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REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN “GIVING YOUTH A BETTER START”

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I. Introduction

“As the crisis has hit youth particularly hard, we commit today to an OECD Action Plan for Youth.”
[Ministers at the 2013 Ministerial Council Meeting, C/MIN(2013)16/FINAL]

1. The OECD Action Plan for Youth: “Giving Youth a Better Start” outlines a comprehensive range of measures to tackle the current youth unemployment crisis and to strengthen the long-term employment prospects of youth. It builds upon extensive OECD analysis of education, skills and youth-related employment policies as well as a number of international initiatives, including the ILO Resolution on “The youth employment crisis: a call for action”, the G20 commitments on youth employment and the EU Council’s agreement on the Youth Guarantee. Box 1 provides the key elements of the Action Plan to which Ministers committed at the OECD Ministerial Council Meeting in May 2013 [C/MIN(2013)4/FINAL, Annex I].

Box 1. Key elements of the OECD Action Plan for Youth

Tackle the current youth unemployment crisis

1. *Tackle weak aggregate demand and boost job creation.*
2. *Provide adequate income support to unemployed youth* until labour market conditions improve but subject to strict mutual obligations in terms of active job search and engagement in measures to improve job readiness and employability.
3. *Maintain and where possible expand cost-effective active labour market measures* including counselling, job-search assistance and entrepreneurship programmes, and provide more intensive assistance for the more disadvantaged youth, such as the low-skilled and those with a migrant background.
4. *Tackle demand-side barriers to the employment of low-skilled youth*, such as high labour costs.
5. *Encourage employers to continue or expand quality apprenticeship and internship programmes*, including through additional financial incentives if necessary.

Strengthen the long-term employment prospects of youth

6. *Strengthen the education system and prepare all young people for the world of work*
 - Tackle and reduce school dropout and provide second-chance opportunities for those who have not completed upper secondary education level or equivalent.
 - Ensure that all youth achieve a good level of foundation and transversal skills.
 - Equip all young people with skills that are relevant for the labour market.
7. *Strengthen the role and effectiveness of Vocational Education and Training*
 - Ensure that vocational education and training programmes provide a good level of foundation skills and provide additional assistance where necessary.
 - Ensure that VET programmes are more responsive to the needs of the labour market and provide young people with skills for which there are jobs.
 - Ensure that VET programmes have strong elements of work-based learning, adopt blends of work-based and classroom learning that provide the most effective environments for learning relevant skills and enhance the quality of apprenticeships, where necessary

- Ensure that the social partners are actively involved in developing VET programmes that are not only relevant to current labour market requirements but also promote broader employability skills.

8. *Assist the transition to the world of work*

- Provide appropriate work experience opportunities for all young people before they leave education.
- Provide good quality career guidance services, backed up with high quality information about careers and labour market prospects, to help young people make better career choices.
- Obtain the commitment of the social partners to support the effective transition of youth into work, including through the development of career pathways in specific sectors and occupations.

9. *Reshape labour market policy and institutions to facilitate access to employment and tackle social exclusion*

- Ensure more equal treatment in employment protection of permanent and temporary workers, and provide for reasonably long trial periods to enable employers to give youth who lack work experience a chance to prove themselves and encourage transition to regular employment
- Combat informal employment through a comprehensive approach.
- For the most disadvantaged youth, intensive programmes may be required with a strong focus on remedial education, work experience and adult mentoring.

2. The OECD has worked closely with many countries to help them to implement the Action Plan, taking into account their national context and challenges. It has provided peer-learning opportunities for countries to share their implementation plans. The OECD has also acted as a “hub for dialogue” between countries, a setting where to discuss what works and what does not from an international perspective based on country experiences.

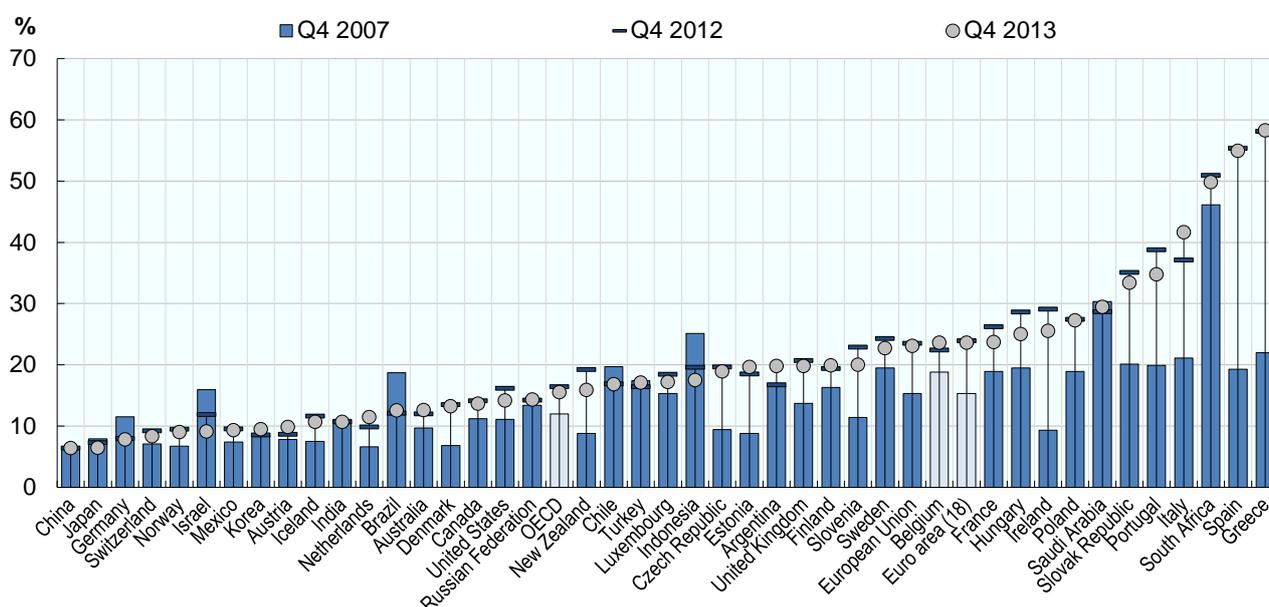
3. While committing to the Action Plan for Youth, Ministers requested the OECD to report on the progress achieved in implementing the Plan at the 2014 Meeting of the Council at Ministerial Level (MCM) [C/MIN(2013)4/FINAL, paragraph 22]. This document responds to the Ministers’ request and reports on the recent policy action that countries have taken to improve youth labour market outcomes. It also reports on the support that the OECD has provided to countries to help them implement the Action Plan at the national and local level. This has consisted of a three-pronged approach: i) providing policy advice on developing and implementing policies for achieving better labour market outcomes for youth; ii) organising international workshops and conferences on topical issues where good practice examples and lessons concerning policy implementation could be identified based on different country experiences; and, iii) continuing to improve the evidence base for policy making. The paper also provides an overview of the labour market situation for youth across OECD Member countries and Key Partners and assesses the extent to which there has been an improvement.

II. Recent developments in the labour market situation of youth

4. The global economic and financial crisis hit youth hard with unemployment rates rising substantially in most countries. Not surprisingly, given the hesitant nature of the economic recovery in many countries, the youth unemployment rate remains close to its peak value of 16% for the OECD as a

whole and approximately four percentage points above the level prior to the crisis. Nevertheless, over the past year there has been a small decline in the youth unemployment rate of about one percentage point on average across the OECD (Figure 1). Portugal recorded a bigger decline of 4 percentage points and there appears to have been a halt in the climb in the youth unemployment rate for Greece and Spain, although the corresponding rates remain at record levels of over 50%. In Italy, however, youth unemployment has continued to rise, reaching over 40% at the end of 2013. All in all, it is clear, that despite small declines in some countries, youth unemployment remains unacceptably high in many OECD countries and some emerging economies, reinforcing the need for urgent action as spelled out in the OECD Action Plan for Youth.

Figure 1. Youth unemployment has reached very high levels in some OECD countries
Percentage of youth (aged 15-24) labour force, Q4 2007^a- Q4 2013^b



Note: Countries shown in ascending order of the youth unemployment rates in Q4 2013.

a) 2007 for China; 2007/08 for India; Q3 2007 for Indonesia and Saudi Arabia; Q2 2007 for Switzerland; and Q1 2008 for South Africa..

b) 2010 for China; 2011/12 for India; Q2 2013 for Argentina; and Q3 2013 for Indonesia, the Russian Federation, Saudi Arabia and South Africa.

Source: OECD Short-Term Labour Market Statistics Database and ILOSTAT Database.

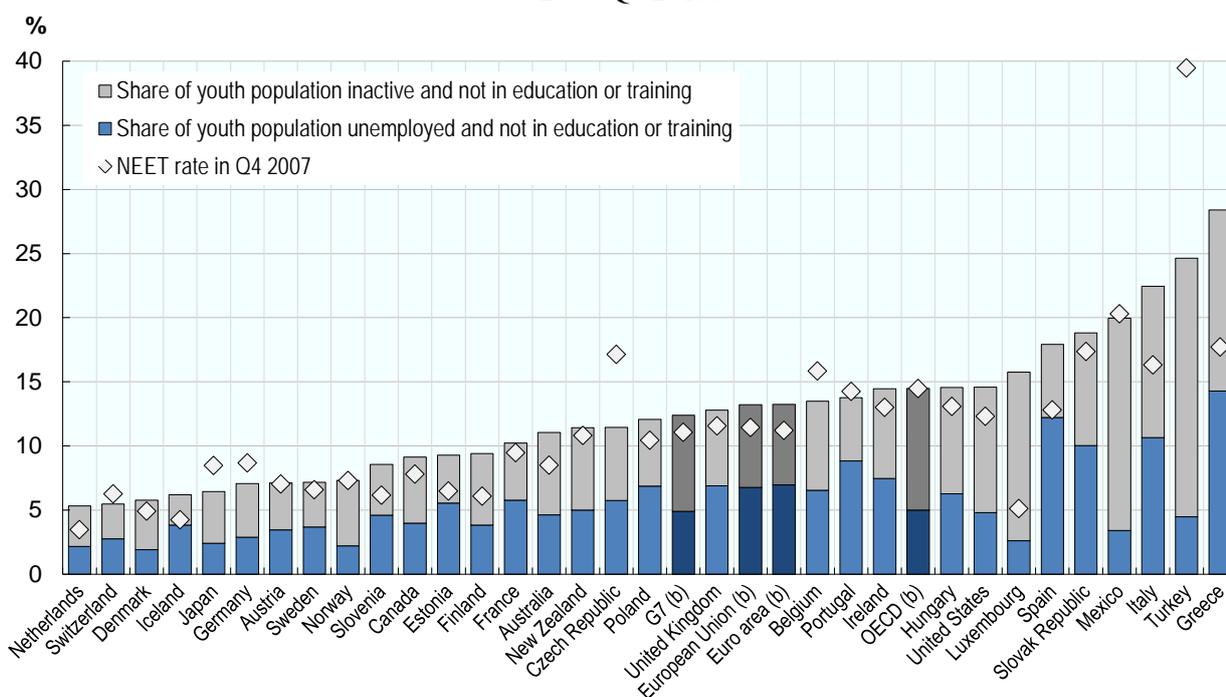
5. Youth unemployment provides only part of the picture when it comes to identifying the difficulties facing youth, as many have lost hope in finding a job and are not (or no longer) counted as unemployed but rather as inactive. A more comprehensive picture is provided by the NEET rate which shows the proportion of all youth who are neither in Employment, Education or Training. This picks up both unemployed and inactive youth who are not enrolled in education or training. Young NEETs are particular at risk of having their future careers permanently “scarred” by prolonged out-of-work spells, reflecting the lack of opportunities to acquire key social-skills which are generally better learnt on the job than in classrooms, and to use and improve their job competencies. The young NEET are often very-low skilled, come from low-income households or are otherwise disadvantaged youth, including migrants or children of migrants. In the OECD area, NEETs accounted for 14.5% of the overall 15-24 youth population in the fourth quarter of 2013.

6. Over the past six year, the NEET share across the OECD has remained broadly stable (Figure 2). This is because an increase in the number of youth unemployed was offset by an increase in school enrolments, which reduced the number of inactive youth not studying. However, this overall stability masks important cross-country differences, with more than one-fifth of all youth being in this situation in

Greece, Turkey, Italy and Mexico. Gender differences are often substantial, with young women being particularly at risk of exclusion from work, education and training, but also some choosing to stay outside the labour market for family or other reasons.

Figure 2. The dual challenge of bringing down high youth unemployment and giving youth a better start in the labour market

Youth not in employment, education or training (NEET) as a percentage of population aged 15-24, Q4 2007-Q4 2013a



Note: Countries are shown in ascending order of the NEET rate in 2012 Q1.

a) October 2007-October 2013 for Australia; Q2 2007-Q2 2013 for France, Iceland and Switzerland; Q4 2008-Q4 2013 for Norway.

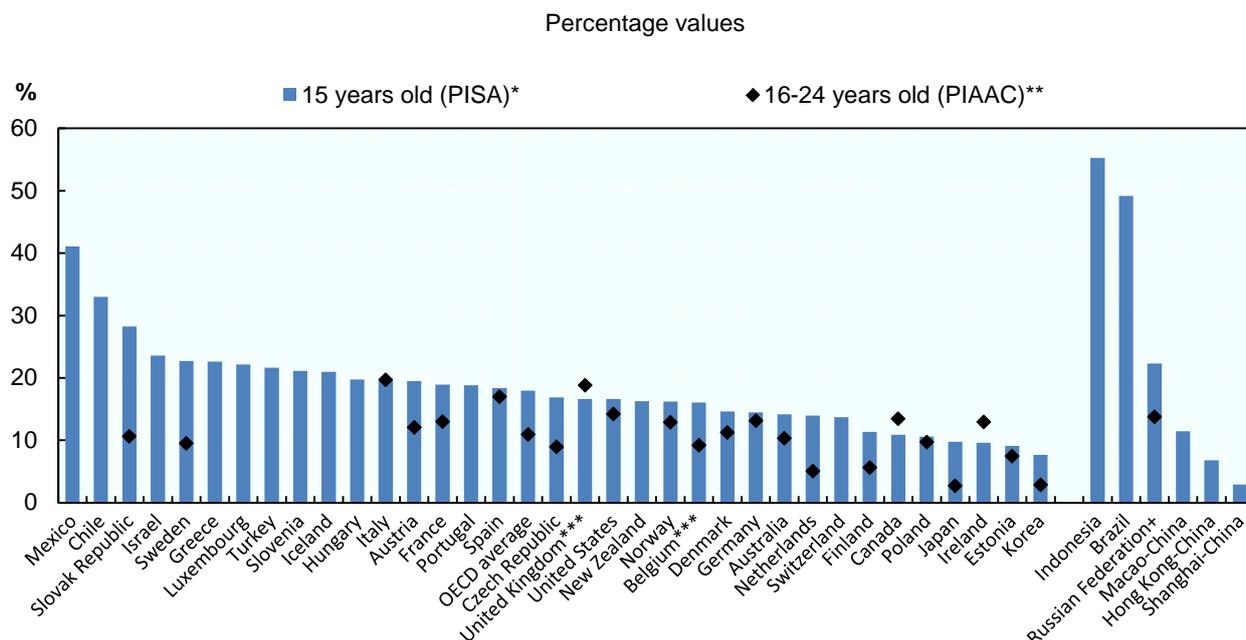
b) OECD, G7, the European Union and the euro area are weighted averages. "OECD" includes 31 countries (with the exceptions of Chile, Israel and Korea).

Source: OECD estimates based on national labour force surveys.

7. Thus, overall, there is a long way to go before labour market condition for youth in the OECD countries returns to the pre-crisis situation. The low-skilled youth remain particularly affected by joblessness, and the low-quality, low-paid and precarious nature of many of the jobs that youth are able to find also remains a major concern in most countries. In this context, the broad priorities for action remain to revive growth and job creation to tackle high youth unemployment; to give greater help and encouragement to youth to find work; and, to give youth the skills they need for successful labour market outcomes.

8. The last point is particularly important as pointed out by the recently released results of the OECD's assessment of the skills of 15-year-old students (PISA) and the survey of adult skills (PIAAC), which show that a high proportion of young people in all OECD countries and Key Partners have poor foundation skills in literacy and numeracy (Figure 3). This can lead to poor integration of youth into the labour market and to patchy careers of low-paid work, often in the informal sector in many emerging economies, interspersed with open unemployment.

Figure 3. Many youth have poor reading skills



* Proportion of all 15-year-old students with a level of reading proficiency at Level 1 or below on the OECD PISA scale.

** Proportion of all 16-24 year-olds with a level of literacy proficiency at Level 1 or below on the scale of the OECD Survey of Adult Skills.

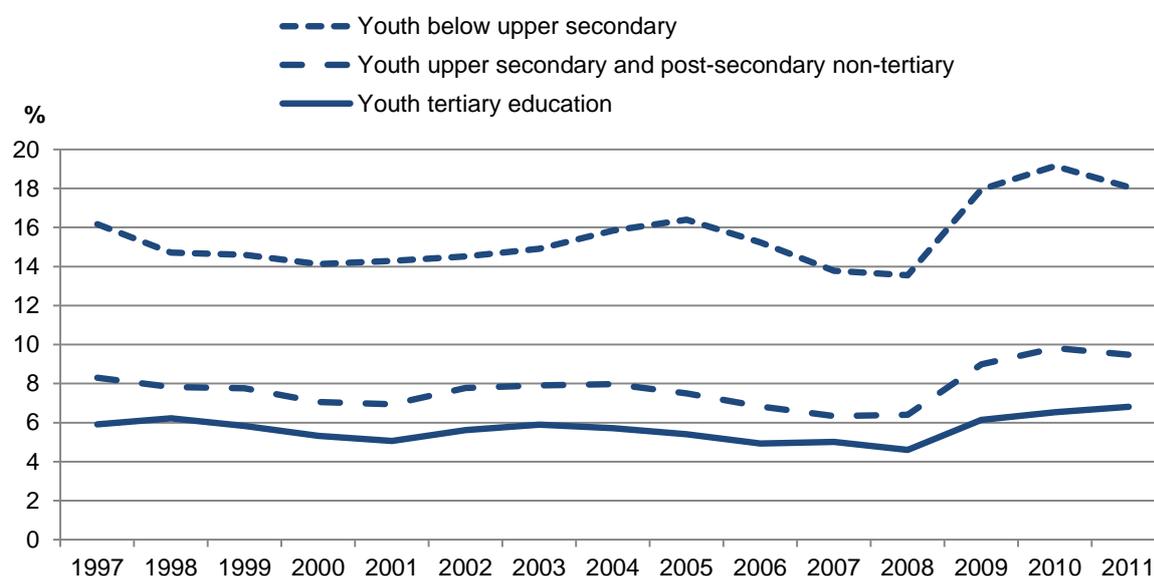
*** The PIAAC results for Belgium and United Kingdom refer to Flanders and England/Northern Ireland only, respectively.

+ The data for the Russian Federation are preliminary and may be subject to change. Readers should note that the sample for the Russian Federation does not include the population of the Moscow municipal area. The data published, therefore, do not represent the entire resident population aged 16-65 in Russia but rather the population of Russia excluding the population residing in the Moscow municipal area.

Source: OECD PISA survey, 2012, and OECD Survey of Adult Skills, 2012.

9. Indeed, for young adults aged 25-34 in the OECD area, the unemployment rate of those who did not complete upper secondary school has persistently remained at two-and-a-half to three times higher than the rate for university graduates (Figure 4). This gap in unemployment rates between higher and less-educated youth has widened dramatically during the crisis. In times of weak labour demand, tertiary-qualified youth tend to crowd out those with lower qualifications from the job market, implying that lower-educated youth face an additional penalty in the labour market.

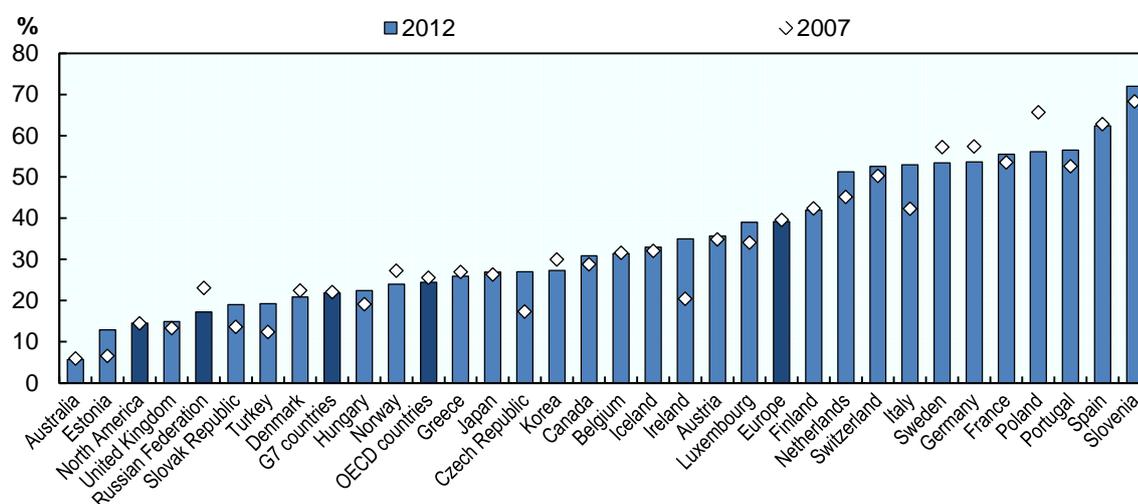
Figure 4. Trends in unemployment rates of 25-34 year-olds, by educational attainment (1997-2011)
 Number of 25-34 year-olds unemployed as a percentage of the labour force aged 25-34



Source: OECD Education at a Glance 2013

10. Even when youth do manage to find work, they are more likely than prime-age workers to have jobs that offer limited labour market stability, social protection and opportunities for training and career progression. As new entrants to the labour market, youth are frequently hired in temporary jobs in many countries (Figure 5). Temporary contracts are often thought to be a stepping stone to more stable employment for those with limited skills and experience, but the reality is often that youth are more likely to get locked into such jobs than prime age workers. When employment protection regulations and social security coverage differ substantially between permanent and temporary workers, they can create a two-tier or segmented labour market. Evidence from the *OECD Skills Outlook 2013* and the *Employment Outlook 2014* (forthcoming) suggests that temporary jobs do not always, or even often, provide an opportunity to develop skills further. Furthermore, it shows that workers use fewer skills when hired with a temporary contract than with a permanent one, and that temporary employment can undermine incentives to invest in further skills development – both by the employers and by young people themselves.

Figure 5. Youth are frequently hired in temporary jobs, 2007 and 2012
 Temporary employment as a percentage of youth (15-24 years old) dependent employment



Note: Latest years are 2011 for Korea and 2009 for Sweden.
 Source: OECD Labour Force Statistics Database.

III. What have countries been doing? A review of recent measures

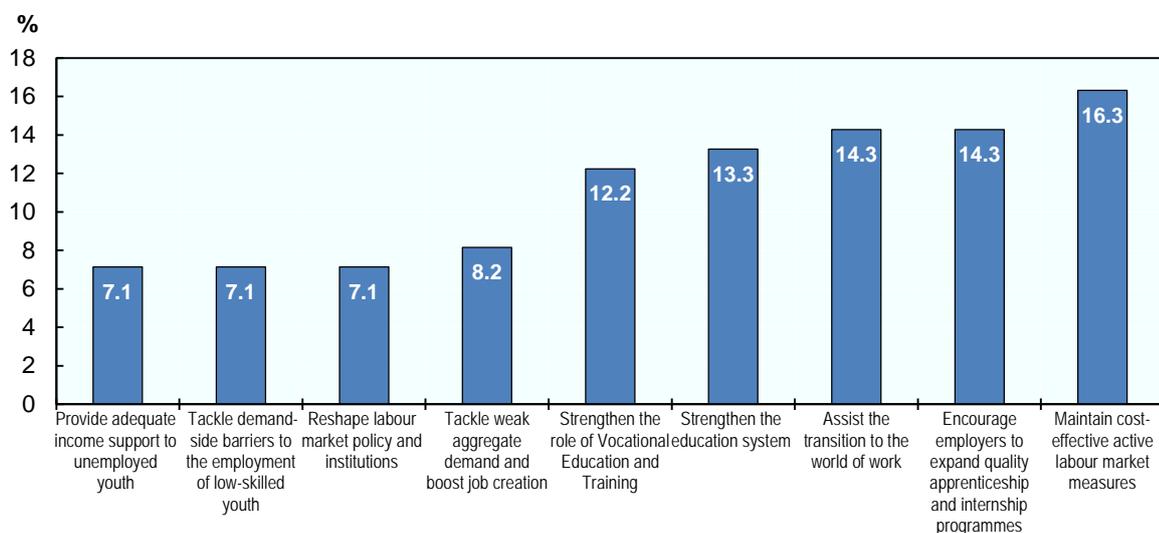
11. This section provides an overview of the policies and measures that countries have taken since 2013 to early 2014 in the nine broad policy areas for action highlighted in the OECD Action Plan for Youth (see above, Box 1). It builds on the information compiled and submitted by countries, based on a standard questionnaire. Nineteen OECD countries, along with Argentina, Brazil, China and the Russian Federation have answered the questionnaire.¹ The summary is illustrative of the emphasis placed by countries on different types of youth measures that have been implemented or announced recently. No attempt is made to assess how effectively these measures have been implemented or their impact, or to put them in the context of the comprehensive labour market reforms taken by some countries during the crisis.

12. From the replies received, it would appear that maintaining cost effective active labour market measures (Action 3) and encouraging employers to expand quality apprenticeship programmes (Action 5) are the areas in which countries have concentrated most policy attention in the recent past (Figure 6). In a number of cases, this has involved further improvements in, and/or a scaling-up of, pre-existing measures. In a number of European countries, these measures have been undertaken as part of efforts to implement the EU's **Youth Guarantee** initiative, based on the principle that all young people up to 25 years of age should receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.²

¹ The OECD countries that have responded to the questionnaire are: Australia, Austria, Canada, Czech Republic, Finland, France, Greece, Ireland, Italy, Japan, New Zealand, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland and the United Kingdom. Responses to the questionnaire are still being received and the report for the MCM will be updated accordingly.

² See below for a discussion about how the OECD is contributing to this initiative, including through advice to Ireland on the implementation of a Youth Guarantee and analysis of similar schemes that had been put in place previously.

Figure 6. Number of policy measures by key areas of the OECD Action Plan for Youth
As a percentage of all policy measures by responding countries



a) The following countries have responded to the questionnaire: Argentina, Australia, Austria, Brazil, Canada, China, Czech Republic, Finland, France, Greece, Ireland, Italy, Japan, New Zealand, Norway, Poland, Portugal, Russian Federation, Slovenia, Spain, Sweden, Switzerland, and United Kingdom.

b) The percentages presented in this figure were calculated taking into account that some countries have introduced more than one measure for each policy area included in the OECD Action Plan for Youth, and that some measures refer to more than one policy area.

Source: OECD Questionnaire on recent measures to improve labour market outcomes for youth.

13. In many OECD countries, activation policies to encourage and help youth find a job are based on the “mutual obligations principle” whereby payment of unemployment benefits is combined with strict job-search requirements and compulsory participation in Active Labour Market Programmes (ALMPs) under the threat of moderate sanctions. Support measures include counselling, job-search assistance and entrepreneurship programmes, and often provide more intensive assistance for the more disadvantaged youth, such as the low-skilled and those with a migrant background. Austria, Canada, China, the Czech Republic, France, Greece, Ireland, Italy, Japan, New Zealand, Norway, Poland, Portugal, Russian Federation, Slovenia, Spain, Sweden, Switzerland and the United Kingdom have all scaled up the resources devoted to ALMPs for youth. In France, for example, a new pilot programme was launched targeting the NEETs aged 18-25, within the context of the national Youth Guarantee Implementation Plan. Youth in the programme are expected to engage in active job search and improve their employability, in exchange for receiving a benefit payment of about EUR 434 per month.

14. **Internships and apprenticeships** provide a valuable opportunity to gain work experience, and can serve as stepping stones for career development in more stable occupations. However, internships must provide a good learning experience and a gateway to a good quality job, rather than simply being used by employers for hiring cheap labour to do low-skilled work. A number of countries (Austria, Brazil, China, Czech Republic, France, Ireland, Italy, Japan, New Zealand, Russian Federation, Spain, Sweden and Switzerland) are currently encouraging employers to expand apprenticeship and internship programmes, including through additional financial incentives. For example, as part of its implementation of a Youth Guarantee, Ireland has created a new *JobBridge* scheme for disadvantaged youth, which complements the already existing *JobBridge* internship scheme. This will involve canvassing employers to make work experience places available for young people 18-25 with low levels of educational attainment, long periods of unemployment and/or other social barriers to employment. Interns receive an allowance equal to their existing social welfare entitlement plus a top-up of EUR 50 per week. Some reduction in working hours is

also provided as a means to facilitate job search activities. In the case of Brazil, the multi-annual programme that the Federal Government has implemented aims to use apprenticeship as a tool to permanently attract youth into the formal labour market.

15. In many countries, **vocational education and training** has been an undervalued part of the education system for many years, often overshadowed by the higher education sector. Yet vocational education and training is not just about traditional activities but at its best is also about state-of-the-art skills in ICT, logistics, creative arts and fashion, or social and personal services, and it increasingly includes sophisticated and advanced-level technical skills. Unfortunately, vocational education and training programmes in many countries fall short of this ideal and too often are a second-best, low-status option providing classroom-based programmes for academically weak students and unconnected to employer needs. Australia, Austria, China, Czech Republic, Greece, Ireland, Italy, Japan, New Zealand, Spain, Sweden and Switzerland, have committed to strengthening the role of vocational education and training programmes. As part of the celebration for the tenth anniversary of the Swiss law on vocational training, the Swiss State Secretariat for training, research and innovation (SEFRI) and training partners have organised a series of major events throughout 2014 to create a platform to increase general public's awareness of the importance of the vocational training system and its strengths.

16. Measures to **strengthen the education system** and prepare all young people for the world of work include: tackling and reducing school dropouts and providing second-chance opportunities for those who have not completed upper secondary education level or equivalent; ensuring that all youth achieve a good level of foundation and transversal skills; and equipping all young people with skills that are relevant for the labour market. These types of measures have been recently introduced in Argentina, Austria, Canada, China, Czech Republic, Finland, France, Italy, Japan, New Zealand, Spain, Sweden and Switzerland. In Argentina, for example, the programme *PROGRESAR* aims to help particularly disadvantaged youth to begin or complete their studies, as well as to provide professional training, counselling and job placement. The programme targets youth aged 18-24 who are unemployed, work in the informal sector or have salaries lower than the minimum wage.

17. The education system could do more to **assist the transition from education to the world of work**. Preparing students for the labour market is one of the key functions of the education system. Measures to strengthen this function are being introduced in Australia, Austria, Canada, China, Czech Republic, France, Greece, Italy, Japan, New Zealand, Norway, Poland, Russian Federation, Spain and Sweden. In Australia, for example, the *Community Youth Hubs* programme -- a pilot programme started in 2014 -- aims to create appropriate pathways to employment and training for young people. To this end, it involves expanding job and training opportunities through strengthening opportunities for training and education collaborations across local, state and federal government programmes and services. As another example, in Canada the *Youth Employment Strategy* (YES) is a national programme whose aim is to help achieving a better match between the skills that youth acquire and those needed by the labour market. The program targets youth between ages of 15 and 30 and includes better orientation and counselling services with regards to the competences and job experience that they could acquire in order to reduce skills mismatches and to smooth their school-to-work transitions.

18. A number of responding countries (Argentina, Australia, China, Greece, Ireland, Italy, Japan, New Zealand, Portugal, Slovenia, Spain and Sweden) have adopted measures to **tackle weak demand, boost job creation, and tackle demand-side barriers to the employment of low-skilled youth**. High labour costs can be a barrier to employment for youth, especially for those who are low-skilled and lack work experience. Some of these measures aim to reduce the cost of labour through reducing (Sweden, Italy), waiving (Slovenia), or reimbursing (Portugal) employers' social security contributions (SSCs) for low skilled or long-term unemployed youth. In Slovenia, the *Emergency Measures in the Field of Labour Market and Parental Care Act* introduced a temporary measure by means of which an employer who hires

on a permanent contract an unemployed person under the age of 30 registered as unemployed for at least three months is exempt from paying the employer's contributions for the first 24 months of employment. Similarly, in Sweden the government announced a reduction in the employer's SSC rate to 10.21 per cent for people under the age of 23 (compared with 15.49 per cent for people aged 23–24, and 31.42 per cent for people who are 25 or older). As another example, Japan has introduced a subsidy to employers for hiring jobseekers on a trial basis of three months, including youth who have particular difficulties in finding stable employment.

19. The **provision of income support to unemployed youth** helps them from falling into poverty, but it must be buttressed by action to address structural barriers preventing youth from accessing productive and rewarding jobs. Countries that have recently adopted measures to provide income support to unemployed youth include: Argentina, France, New Zealand, Poland, the Russian Federation, Spain and Sweden. For example, in Spain the *PREPARA* programme provides financial support to jobseekers, including many youth, whose unemployment benefits have expired, provided that they are actively searching for a job.

IV. OECD activities to help countries implement the Action Plan for Youth

20. Following the 2013 MCM, the OECD has been working with countries to assist them in implementing the Action Plan for Youth at a national and local level. As mentioned above, this has been done following three broad approaches, which are briefly set out in this section.

Country reviews and policy advice

21. The Action Plan for Youth is a *Framework*, not a *Blueprint*. While providing guidance to countries in their efforts to set out comprehensive actions for giving youth a strong start as they move into adulthood and the labour market, it also recognises the need to take into account national and local circumstances, as well institutional arrangements. The OECD has therefore concentrated on undertaking multi-disciplinary and in-depth, topic-specific work to develop policy advice appropriate to each national situation. The Annex provides a detailed overview of these projects, with a particular focus on what has been done since May 2013. The key components of this approach are as follows:

- OECD country-specific work on **Youth Employment and Social Policies** includes providing advice at the request of the Irish Government on implementing a Youth Guarantee and a report was released in December 2013 on *Options for an Irish Youth Guarantee*. Discussions for possible further work on implementing a *Youth Guarantee* are presently ongoing with Italy. A new series of reviews for emerging economies on *Investing in Youth* has so far covered Brazil and Tunisia. In addition, OECD will soon launch a new series of reviews on *Social Policies for Youth*, whose aim will be to focus on the most disadvantaged youth who are disengaged from society and labour market, or at risk of becoming so. Seven countries have already expressed an interest in being reviewed: Australia, Norway, Latvia, Sweden, Austria, France and Finland.
- The **implementation and analysis of cross-cutting dimensions of youth employment policies at the local level** have been the focus of additional support provided to countries. Eight EU countries have received OECD advice to identify lessons in relation to the local implementation of the Youth Guarantee. At the same time, work on *Local Job Creation* has provided assessments of the potential for local labour market policy to support quality employment and enhance productivity by better matching skills supply to demand, improving training provision and addressing skills challenges.
- The **education and labour market outcomes of youth with a migration background**, and the policies aimed at improving them, are analysed in the review series *Jobs for Immigrants*. Twelve

OECD countries have been reviewed thus far, and the work by the OECD has provided country-specific recommendations for all of these.

- To enhance **Education and Skills**, the *Skills beyond School* policy reviews of post-secondary vocational education and training systems are aimed at addressing the preparation of both youth and adults for technical and professional jobs. The *Education Policy Outlook*, which will be published at the end of 2014, will include snapshots of all countries: *Complete Education Policy Profiles* have been published for nine countries and all OECD Members will eventually be covered.
- The OECD has also been working with countries on **Youth Entrepreneurship** through a project on *Inclusive entrepreneurship in Europe* aimed at creating better integrated national and regional policies to spur youth entrepreneurship. This collaboration with the European Commission has expanded to examine the role of universities and vocational training institutions in promoting entrepreneurship using dedicated education activities and start-up support provisions. In this framework, a web-based self-assessment tool, *Entrepreneurship 360*, supports strategies and practices in promoting entrepreneurial learning.
- OECD **Skills Strategy** projects at national and local levels are collaborative, “go national” projects, applying the OECD Skills Strategy’s comprehensive framework for developing relevant skills, activating skills supply and using skills effectively to identify and tackle skills challenges in countries. Skills Strategy projects are currently underway with Austria, Korea, Norway and Portugal. Country challenges often include how to achieve better outcomes for youth.

Strengthening the evidence base for policy: OECD work on cross-country comparison and analysis

22. While a substantial amount of work has already been done by the OECD to better understand the barriers to smooth school-to-work transitions, there still are a number of areas where better evidence is required to guide policy. Priority areas which are the focus of in-depth OECD analysis include:

- The situation of the most disadvantaged 15-29 year-olds, especially in the aftermath of the long and deep economic downturn, focusing on labour market issues and poverty, as well as on social policies to help them bridge the gap to self-sufficiency.
- The first results of the Survey of Adult Skills (PIAAC), which were published in the 2013 *OECD Skills Outlook*, provided some initial analysis of results for youth and older age groups. The Survey data are now being analysed in further depth to look at many policy issues of relevance to youth, including the determinants of smooth school-to-work transitions, skills mismatches and the impact of Vocational and Educational Training (VET) on adult skills.
- Work for the *OECD Employment Outlook* (forthcoming) focusses on the key labour market outcomes of youth (16-29), paying particular attention to the likelihood of being Neither in Employment nor in Education or Training (NEET) and hourly wages.
- The second edition of *Settling In – OECD Indicators of Immigrant Integration* (forthcoming) contains a special focus on the characteristics and integration outcomes of youth with a migration background across all OECD and EU countries. It will provide a comprehensive picture and comparative analysis with new data concerning their size and composition, as well as the related education and labour outcomes, including touching upon poverty and discrimination challenges.
- The 2014 *OECD Skills Outlook* will use the OECD Skills Strategy framework to address the theme of *Youth, Skills and Employability*. This issue of the *Skills Outlook* will include the role being played by initial education and training in fostering the development of relevant skills for youth employability; an analysis of the obstacles being faced by youth in activating their skills and successfully integrating the labour market; and identifying how better use could be made in the workplace of the skills youth have

while also bringing forth new opportunities for effective skills utilisation. The 2014 *Skills Outlook* will also incorporate further analysis of the Survey of Adult Skills (PIAAC) focussing on youth.

- PISA, the international assessment of what 15 year olds know and can do, provides another rich source of analytical insights for policymakers on how to improve outcomes for youth. The PISA 2012 results released in early December 2013 has so far generated four volumes presenting cross-country analysis of the results: *What Students Know and Can Do: Student Performance in Mathematics, Reading and Science (Volume I)*; *Excellence through Equity: Giving Every Student the Chance to Succeed (Volume II)*, *Ready to Learn: Students' Engagement, Drive and Self-Beliefs (Volume III)*; and *What Makes Schools Successful? Resources, Policies and Practices (Volume IV)*.
- Work on promoting youth entrepreneurship is part of broader activity on *Inclusive Entrepreneurship in Europe*. One important outcome of this project is *The Missing Entrepreneurs* (2013), a comprehensive publication that includes data on entrepreneurship activities by youth and policy discussion on how youth can be better supported.

International meetings and workshops to identify good practice

23. The OECD provides a forum for the exchange of views on good practices. In addition to numerous discussions at the Working Parties and Committees of the OECD, a number of workshops and conferences were organised over the past year with a specific focus on youth issues. These included:

- In July 2013, a workshop on *Reforming European Labour Markets: Stimulating Job Creation and Better Outcomes for Youth* was organised jointly by the Institute for the Study of Labour (IZA), Bonn, and the OECD to discuss youth employability, the implementation of the Youth Guarantee, and apprenticeships schemes.
- In October 2013, an Informal Meeting of OECD Ministers of Education was held in Istanbul on the topic of Fostering Skills and Employability through Education, which was attended by 26 Ministers from OECD and other countries. This meeting allowed ministers to share their experience on which skills are most relevant to the needs of their labour market and contribute most to achieving better economic and social outcomes, ensuring that the right skill mix is being learned and helping their economies make effective use of those skills.
- Regular participation in the activities of the G20 Task Force on Employment is an opportunity for the OECD to contribute to the objective of G20 countries to identify cost-effective policies or packages of policies to strengthen youth employability. The OECD actively contributes to the G20 process by helping countries set their youth policies on a path of incremental improvements. Our background reports, often prepared jointly with the ILO, help to share knowledge about good practices among countries.
- In April 2014, a joint G20-OECD-EU Conference on *Quality Apprenticeships for Giving Youth a Better Start in the Labour Market* was held at the OECD. Building upon the work of the G20 Task Force on Employment and by OECD and the European Commission, this conference highlighted the role that apprenticeships can play in improving labour market outcomes for youth. It provided for a mutual sharing of good practices in fostering the development of quality apprenticeships and helped to foster a greater commitment by countries to take action to introduce or strengthen apprenticeship initiatives and to monitor the progress achieved.
- The 10th Annual Meeting of the OECD LEED Forum on Partnerships and Local Development will take place on 24-25 April, 2014. This meeting will focus on job creation and building adaptable local labour markets. The event will include a number of plenary and workshop sessions on local strategies for youth employment, the effectiveness of youth guarantees, the best ways to tackle school drop-outs,

entrepreneurship education and youth entrepreneurship. It will also focus on effective practice in building partnerships to support better school to work transitions.

- The project on *Inclusive Entrepreneurship in Europe* includes a series of capacity building seminars for policy makers from EU countries with a special focus on youth planned for the seminar scheduled to take place in September 2014.
- The 2014 *OECD High-Level Policy Forum on Migration* (1- 2 December 2014) will devote a special session to policies that address the educational and labour market outcomes of youth with a migration background.

V. The way forward: Working with countries to develop national and local action plans for youth

24. Successful engagement of youth in the labour market is crucial not only for their own personal economic prospects and well-being, but also for overall economic growth and social cohesion. Therefore, investing in youth is a policy priority in all countries and requires concerted action to develop education systems, training and re-training programmes and labour market arrangements that work together well. Based on the OECD Skills Strategy, the Action Plan for Youth, insights into effective work-based learning measures and other tailored products, the OECD will continue to work with Member and Key Partner countries to implement measures to durably improve the employment prospects of youth. The OECD will continue to monitor progress on the implementation of the OECD Action Plan for Youth and the need to improve the Action Plan to take account of the latest evidence and analysis, as well as further country experience with successful youth initiatives.

25. With these objectives, the OECD will continue to provide tailored assistance to countries to help them implement the Action Plan for Youth in their own national and local context. This assistance could be in the form of advice on specific youth policies, short policy notes or more comprehensive country reviews (see Box 2).

Box 2: Tailored advice by the OECD

The OECD stands ready to provide advice best suited to countries' needs. Some examples are:

Short policy notes. For those countries where there has been a recent comprehensive OECD review of policies for youth, a short policy note could be prepared which would identify the key challenges for policy, progress to date with responding to these challenges and remaining action to be taken. The note would be prepared over a period of two to three months and would be preceded by a short country visit to consult with key stakeholders.

Advice on specific youth policies. OECD could provide countries with in-depth advice on specific areas of the Action Plan for Youth where they need to improve youth outcomes – for example, to tackle school dropout, implement a youth guarantee scheme, promote youth entrepreneurship or strengthen the effectiveness of vocational education and training.

Country reviews. A more comprehensive country review on youth could be carried out to identify the key education and labour market reforms required to help youth get off to a better start in the labour market. This could be combined with the OECD's ongoing review of social policies for young people, with a special focus on disadvantaged youth. The precise scope of the review would be discussed with the country concerned. This review would take place over a period of six months and would typically include: a fact-finding study trip, the preparation of a draft report, and a seminar to present the report.

26. Large country differences in education and labour market outcomes for youth will continue to open up opportunities for mutual learning from successful measures and new programmes that countries have taken to improve youth employment and skills. The OECD remains committed to providing space for countries through its regular Committee meetings, but also in the form of workshops, seminars and conferences, for international discussion on best practice and knowledge sharing on how to help youth get off to a better start in the labour market.

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| <p>Social Policies for Youth</p> <p>A new series of "Social Policies for Youth" reviews will focus on the group of youth not in education, employment or training, the "NEETs" and among this group on the most disadvantaged youth who are disengaged from society and labour market or at risk of becoming so. The reviews will identify the main characteristics of NEETs, in terms of family background, living arrangements and conditions, health status, examine their pathways from school to work / inactivity, and explore their expectation and values as well as how they use their time. In a second step, their needs will be compared with the policies that aim at fostering their independence. The types of policies potentially covered in these reviews range from conditional income support programmes, to mentoring / counselling programmes, community services, targeted health and educational interventions, special vocational / apprenticeship programmes. Depending on national priorities, the coordination with the educational system and the delivery of services will also be covered.</p> | <p>Australia, Norway, Latvia, Sweden, Austria, France and Finland</p> | <p>Ongoing</p> |
| <p>IMPLEMENTATION OF YOUTH EMPLOYMENT POLICIES</p> | | |
| <p>Local Implementation of the Youth Guarantee.</p> <p>In 2014, following up on its earlier work on Local Youth Employment Strategies, the OECD is undertaking a review of the implementation of youth guarantee in 8 European countries to identify key conditions and success factors and provide a set of practical policy recommendations relevant to national and local policy makers and practitioners.</p> <p>Link: http://www.oecd.org/regional/localyouth.htm</p> | <p>Flanders (Belgium), Denmark, Germany, the Netherlands, Norway, Poland, Finland, Sweden.</p> | <p>To be completed by Q2 2014</p> |
| <p>Local Job Creation - How labour market policies can help. A cross-country comparative project for 2013-2014</p> <p>This project assesses the contribution of labour market policy to boosting quality employment and enhancing productivity by better matching skills supply to demand, improving training provision and addressing skills gaps but also improving skills utilisation by firms. It involves a series of country reviews. Each review examines the capacity of employment services and training providers to contribute to a long-term strategy which can yield returns in terms of resilience of the local economy, skills levels and job quality. A key focus area is the ability of employment and skills policies to engage employers in training and apprenticeship and to provide career progression possibilities for the young with poor qualifications.</p> <p>Link: http://www.oecd.org/employment/leed/localjobcreation.htm</p> | <p>Participating countries include Australia, Belgium (Flanders), Canada, Czech Republic, France, Ireland, Israel, Italy (Trento), Korea, Sweden, United States, United Kingdom (England, and Northern Ireland).</p> | <p>Country reviews to be published throughout 2014 and 2015.</p> |

| EDUCATION AND SKILLS | | |
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| <p>Skills Strategies at the National and Local Levels The OECD Skills Strategy provides a comprehensive framework for countries to build effective and integrated skills policies that develop relevant skills, activate skills supply and make effective use of skills. Link: http://skills.oecd.org/</p> <p>Norway is the first country to undertake a collaborative project with the OECD with the aim of applying the OECD Skills Strategy in practice. At the end of the first phase of this project, the diagnostic report identifies 12 skills challenges for Norway which were distilled from a series of interactive diagnostic workshops held with a range of stakeholders. It marshals a wide array of relevant OECD evidence, including Norway's results from the Survey of Adults Skills (PIAAC), to shed further light on these challenges. Finally, it offers some concrete examples of how other countries are tackling similar skills challenges. The next phase involves preparing an Action Plan with concrete proposals for achieving better outcomes. Link: http://skills.oecd.org/developskills/documents/OECD_Skills_Strategy_Diagnostic_Report_Norway.pdf</p> | <p>Published: Norway (February 2014)</p> <p>Forthcoming: Austria, Korea, Portugal</p> | <p>Ongoing</p> |
| <p>Education Policy Outlook – Policy country profiles This is a new country-by-country set of education policy profiles that will come together in the <i>Education Policy Outlook</i> to be published in November 2014 for the first time and provide: a) analysis of individual countries' educational context, challenges and policies (education policy profiles) and of international trends and b) comparative insight on policies and reforms on selected topics. Designed for policy makers, analysts and practitioners, each profile will review the current context and situation of the country's education system and examine its challenges and policy responses, according to six policy levers that support improvement: Students: How to raise outcomes for all in terms of equity and quality and preparing students for the future Institutions: How to raise quality through school improvement and evaluation and assessment System: How the system is organised to deliver education policy in terms of governance and funding. Link: http://www.oecd.org/edu/profiles.htm</p> | <p>Published: Australia (June 2013), Chile (November 2013), Czech Republic (June 2013), Finland (November 2013), Ireland (June 2013), Mexico (November 2013), New Zealand (June 2013), Norway (November 2013), Turkey (October 2013).</p> <p>Forthcoming: Spain, Germany, France and Denmark.</p> | <p>Expected publication of the Education Policy Outlook on November 2014</p> |
| YOUTH ENTREPRENEURSHIP | | |
| <p>Inclusive entrepreneurship in Europe - An OECD-European Commission Project The project "Inclusive entrepreneurship in Europe" (see section on <i>Building up the evidence base for policy: OECD work on cross-country comparison and analysis</i>) has launched a series of country and regional reviews on youth entrepreneurship. The reviews provide an analysis of the need for policy support, assess the strengths and weaknesses of existing policies and programmes, make recommendations for the development of integrated policies and programmes in this field, and support the development of policy action plans. Three reviews will be undertaken in 2014-15. Link: http://www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm</p> | <p>Not established yet</p> | <p>End 2015</p> |
| <p>Promoting graduate entrepreneurship in higher education institutions The OECD has been working since 2008 on the role of universities in promoting entrepreneurship through dedicated education activities and start-up support provision through reviews and case studies, international good practice exchange workshops. More recently this activity has included the launch of a freely available self-assessment tool for higher education</p> | <p>Review projects in Germany with case studies in: Berlin and Rostock; Brandenburg, Schmalkalden and Ilmenau, Leipzig and Halle (2008-2012), Tunisia (2011-2012),</p> | <p>End 2014</p> |

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| <p>institutions. The reviews include in-depth case studies of selected higher education institutions and the administration of surveys to university leaders and students. The work is being expanded to the role of vocational training institutions.</p> | <p>Wielkopolska and Kujawsko-Pomorskie in Poland (2013), Morava-Silesia, Czech Republic (2013-2014) and Bulgaria (2014).</p> | |
| <p>Entrepreneurship360 This activity is part of a collaboration between OECD and the European Commission aimed at the development of a self-assessment tool for teachers and school managers from primary, secondary and VET schools to assess their current strategies and practices in promoting entrepreneurial learning and in building entrepreneurial learning environments in and around schools. The work will include in-depth work with a number of pilot schools from several EU countries. The final tool is expected to include also a pool of inspiring practices. This process involves case study reviews on supporting entrepreneurship in vocational training centres.</p> | <p>A review in Tunisia was launched in 2013 and a final report will be presented at the end of April 2014.</p> | <p>April 2014</p> |

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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