanisms for social enterprises to disseminate the idea of the social economy through networks (expected to be included in the operational programme within local development plans). Implemented actions: new social economy enterprises law and wage subsidy for private social cooperatives hiring beneficiaries (EUR 15/day for four months).

Who is involved

Development partnership representing:

1. DIMITRA consulting (coordination, analysis, training, support, dissemination, awareness raising).
2. Regional Government of Thessaly and Larissa and Kileler municipalities (networking to sensitize and inform the business world and employer organizations and the local community).
3. Sector expertise - University of Applied Sciences/ Department of Plant Production, Agricultural Development SA (networking with other producers, consulting and business plan development, business start-up support).
4. Institute for Psychosocial Development (individual psychological support, group counselling, empowerment).

More information

Vaso Anastasopoulou

anastasopoulou@dimitra.gr

Head of Development and International Projects Department
DIMITRA Education and Consulting, Larissa, Greece

On the web

General information, in Greek and English: www.dimitra.gr

Project website, in English: <http://www.gineparagogos.gr/en/>



Public benefit employment scheme and Training and certification for the unemployed Ministry of Labour, Social Security and Social Solidarity

What it is

Public benefit employment scheme

- Mainly addresses long-term registered unemployed targeting (re)integration into the labour market and reinforcing labour demand. It is financed by national and EU funds.
- The aim of the program is combating social exclusion (by improving the daily life of inhabitants at local level) and developing the productive skills of the unemployed.
- Piloted in July 2016 in 17 municipalities for 3 737 beneficiaries and extended in October 2016 to 34 more municipalities for 6 339 beneficiaries. From the end of 2016, implemented to cover the other 274 municipalities.
- The training services offered (including digital skills training) are in line with the educational level of the beneficiary.
- LTUs/trainees benefit from counselling at least twice, at the beginning and at the end of the programme.

Training and certification programme for the unemployed in cutting-edge sectors

- The programme targets 23 000 unemployed aged 29-64 and is financed by national and EU funds.
- It helps them acquire and/or update professional knowledge and skills and acquire relevant certification to meet current labour market needs, supporting employability and addressing long-term unemployment.
- It offers a combination of theoretical and on-the-job training in private sector companies in cutting-edge sectors of the Greek economy (logistics, retail, international trade and ICT).
- The training services offered are in line with the education level of the beneficiary and the sector and the specialty chosen.
- Participants benefit from counselling at least three times (at the beginning, during and at the end of the training programme) and certification.

How it works

Public benefit employment scheme

- The beneficiaries work at local authorities four days a week and participate one day a week in training for eight months (full-time employment with social security rights).
- The programme includes 120 hour of training on ICT skills (at elementary, basic or advanced level). The beneficiaries receive certification of the acquired knowledge, after passing the ICT skills examination.
- Local authorities select the type of projects in which the beneficiaries will be employed, in line with their needs.
- These projects are intended to contribute indirectly to improving public sector services that have a daily and direct connection with (a) citizens, (b) the maintenance and upgrading of social infrastructure, (c) the improvement of the natural environment, (d) the support of the local market.

Training and certification programme for the unemployed in cutting-edge sectors

- Beneficiaries are selected on the basis of a social criteria points system, such as the length of continuous unemployment, annual individual or family income, educational attainment.

- The programme provides:

- initial theoretical training (120 hours) including for skills such as job searching, health and safety at work, basic principles of labour law, and ICT skills;
- on-the-job training (500 hours) in dynamic sectors;
- counselling: at training programme selection stage (in line with the educational and professional profile), to match the beneficiary with on-the-job training vacancies in private enterprises and to support labour market integration;
- certification of knowledge and skills acquired.

Who is involved

Public benefit employment scheme

1. Public employment service (coordination/lead).
2. Special Authority for EU funds (funding).
3. Local authorities/municipalities.
4. Private training providers (responsible for training services).

Training and certification programme for the unemployed in cutting-edge sectors

1. Public employment service.
2. Special Authority for EU funds (funding).
3. Private enterprises (for on-the-job training).
4. Private training providers (responsible for training services).

More information

Aikaterini Alexomanolaki

kalexomanolaki@ypakp.gr

Deputy Head of VET Department of Directorate of Employment - Ministry of Labour, Social Security and Social Solidarity

On the web

Training voucher system of the Ministry of Labour, Social Security and Social Solidarity, in Greek and English:

www.voucher.gov.gr



Workplace training (since 2015) Croatian Employment Service

What it is

- Up to 170 hours of on-the-job training per month for the unemployed.
- The scheme helps better match the needs of a specific employer and tackle the problem of structural unemployment.
- Duration: up to six months.
- Possibility of training (theoretical part) at a training institution within the six month period.
- Selection by employers, assisted by employment counsellors from the public employment services.
- Training curriculum developed by the employers based on occupational profile.
- Employers are paid to offer mentorship.
- If a training institution is involved, the expenses for training and the final examination and for a medical exam (if necessary) are reimbursed.
- Trainees receive financial aid and compensation for travel expenses. The cost of compulsory insurance contributions is also covered.
- Employers can participate if they:
 - have training materials and staff and the organisational context for training;
 - have a mentor who carries out the job the participants will be trained for;
 - have a mentor who guides at least three people.
- Participating employers have to employ a certain number of participants after the completion of the training if they wish to apply for another programme cycle.

How it works

There are two variants of the workplace training scheme.

Training to acquire an employer's certificate:

- target group: the unemployed with up to secondary education qualification who lack work experience to perform the particular tasks in which they are trained;
- selection of participants: employment counsellors of the PES make the first selection, so that those selected match the training programme already offered by employers. This is followed by a second selection round;
- it involves on-the-job training and mentoring offered by the employer. The goal is that the unemployed/trainee gains practical knowledge and skills necessary to perform a particular job. Both the mentor and the trainees are compensated by the Croatian Employment Service.

Training to acquire a competence certificate:

- target group: unemployed people without qualifications or with primary education qualifications who lack work experience for a particular job;
- the training offered to the unemployed takes place within an employer organisation in cooperation with education/training institutions. The goal is that trainees acquire practical knowledge and skills necessary to perform a specific job;
- this is the first programme for the unemployed to combine workplace training with theoretical training in education/training institutions.

It is the ambition to increase participation (and the number of individuals receiving a certificate after completing the programme) and to increase employment after training. Monitoring and evaluation are part of the programme.

Who is involved

1. Public employment service (coordination/lead).
2. Employers.
3. Training institutions (where the scheme involves theoretical training).

More information

Marina Veljača

marina.veljaca@hzz.hr

Head of the Active Labour Market Policy Department Croatian Employment Service

On the web

Active employment policy measures, in Croatian:

www.mjere.hr

Lifelong Career Guidance strategy 2016-20, in English: http://www.hzz.hr/UserDocsImages/Strategija_CPU_i_razvoja_karijere_u_RH_2016-2020_EN.pdf

Evaluation Report – ALMP measures implemented by the Croatian Employment Service 2010-13, in English: http://www.hzz.hr/UserDocsImages/Sumarno%20evaluacijsko%20izvješće_ENG_Vanjska%20evaluacija%20mjera%20aktivne%20politike%20tržišta%20rada%202010%20-2013.pdf



Scheme for training the long-term unemployed in enterprises/organisations HRDA (Human Resource Development Authority of Cyprus)

What it is

Job placements for LTU under the age of 60

- Implementation started on 1 July 2016. The scheme is expected to be completed by 31 December 2017.
- Four-month practical in-company training.
- Registered with PES for over a six-month continuous period.
- Have less than eight months of work experience (relevant to the job they will be trained for).
- Selection by employers, assisted by guidance counsellors from the public employment services.
- Minimum gross salary the enterprise must pay the LTU is EUR 870.
- A subsidy is granted to the employer by the HRDA.
- Enterprises/organisations receive subsidy two months after the end of the training programme.
- The maximum subsidy is EUR 1 000/month (for a four-month training period).
- Training curriculum/programme designed and developed based on occupational profile and the LTU's qualifications.
- LTUs/trainees benefit from acquiring work experience and specialised additional skills and knowledge.

How it works

The aim of the scheme is to provide the long-term unemployed with the opportunity to enter or return to the labour market smoothly by acquiring work experience and specialised additional skills and knowledge. Simultaneously, the scheme offers enterprises/organisations the opportunity to develop their human resources through the employment of individuals with potential.

- The long-term unemployed are selected by the employer (either through their internal recruiting channels or with the support of local employment services).
- Interested employers submit to the HRDA an application to participate, including relevant information on the long-term unemployed. After examination of the application and approval, the training programme begins.
- An individualised four-month in-company training programme is designed for every long-term unemployed person according to the qualifications of the individual and the requirements of the job. Training programmes take the form of workplace training within the enterprise employing the individual.
- A subsidy is granted to the employer by the HRDA corresponding to the whole training period, according to HRDA's subsidisation policy.

Dependent on the experience with its implementation, the scheme may be extended into 2018.

Who is involved

1. Human Resource Development Authority of Cyprus (coordination/lead).
2. Public employment service (verification of unemployment status).
3. Private enterprises/organisations (responsible for hiring and training the long-term unemployed).

More information

Theodoros Antoniadis

t.antonidiades@hrdauth.org.cy

Human Resource Officer at the Department of Training Directorate. HRDA Cyprus

On the web

HRDA website, in Greek: www.anad.org.cy

Information on the scheme, in Greek: http://www.anad.org.cy/easyconsole.cfm/page/project/p_id/306/pc_id/17178

Vouchers for vocational education, upskilling and non-formal programmes for unemployed (since 2011) Ministry of Welfare and State Employment Agency (SEA)

What it is

Programmes for the unemployed include:

- non-formal programmes implemented using vouchers (Latvian and foreign languages, IT skills training programmes from 80 to 150 hours);
- vocational training programmes (from 480 to 1 280 hours) and upskilling vocational programmes (from 160 to 320 hours) using vouchers;
- truck driver and vehicle courses;
- training for basic skills and competencies (short courses, lectures, seminars from 16 to 32 hours);
- up to six months of on-the-job training;
- training at employer's request (vocational training programmes from 480 to 1 280 hours).

Target groups: registered unemployed and job seekers, including disadvantaged unemployed with disabilities, LTU, unemployed aged 50 years and over).

Vocational training, upskilling and non-formal training programmes are organized by the SEA in co-operation with public and private training institutions and employers, for registered unemployed and job-seekers only. The measures are financed by the national budget, ESF, and Youth employment initiative.

Taking into account demographic characteristics, self-esteem and motivation to look for a job and cooperate with the SEA, the profiling system developed by SEA helps:

- provide the most appropriate measures and intensity;
- better satisfy the needs of the unemployed and help them return to employment faster;
- improve matching of the unemployed and vacant jobs.

SEA provides job search assistance and (career) guidance (CV and vacancy portal) and offers measures to help the unemployed develop basic skills and competences.

Assessment and evaluation: follow-up labour market status six months after training, surveys (satisfaction, random calls), regular impact assessment.

How it works

- Training fields and education programmes are set at least once per year in accordance with results from labour market analysis, and agreed with economic and social partners and experts in the Training Commission (under the auspices of the Ministry of Welfare). Simple or low-skilled occupations are excluded from the list of training programmes.
- The number of vouchers/beneficiaries is set by an SEA commission tasked with setting quotas for ALMPs for each SEA affiliate (based on the number of unemployed and other criteria).
- An unemployed person may participate in vocational training programmes once every two years and in non-formal programmes not more often than twice a year (except Latvian language courses - maximum three training programmes). Participants choose the institution where they undergo their education or training. Participation in programmes may last up to six months (usually full time – eight hours).

- Training voucher – the money is transferred directly to the training provider. They receive 50% of training voucher sum before client's participation in training and 50% when training has been successfully completed.
- The amount differs depending on type and duration of training, as well as on the training programmes. Basic values of vouchers are between EUR 360 for non-formal training programmes (160-320 hours of training) up to EUR 1 100 for vocational training programmes (up to maximum 1 280 hours). Price 'coefficients' are applied for more technology-intensive training programmes (the 'accountant' programme will have a lower coefficient than 'automotive electrician').
- Financial support during training: EUR 5 stipend per training day, regional mobility support to cover transportation and renting costs, and costs to adapt training to persons with disabilities (assistants, sign language experts and other related expenses).
- Web-based ICT tools (such as self-assessment career guidance tests; short term labour market forecasts; performance measurement system of training institutions, booking system) support the training system.
- Next steps for 2017: introduction of performance-based payment system for training providers (if participant enter labour market six months after finishing training).

Who is involved

1. Public employment service (coordination/lead; guidance services; linking jobs with job seekers; cooperation with employers in providing services for job-seekers; skills anticipation and active labour market policy measures, including training).
2. Both private and public training institutions can and do participate, and offer training if they meet the set criteria; the main criteria are licensed and accredited institutions/programmes (there are no procurements).

More information

Raimonds Bīdaks

Raimonds.Bridaks@lm.gov.lv

Senior expert of Labour Market Policy Department Ministry of Welfare (Republic of Latvia)

On the web

Ministry of Welfare, in Latvian and English:

<http://www.lm.gov.lv/>

State employment agency, in Latvian and English:

<http://www.nva.gov.lv/>

Programme evaluation by the World Bank, in English:

<http://www.lm.gov.lv/text/2562>

Investing in Youth: Latvia, OECD, 2015:

<http://dx.doi.org/10.1787/9789264240407-en>

Reviews of Labour Market and Social Policies: Latvia 2016, OECD: <http://dx.doi.org/10.1787/9789264250505-en>

FIT4ENTREPRENEURSHIP and FIT4CODING ADEM (National Employment Agency) Luxembourg

What it is

FIT4ENTREPRENEURSHIP

A coaching and training programme for jobseekers with entrepreneurial potential, to provide them with the tools and support needed to create a company. Key features:

- identification of opportunities that can be transformed into an entrepreneurial project;
- promoting entrepreneurship and contributing to a positive trend in the rate of business creation;
- professional guidance for participants who decide not to pursue their entrepreneurial project;
- consolidation of structured collaboration between institutional actors to promote entrepreneurship among jobseekers;
- developed in collaboration with the Chamber of Commerce and the Chamber of Crafts and Trades and cofinanced by the European Social Fund (ESF);
- programme duration: +/-9 weeks; in French and German;
- 01/01/2015-31/12/2016, extended to 2017-18.

FIT4CODING

A training programme for jobseekers (especially dropouts or unemployed people in the process of professional reorientation) who wish to work in the IT sector. It enables them to apply for a position as developer/junior integrator in a web development agency, a large company, an SME or a start-up. Key features:

- practice-oriented training;
- trainers with excellent practical programming skills who are permanently present. They are professionals (developers) in private IT companies working part-time as trainers;
- a pedagogical setup designed to understand the skills required to be a developer and integrator;
- regular interaction with companies searching for candidates;
- mentoring by professionals with proven HR skills and knowledge of IT ecosystems. Their aim is to optimise the job search efforts of the mentees;
- programme duration: 3.5 months; in French, ESF part-funded;
- 01/07/2015-31/12/2017.

How it works

FIT4ENTREPRENEURSHIP

After preliminary selection, candidates follow a training course enabling them to identify their entrepreneurial profile, their motivation and to support them in conceiving their business idea, as well as introducing them to drafting a business plan. Subsequently, an experienced coach supports them. Finally, candidates defend their idea in front of a jury that challenges them in terms of project viability.

- Workshop to raise awareness of entrepreneurship (at ADEM premises) covering the programme, administrative procedures, the legal framework for starting a business, state aid, and including a testimony by experienced entrepreneur.
- Training (in-depth workshop; on access to professions).
- Coaching/support by an external entrepreneur.

Candidates present their project as part of an intermediate interview with (a) representative(s) of programme partners and their coach.

The medium-term objective is to continue the programme as permanent support system for jobseekers. With the share of English speaking jobseekers increasing, sessions in English are planned.

FIT4CODING

Candidates have to pass tests in logic and general IT knowledge. An extensive interview is conducted to understand their motivation.

Successful candidates receive 490 hours of training including:

- 420 hours of training with a lecturer. 80% of these hours are individual or consist of practical group work;
- 70 hours of training in a subject to be developed;
- Seven hours of programming a day.

Future developments include:

- diversification - adding most common tools/frameworks (based on job offer analysis and interviews with key employers);
- training in English (nearly 95% of jobs on offer require English language skills);
- stepping up marketing to promote attractiveness of training and job opportunities (e-mailing jobseekers, info sessions at partners such as 'Women in digital Luxembourg').

Who is involved

FIT4ENTREPRENEURSHIP

1. Chamber of Commerce (Project manager).
2. ADEM.
3. Chamber of Crafts and Trades.
4. House of Entrepreneurship.
5. House of Training.

FIT4CODING

1. ADEM (Project manager).
2. NumericAll (represents the Webforce3 school in Luxembourg).
3. Key employers and employer federations.

More information

Nicole Lauer

nicole.lauer@adem.etat.lu

Head of training department, ADEM

Guy Pütz

guy.puetz@adem.etat.lu

Head of Employer Services, ADEM

Viviane Bisenius

viviane.bisenius@adem.etat.lu

Counsellor Entrepreneurship, ADEM

Roger Wagner

roger.wagner@adem.etat.lu

Employer counsellor for ICT, ADEM

On the web

FIT4ENTREPRENEURSHIP:

<http://www.fit4entrepreneurship.lu/>

<http://www.adem.public.lu/fr/temoignages/Fit4Entrepreneurship/index.html>

FIT4CODING:

<http://www.adem.public.lu/fr/publications/demandeurs-emploi/2016/Fit4-Coding/Fit4coding.pdf>

<http://www.fonds-europeens.public.lu/fr/projets-cofinances/fse/2014-2020/1026/index.html>

Internships (since 2015) Municipality of Amsterdam

What it is

- On-the-job training of competences and skills, increasing self-confidence. If necessary and possible: acquiring certificates.
- Target group: people who are assessed to be ready for the labour market between six months and two years from the start. Most of them have been unemployed for at least some years. The average age of candidates is 40.
- Aim: increase chances of finding a regular job at the employer of the internship, or elsewhere in the same sector.
- Individual learning goals and learning programmes adapted to candidate profile and experience shape the programmes.

Types

- External internship: learning/working at a regular employer (maximum six months, 16-32 hours a week). May 2017: 500 candidates, on average 43 years old:
 - employers have the possibility to 'test' candidates before giving them a regular contract;
 - requirement: no reduction in existing job positions at the employer (i.e. exchanging a paid person for an unpaid candidate).
- Internal internship: learning/working at a municipal employer (maximum six months, 16-32 hours a week) for candidates who lack basic 'employee skills' (coping with colleagues, rules, a boss; arriving at work in time.). May 2017: 400 candidates, on average 38 years old.
- Internship (external and internal) for candidates with occupational disabilities (but ability to work) such as mental disabilities (low IQ, autism), psychiatric, or physical disabilities.

How it works

Candidates are offered an internship within the municipality or at a regular employer depending on interests, skills, motivation and 'employee skills'. Matching is done by the municipal counsellor. Candidates learn on the job, but the emphasis is on learning instead of working: this is achieved in discussions between municipal counsellor, candidate and employer. Learning goals are expressed in a plan and the development of the candidate is assessed every three months. If necessary, the candidate can acquire one or more certificates during the internship.

During the internship, the candidate receives normal welfare benefits. The employer does not have to invest money (low risk), but is expected to invest in on-the-job training. A candidate with an internship should not replace a regular, paid employee. The candidate receives a bonus of EUR 500 after finishing the internship, only if the goals are achieved.

The internship increases employment chances on the labour market: trainees benefit from skills improvement, contacts with employers (matching, in external internships), 'working routines' (many times after a long period 'at home'), CV building. At the end of the internship, a job-hunter is appointed, if necessary, to increase chances of finding a regular job. If a person is not yet ready for the labour market, other instruments from the city's department of work and reintegration may be used, depending on the (learning) needs of the candidate.

Internships at an employer give the candidate and employer the opportunity to get to know each other without having any obligations beforehand. This is a strong driver for employers to offer an internship.

Who is involved

1. Municipality of Amsterdam (coordination, regular evaluation).
2. Employer (daily mentoring).
3. Candidate.
4. If necessary: municipal or private training providers (responsible for certificates).

At the start of the programme, 1-3 enter an agreement including goals which are evaluated every three months.

More information

Hetty van Kempen, PhD

h.van.kempen@amsterdam.nl

Senior researcher employment and reintegration at the municipality of Amsterdam

On the web (in Dutch)

Paragraphs 1.4.1 and 20.1.11: <https://www.amsterdam.nl/beleidwerkeninkomen/>

Portrait of participant: <https://www.amsterdam.nl/werkinkomen/werkwoord/werkwoord-april-2017/>

Information page for employers: <https://wspgrootamsterdam.nl/subsidies/leerstage/?gclid=CLGbmbew9NMCFluGwodO5lBQg>



Recognition, validation and certification of competences (RVCC) IEFP/Qualifica Centres

What it is

- IEFP is part of the network of Qualifica centres under the administration of the Education Ministry and the Labour, Solidarity and Social Security Ministry.
- The qualification of adults is a strategic national priority. It is important to ensure the labour force, either employed or unemployed, can see their competences/skills formally recognised to support career progression, European mobility, and continuing studies and to prevent unemployment.
- Recognition of non-formal and informal learning is a key measure in IEFP's focus on reinforcing innovative methodologies, vocational training and employment measures and mechanisms. The methodology was developed in 2005 and later adopted by the national system.
- Beneficiaries are employed or unemployed adults with relevant professional and life experiences and needing to develop and strengthen their knowledge and skills. While the measure does not specifically target the long-term unemployed, its rigorous and flexible methodology allows assessing different competences and beneficiaries with different profiles. RVCC has proved its value for unemployed experienced professionals, in terms of avoiding long-term unemployment and long and unnecessary vocational training.
- Every public vocational training centre/employment centre has introduced a Qualifica centre:
 - 2005 – experimental character;
 - 2007 – applied to a small number of national standards;
 - 2010 – applied to a larger number of standards.
- Programme characteristics:
 - LTUs/trainees benefit from career guidance;
 - competence profile analysis;
 - application of methodologies of balance of competences and construction of portfolios;
 - support of pedagogical teams;
 - leading to national certificates;
 - participation of the social partners.
- Participation: 3 500 candidates (2015) and 5 700 (2016) in the IEFP vocational Centres.

How it works

The program focuses on recognising competences acquired in non-formal and informal contexts to obtain a national qualification certificate or diploma. Candidates are evaluated with reference to national standards, carrying out a practical demonstration before a jury.

The certification can be total, allowing the obtaining of a diploma, or partial. In the case of partial certification, only the validated competences will be certified and additional training will be necessary to develop the missing competences. This enables learners to obtain the final diploma.

Partial certification is accepted, by many employers, for access to the job market.

There is no difference between a diploma obtained within this program and one obtained within mainstream vocational training.

This program is already available for about 150 national standards.

The partial certification combined with vocational training is one of the most innovative aspects of the programme: it allows recognition of all competences and makes it possible to focus vocational training on necessary elements. For that purpose, the national standards were organised in modules of 25 or 50 training hours.

A 2016 legislative amendment was the basis for expanding the network and introducing changes to the assessment methodology.

Who is involved

1. Public and private Vocational training centres.
2. Public and private schools.
3. Public employment services.
4. Social partners.

More information

Teresa Bento

teresa.bento@iefp.pt

Directorate of Qualification Services Department of Vocational Training

Instituto do Emprego e Formação Profissional, I.P. (IEFP)

On the web

IEFP website, in Portuguese: <http://www.iefp.pt>

RVCC website, in Portuguese: <https://www.qualifica.gov.pt/#/modalidades>



Skills validation (since 2014) ANOFM: PES Romania

What it is

- Validation of non-formally and informally acquired skills and competences for the LTU and other disadvantaged groups on the labour market (such as rural workers).
- Legal basis: amendment to Law no.76/2002 (the unemployment insurance act) passed in 2013.
- Aim: to tackle inactivity cycles by providing those without or with incomplete schooling but with skills acquired via work experience with the opportunity for formal validation and an avenue towards more permanent gainful employment and/or towards more complete vocational training.
- Covers assessment of practical and theoretical skill/qualification. Duration (hours) depends on the skill/qualification to be assessed.
- Assessment of skills and qualifications is done in accordance with occupational standards approved by the National Authority for Qualifications.
- Assessment centre services are financed from the budget of the unemployment insurance fund. The measure is provided/performed according to the availability of funds throughout the year.
- In 2016 (January – December) a total of 1 216 persons from the ranks of LTU and other disadvantaged categories benefited from the measure. In the first two years the measure was in place (2014 and 2015) the figure was about half of this number.

How it works

The measure has been enacted via a change in the unemployment insurance act (law no.76/2002) adopted as of 2013 (law no.250/2013 which introduced articles 70.1, 70.2 and 70.3 into the text of law no.76/2002). This allows a wider range of potential beneficiaries (long-term unemployed, individuals from rural areas having either no source of income or having incomes lower than the social reference indicator) registering with the PES, irrespective of their eligibility for unemployment benefit or for other monetary benefits under the law to apply for the validation of their non-formally or informally acquired skills and competences.

Individuals may enter the programme at their own initiative but they have to undergo profiling by at local PES offices in order to get effective access to the assessment centres and benefit from the services free of charge. Guidance and counselling is provided.

The validation procedure is undertaken with training providers that receive accreditation as validation centres for 'skills and competences'. All costs for the validation procedure are covered by the unemployment insurance fund. However, following validation of the non-formally or informally acquired skills, beneficiaries are bound to accept a suitable offer from the PES. Unjustified refusal entitles the PES to recover the money spent on the validation/assessment process.

An element of success is mandatory registration with the PES in order to be eligible for free of charge validation (paid for by the unemployment insurance fund). This also helps speed up registration for NEETs and opens up opportunities for profiling (a measure that is taking place as of 2016).

Who is involved

1. Ministry of Labour and Social Justice (overall policy responsibility).
2. PES finance and coordinate the application of the measure and report results on a yearly basis.
3. Private and public training providers – accredited as assessment centres – provide the actual services.

More information

Dr. Catalin Ghinararu

catalin.ghinararu@gmail.com

Senior researcher, scientific secretary, National Labour Research Institute (INCSMPS)

On the web

PES in Romania: www.anofm.ro

Developments in employment, mobility, unemployment and social protection of the unemployed, in RO: http://www.mmuncii.ro/j33/images/buletin_statistic/ocupare_an2016.pdf
RO contribution to the EEPO review on Upskilling unemployed adults, March 2015: <http://ec.europa.eu/social/main.jsp?catId=1087&langId=en>



Action plans for lagging regions (2015-20) Government Office of the Slovak Republic

What it is

- Development of regional action plans: strategy and selection of priorities to be pursued as well as projects and measures to be taken. The legal basis is the Law on support of lagging regions (adopted in 2015, Act No. 336/2015 Coll.).
- Focus of action plans:
 - development of transport infrastructure and accessibility of the peripheral regions;
 - improvement of labour mobility;
 - matching the needs of current and potential employers with local labour supply;
 - improving the quality of primary and secondary education in the region;
 - supporting vocational education and training;
 - providing consulting services to new entrepreneurs, small businesses and municipalities.
- Preparation of projects: using local resources, creating jobs in sectors in which lagging regions have comparative advantages such as family farming and viticulture combined with processing of agricultural products, agro-tourism and traditional crafts. Many projects target the long-term unemployed who have no, or minimum, qualification.
- Development of:
 - regional councils (members: leaders of local government, businesses, the NGO sector, schools and appropriate stakeholders);
 - supported municipal social enterprises;
 - regional centres for education of crafts and services (usually part of the local vocational school).
- Initially support is provided to the 12 (of 79) districts in Slovakia with the highest unemployment rate. In these districts, the unemployment rate was 1.6 times above the national average in at least 9 of 12 consecutive quarters.

How it works

To unleash the potential of lagging regions and their local communities, a bottom-up development approach is adopted. The regional councils, in cooperation with experts, prepare the action plans, which identify the medium to long-term goals for lagging regions and propose ways to achieve them. These councils make all decisions on the development strategy, the priorities to be pursued, plus projects and measures to be taken. The bottom-up approach is combined with top-down decision-making by national and regional authorities. The plans also contain pilot projects that have long-term impact on sustainable development of lagging regions.

The long-term unemployed with no or minimum qualifications benefit from new opportunities and the support provided by municipal social enterprises. Support targets developing skills and working habits to enable the LTU to move smoothly to the labour market. The action plans pay specific attention to the position of marginalised Roma communities which are often socially and economically excluded due to various types of discrimination, low education attainment or lack of work experience.

The first action plan (pilot) for the region of Kežmarok was developed in February 2016. Other lagging districts followed and action plans for them were drafted in 2016.

All activities are monitored continuously. Final evaluation of the action plans is scheduled for 2020. The Government Office of the Slovak Republic is currently evaluating other districts. There is a possibility that the scope of the initiative will be widened to include other lagging regions.

Who is involved

1. Government Office of the Slovak Republic - Plenipotentiary of the Government for the Support of the Lagging Regions (coordination and lead).
2. Local government, businesses, representatives of NGO's, schools, other stakeholders (on the Regional Council).
3. Relevant ministries (assistance in coordination).
4. Regional public employment offices (providing data and assistance).
5. Education providers.

More information

Monika Korkošová and Miroslava Klemková

monika.korkosova@minedu.sk

miroslava.klempova@minedu.sk

Lifelong learning department

Ministry of Education, Research, Science and Sport of the Slovak Republic

On the web

Information on support for lagging regions, in English:
<http://www.nro.vlada.gov.sk/support-of-lagging-regions-in-slovakia/>



The Work programme (2011-17 +2 year tail) UK Government – Department for Work and Pensions

What it is

- A programme for those at risk of long-term unemployment. It is the biggest of its kind the UK has ever seen.
- In 2010, the UK Coalition Government sought to improve programme performance. It replaced prior programmes with a more aggressive reform effort under the Work Programme (WP).
- Working with the private and voluntary sector.
- Delivered by 18 prime providers who were awarded 40 separate contracts to deliver services in 18 large contract package areas across England, Scotland and Wales.
- Advanced ‘payment by results’ model: an ‘outcome-based commissioning’ approach encourages commissioners to focus on ends, not means, and is seen as a way of promoting improvements in public services.
- The so-called black box approach allows providers considerable flexibility in deciding what interventions would best help participants into sustainable employment and gives room for innovation. It allows each provider to design their own offer for each job seeker and use additional support offered by specialist providers as needed. This means minimum service prescription by the Department for Work and Pensions (DWP).
- A key performance management mechanism used by DWP is ‘market share shift’ (MSS) which gives DWP the flexibility to move 5% of new referrals within each contract package areas (CPA) from lower to higher performing prime providers.
- Maximus, one of DWP’s providers, uses Integrated employment services model with *Progress2Success* customer journey, a structured approach into work supported by guides, training modules, and workshops that comprise three phases: secure, start, and succeed. This service delivery model takes into consideration an understanding that every customer is an individual, often with complex, and sometimes fluctuating, needs.

How it works

The Work programme is an integrated package of support providing personalised work-focused help for a wide range of benefit claimants in the UK. The support is delivered by public, private and voluntary sector organisations, working under contract to Department for Work and Pensions (DWP). These organisations tailor services to what works best for individual benefit claimants in helping them back into sustained work.

The focus of the Work programme is on supporting participants to achieve sustained employment. Participants are supported by the programme for two years. Providers receive job outcome payments when a participant has been in work for either three or six months, depending on the participant’s circumstances.

Once a job outcome payment has been made, providers will receive sustainment payments for each subsequent continuous four-week period the participant spends in employment up to a maximum of two years, depending on the participant’s circumstances.

With the Work programme coming to an end in autumn 2017, the DWP is proposing a new initiative, the Work and health programme. This will provide specialised support for those unemployed for over two years and, on a voluntary basis, to

those with health conditions or disabilities. The programme will target people who, with specialist support, are likely to be able to find work within 12 months and will be run by service providers awarded contracts by the government. The Work and health programme is part of the wider package of support outlined in the Government’s *Work, health and disability green paper: Improving lives* (2016).

Who is involved

1. Department for Work and Pensions.
2. JobCentre Plus (Public employment service) (coordination/lead).
3. Providers (private, third sectors, local authorities, NGOs).
4. Employers (CBI, Chamber of Commerce).

More information

Ania Mendrek

amendrek@maximusuk.co.uk

Senior Manager, Business Development EU Maximus Global

On the web

Information on the Work programme: <https://www.gov.uk/moving-from-benefits-to-work/job-search-programmes>

Government’s *Work, health and disability green paper: Improving lives*, published in 2016: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/564038/work-and-health-green-paper-improving-lives.pdf

Maximus website: <https://www.maximusuk.co.uk>

From long-term unemployment to a matching job

The role of vocational training
in sustainable return to work

Skill deficits are a major bottleneck in sustainable activation of the long-term unemployed. Those managing to get back to work often end up in less complex and skill-intensive jobs and have fewer opportunities to develop their potential. Those long-term unemployed not successful in making a transition to work are likely to face even more severe and complex skill deficits, among other problems. This report makes the case for a more forward-oriented, skills matching approach to activation that aims at sustainable labour market reintegration. Drawing on evidence and diverse practices from around Europe and the views of practitioners and experts, it presents approaches that put sustainable skills matching centre stage. The report shows how at different steps of the journey towards a job – engagement, programme interventions, and job placement, matching and follow-up – innovative principles, policies and tools can make the return to work of the long-term unemployed a long-lasting outcome.

**CEDEFOP**European Centre for the Development
of Vocational Training

Europe 123, 570 01 Thessaloniki (Pylea), GREECE
PO Box 22427, 551 02 Thessaloniki, GREECE
Tel. +30 2310490111, Fax +30 2310490020, Email: info@cedefop.europa.eu

visit our portal www.cedefop.europa.eu



Publications Office