STATE OF THE ART

Job generation: what can cities do to grow jobs for young people
State of the Art

Job generation:
What can cities do to grow jobs for young people
This ‘State of the art on job generation’ is one of the first outputs of a bigger capitalisation initiative set by the URBACT programme for 2014–2015 with the objective to present to cities local good practices about:

- New urban economies
- Jobs for young people in cities
- Social innovation in cities
- Sustainable regeneration in urban areas

These four topics have been explored by four URBACT working groups (workstreams), composed of multidisciplinary stakeholders across Europe such as urban practitioners and experts from URBACT, representatives from European universities, European programmes and international organisations working on these issues.

Destined to cities, this ‘State of the art’ is a review of literature, policies, projects and practices at EU level about how can cities engage with employers and young people and therefore create more and better suited jobs for young unemployed.

We hope this shall be an inspiration for you and your city!

The URBACT Secretariat
1. Introduction and purpose of the paper

2. Youth employment in Europe

3. Links to URBACT 'more jobs better cities' work 2012/13

4. The big picture – European policy and research
   4.1 A Youth Guarantee?
   4.2 Youth and Cohesion Policy 2014–2020
   4.3 The European Foundation for the Improvement of Living and Working Conditions
   4.4 The OECD action plan for youth
   4.5 OECD: local implementation of youth guarantees
   4.6 The OECD LEED programme: local strategies for youth employment
   4.7 The European Youth Forum
   4.8 Recent European level research on youth employment: The IPPR, Work Foundation and McKinsey Report
   4.9 The OECD and employment engagement
   4.10 The ILO: employment rather than unemployment

5. Some lessons from EU programmes
   5.1 URBACT
   5.2 Other programmes

6. Conclusions and recommendations
   6.1 Questions and issues for consideration
   6.2 Next steps
1. INTRODUCTION AND PURPOSE OF THE PAPER

1.1 PURPOSE

This paper is designed to provide an overview of what is known about the agenda of ‘More Jobs for Urban Youth’ as an initial input into the URBACT workstream ‘Job generation’. This agenda is of great importance not only to the success of the Europe 2020 strategy and the effective implementation of the 2014-20 Cohesion strategy but also to the future of Europe’s cities and of course, critically, to young people themselves.

1.2 BACKGROUND

The ‘More Jobs for Urban Youth’ work over the coming 2014/15 period builds on the ‘More Jobs, Better Cities’ capitalisation workstream undertaken in 2012/13, developing and applying the framework for action established therein, exploring concrete cases and showing how cities can help grow jobs for young people. It also has clear links to URBACT workstream ‘Supporting Urban Youth through Social Innovation’ developed in the same period and will take account of the results therein. ‘Job Generation’ is one of four URBACT workstreams for 2014–2015, the others being:

- New Urban Economies
- Social Innovation
- Sustainable regeneration of urban areas

The focus is very much on JOBS rather than unemployment. Partly this reflects a ‘solutions’, action based approach rather than a focus on the problem per se. But it also reflects the reality that, to sustainably reduce youth unemployment, there is no alternative but to create more jobs for young people to do. Supply side action to improve young people’s employability, whilst important, cannot on its own solve the problem. It can only assist some to be more able to access existing, limited, opportunities. On its own, this only redistributes the opportunities and helps to fill currently unfilled jobs. This is important but insufficient. What is needed are more opportunities AND enhanced employability to enable young people to access those opportunities more effectively. An integrated and comprehensive approach, connecting supply and demand together, is required.

1.3 METHOD

The ‘State of the Art’ paper, in reviewing the more jobs for youth agenda, seeks to identify the many potential key issues and questions that arise from the material reviewed which could be covered by this work. These are set out in Bold at the end of each relevant section and then again in an integrated, tabular form at the end of this report.

However, in considering the big picture and identifying the wide range of potential questions the URBACT work could address it becomes clear that much greater focus is required. Agreeing this focus – and examining where URBACT could add most value to existing work – was the task of the first meeting of the Core Group working on this issue with URBACT which took place in July 2014.
At this meeting the Core Group reviewed the draft State of the Art, agreed a focus for the forthcoming capitalisation work and refined a final shorter list of issues and questions which will be used to provide the agenda for subsequent core group discussions, the evidence hearings, the telephone interviews and case studies, which in turn will examine the ways cities grow, or could effectively grow, more jobs for urban youth. The group also agreed a working title for the work ahead:

**JOB GENERATION:** What can cities do to grow jobs for young people?

The main two areas of focus for the rest of the work are:

- Understanding the problem
- Engaging with employers (and young people)

These are explained in more detail in the concluding section of this report.

**1.4 STRUCTURE**

This ‘state of the art’ begins by outlining the extent and nature of the youth unemployment and employment agenda in Europe, as a careful diagnosis of the issue is a prerequisite to its successful treatment, drawing attention to the key issues and questions that arise.

It then briefly introduces the ‘city action on jobs’ framework from the ‘More Jobs, Better Cities’ report and identifies, for each component part of the framework, the relevant main issues and questions which could be addressed and reflects upon the links with the ‘Supporting Urban Youth through Social Innovation’ work.

The paper then goes on to review ‘the big picture’, looking at relevant literature and policy documents at European level, drawing out the issues and questions that then arise. It next highlights some lessons from EU funding projects (including those within the URBACT programme), and again identifies the key issues and questions that arise.
There are 5.6 million young people aged 15–24 who are unemployed in the 28 countries of the European Union (all data in this section, unless specified, is from Eurostat). The ‘unemployment rate’ for young people is 23%. This is well more than double the rate for adults of 9% and more than double the overall unemployment rate of 11%.

And 32% of the young people who are unemployed, have been so continuously for more than 12 months. Youth unemployment has also increased during the crisis, especially in the Mediterranean countries, Ireland and the Slovak Republic. 7.5 million young people are categorised as so called ‘NEETs’, i.e. being not in education, employment and training, some 13% of all young people: up from 11% in 2008 (EFILWC).

These figures are all far too high, not only for the individual young people themselves but for the economy and society too. Unemployed young people represent a waste of talent, of scarce human capital. They also cost society dearly in terms of public services and spending to address

---

1 Statistics generally use a definition of 18-24 years old to define ‘young people’. However, it is important to note that the working definition varies enormously across Europe and often extends to 30 years of age.
the subsequent societal risk of exclusion and the broader consequences of it. EFILWC estimate that the total economic loss associated with the disengagement of young people from the labour market is €153 bn, a sum equivalent to 1.2% of European GDP. Added to this, some countries (e.g. Hungary) are experiencing high levels of outmigration of young people who are leaving to find work abroad. Many of these people are highly educated and talented so this trend has serious knock on effects on economic development in these countries.

So reducing unemployment, by creating more jobs for young people to do, makes economic and social sense as well as being beneficial for the young people themselves.

We are possibly at risk of a ‘jobless generation’, disconnected from the labour market, from job opportunities and, consequently, much else besides. The only fundamental and sustainable solution to the problem is to create more job opportunities: there are not nearly enough existing jobs to go round. Helping young people to become more employable, to move from inactivity into work, to access the jobs that do exist is a necessary and valuable activity. But it does not create additional jobs. In the end we need more jobs to be available for young people to do, otherwise we merely ‘redistribute’ the unemployment problem.

It is not however only a question of ‘more’ jobs, it is also a question of ‘better’ jobs. Young people who are in work are ‘over represented’ in temporary and part-time work. And too many are in low paid, low skilled work with little opportunity to progress. The issue is both the quantity and the quality of jobs available. But we need to be clear from the outset. Youth unemployment figures are often misunderstood, misinterpreted and, frankly, exaggerated. First, youth unemployment amounts to around 20% of total unemployment in the EU, the vast bulk of the unemployed are actually adults. Second, the 23% youth unemployment rate (rising to 53% in Spain and 55% in Greece) does NOT mean that 1 in 4 young people (or more than 1 in 2 in Spain and Greece) are unemployed. Rather it means that 23% of the ‘economically active’ young people are unemployed: and only 43% of young people are actually economically active (compared to 85% of 25-54 year olds), because the majority are instead in education and not looking for jobs (though a proportion, some 1.3 million, are also BOTH in full time education AND unemployed). Indeed, a curious statistic is that in the EU there are more young people in education who are also in employment than there are young people who are unemployed. Third, the youth unemployment rate varies enormously across the EU, from the highs above to less than 10% in Netherlands, Germany and Austria.

An alternative measure of youth unemployment is in fact the proportion of young people who are unemployed. Thus 5.6 million of the 57.5 million young people in the EU or, in other words, 9%. This is called the ‘unemployment ratio’ and means that roughly 1 in 11 young people are unemployed. This too varies greatly across the EU from highs of 20% in Spain, 16% in Greece and 14% in Portugal, to lows of 6% in Belgium, the Czech republic and Netherlands, 5% in Austria, 4% in Germany. For example, the low rate of youth unemployment in Austria, is widely attributed to its use of the ‘dual’ education system and its ‘apprenticeship guarantee’: a promise to all young people who wish to do an apprenticeship that they will be able to do so through provision of a public apprentice position, if there is no vacant position available from a private company.

There are important implications of getting the youth unemployment problem into a realistic statistical perspective. First, yes it is a severe and serious problem BUT it is actionable. It is not so big, so intractable, or so impossible to tackle successfully as the headline figures often used seem to suggest. Second, it is not as severe or serious in some EU countries as it is in others. It doesn’t have to be this way! It can be, and is being, tackled with some considerable measure of success in some places. Third, cities offer particular hope. Whilst some would argue that their margins of manoeuvre are limited (particularly in countries like Hungary where labour market policy and structures are strongly centralised), cities are clearly centres of prosperity and change.

There are large numbers of job openings occasioned by ‘churn’ in the labour market and, often, by growth. They are centres of innovation, they are densely populated and networks are dense with job seekers and job openings often in close proximity, with public transport to connect them and many centres of skill formation where the skills for jobs can be acquired. Geographical and occupational mobility is easier in cities. And finally,
there are, and will be, opportunities - around 80 million job opportunities will arise throughout the EU in the next 10 years, of which around 7 million are likely to be net new additional jobs (CEDEFOP, 2013).

However, a serious analysis of youth and the labour market soon throws up additional related problems beyond the overall numbers of youth seeking work and the number of job opportunities available: the specific, particular, distinguishing characteristics of the youth unemployed in terms of their location relative to the location of job opportunities; their gender, ethnicity, skills and qualification levels and physical and mental health; the growth in the extent of long duration youth unemployment; and the nature of the jobs that young people who have jobs actually hold.

They are more likely to be temporary, more likely to be poorly paid, more likely to be part-time, more likely to offer limited training and job progression. The issue is ‘better’ jobs as well as ‘more’ jobs.

For example, the heterogeneity of the youth unemployment experience by country, but particularly by level of educational attainment. Across the OECD, countries low skilled youth have an unemployment rate 1.8 times that of tertiary level graduates. But the ratio is over three times as high in, e.g. Estonia, Finland, Sweden and the Czech Republic. In some other countries in the EU, e.g. Greece, Italy and Portugal, tertiary level graduates have a higher risk of unemployment than low skilled youth.

It is in the above context that the four high level core questions of the ‘Job Generation’ work are framed:

> How can we create more jobs for young people?
> How can cities engage with employers on the quality of jobs and career progression agenda?
> How can we ensure that Cohesion Policy investment in youth is well spent?
> How can URBACT knowledge from the workstream ‘Job generation’ add value?

QUESTIONS/ISSUES FOR CONSIDERATION:

- What is the nature of the youth unemployment problem in your city?
- How much do you know about it?
- What do you know of the jobs that young people, who are employed, do in your city?
- Overall, how strong is your evidence base?

Source: Steve Rhodes
3. LINKS TO URBACT ‘MORE JOBS BETTER CITIES’ WORK 2012/13

URBACT’s More Jobs, Better Cities report (2013) provides a framework for city action on jobs which can help cities create more and better jobs for young people.

The jobs agenda is a top priority across the European Union as part of the Europe 2020 strategy. It is also central to EU cohesion policy 2014–2020. And youth unemployment is of particular concern in the EU’s Youth Strategy 2010–2018 which has the twin objectives of more and equal opportunities in education and the labour market and the promotion of social inclusion for all young people. ‘Youth on the Move’ provides a framework for policy priorities to reduce youth unemployment by facilitating the transition from school to work and reducing labour market segmentation. Particular focus is being placed on the Youth Employment Initiative and the Youth Guarantee to ensure that all young people are in a job, in education or in ‘activation’. More than two thirds of the European Union’s young people live and work in cities, so there can be no Europe-wide solution to jobs for young people without a cities solution. But some cities’ jobs performance are strong, while others are weak. Cities will all need to do better if we are to achieve our youth employment ambitions.

The economy and labour markets of our cities are changing due to the crisis, austerity and the recovery, and also longer-run structural changes such as globalisation, technological change and demography. These forces are changing city economies, the jobs that are available, being created and the skills young people need to do them. At the same time, city public authorities are seriously resource-constrained and need to prioritise more than ever. We need an approach to ‘More Jobs for Urban Youth’ which is systematic and coherent.

The framework for city action on jobs developed in the URBACT ‘More Jobs, Better Cities’ work, sets out a whole system approach to help cities make a real difference in generating more and better jobs. We intend to utilise it as a basis for developing a successful approach to tackling youth unemployment in particular and especially the generation of more jobs for urban youth - to use it as a ‘lens’ through which to view this theme.

All cities are different in the problems they face, the opportunities they have as well as the resources and powers available to them. But many cities also share much in common. The framework is a set of principles that can be adapted for use in most situations. It is a tool box that can be used to review existing approaches and develop new ones. It can also help rethink what we do to generate jobs for urban youth. Cities need to address three broad sets of issues - jobs and the economy, people and the labour market, and the connections between them (such as governance, intelligence and capacity) to achieve recovery, growth and resilience. These issues are represented by the three pillars in the framework of Figure 1.
When using this framework to navigate around the jobs for urban youth theme, a large number of questions and issues arise which could be considered through this capitalisation work.

These are summarised in the table at the end of this section and were fed into the work that the Core Group subsequently did to agree a core focus for the URBACT Capitalisation work.

Alongside the development of the City Framework for Action on Jobs, the URBACT workstream ‘Supporting Urban Youth through Social Innovation’ examined how cities can promote social innovation to address societal challenges and focused on young people. It explored the importance of participative city leadership and of a willingness to take risks so that cities can act as catalysts and innovation brokers. It explored some of the conditions for promoting social innovation in cities including techniques such as coproduction, new ideas generation, new service delivery models and smart finance. It stressed the importance of bringing new insights to old problems and engaging non traditional actors or ‘unusual suspects’. It concluded that ‘cities need new ways of supporting the most disadvantaged young people’ and that this will require ‘new attitudes, new skills and changed behaviours’.

This is the (part of) the backdrop against which this new URBACT workstream on ‘Job generation’ has been developed and forms an important part of the URBACT context through which it will be delivered.
Table 1. Links to the Framework for City Action on Jobs: Questions/issues for consideration

<table>
<thead>
<tr>
<th>THEME</th>
<th>SUB THEME</th>
<th>QUESTIONS/ISSUES FOR CONSIDERATION</th>
</tr>
</thead>
</table>
| Jobs and the economy         | Demand             | • What can a city do/what has your city done to stimulate the demand for goods/services in sectors that (do or could) employ significant numbers of young people?  
                               |                    | • What sorts of jobs could cities encourage to create for young people?                           |
|                              | Competitiveness    | • How can cities adapt their attempts to be more competitive to be more ‘youth friendly’?         |
|                              | Economic structure | • What can cities do/what has your city done to develop sectors which are ‘youth intensive’ in terms of jobs?  
                               |                    | • How can cities grow the demand for local jobs which have a large youth workforce?               |
| People and the labour market | Quality jobs       | • What can be done to improve the ‘quality’ of jobs that are available to young people?          
                               |                    | • How can cities improve young people’s progression in to them?                                 
                               |                    | • How can they help avoid a growing ‘youth precariat’?                                           |
|                              | Labour mobility    | • What actions can/has your city taken to enable young people to have better access to the jobs that are being created?  
                               |                    | • How can cities encourage youth access to jobs where youth are ‘under-represented’ but keen to do these jobs? |
|                              | Skills             | • What action can cities take to improve the skills of young people?                             
                               |                    | • How to create a better match between the skills needed and the skills young people have available? |
| Connections                  | Intelligence, information and evidence | • What do local intelligence and research tell us about what is needed to help young people get jobs and better quality jobs? |
|                              | Capacity, collaboration and governance | • What actions has your city taken to improve labour market intelligence and its use by employers, providers and labour market agencies?  
                               |                    | • What governance arrangements work best/are needed to integrate actions and to provide a joined-up service to young people in the transition from school to work? |
We now move on to review key European wide and international literature and policy documents with a view to identifying the main issues and questions that arise, so that they too can inform our post State of the Art deliberations.

This ‘big picture’ review will help us situate the Job Generation agenda firmly in the context of emerging policy developments and the policy agenda, especially at the European level.

We begin by outlining the development of the European Youth Guarantee, designed to ensure the offer of a quality job, education or training place within four months of leaving compulsory education or becoming unemployed. This is followed by consideration of the Eurofound work on NEETs and the OECD work on youth employment which frame the Youth Guarantee offer and identify the key issues that need to be addressed, in developing action to grow jobs for young people. The European Youth Forum work, which raises the additional issue of the Quality of jobs, is then outlined. WE then review three recent European level research studies, by IPPR, the Work Foundation and McKinsey, which aim to establish the developments in policy that would be most fruitful before finally turning to OECD and ILO work which emphasize the importance of the ‘demand’ side, in particular employer engagement and a focus on job creation.

This high level review helps us to identify the key issues and questions that need to be asked of city action to help create more jobs for young people. In parallel with the issues raised in the previous chapters by the data and the framework for city action on jobs, together with those raised in the next chapter when looking at European projects, this enables us to be confident that, taken together, they provide a sound basis for setting out the overall agenda within which we will establish key priorities to focus on in our Job Generation work.

There have recently been a number of policy developments and studies of relevance at the European level that provide further insight into the youth employment agenda and how to tackle it. Some of these studies and developments are cross national, some draw on national analysis and some draw on local, cities’ experience. But the national and international experiences are highly relevant for action at the urban level, as policies and practices that are examined at the non urban level are often capable of being either designed, developed, applied, implemented or delivered at the urban level. And often they can address the issues more effectively as they can be specifically tailored to the particular specification and configuration of needs in a given city.

4.1 A YOUTH GUARANTEE?

The European Council agreed to establish a Youth Guarantee in April 2013. The guarantee would be to ensure that Member States offer ALL young
people aged up to 25 either a quality job, continued education, an apprenticeship or a traineeship, within four months of leaving formal education or becoming unemployed. It is designed to improve ‘school to work’ transitions and to ensure public employment services help young people either find a job suitable to their skills and qualifications or acquire the skills and experience that employers are looking for, so being directly relevant to increasing the probability of finding a job in the future. The four month time frame is important, so as to reduce the scarring effects of long duration unemployment. The key building blocks for successful action are foreseen as: a partnership based approach; early intervention and activation; support measures; funding; and evaluation. The proposal draws in particular, on the experiences of Finland and Austria. For example, the Finnish Youth Guarantee secured 83% of those registering a job, traineeship, apprenticeship or college place within three months. The European Social Fund is seeking to provide around €10 bn per year over the period 2014–20, to help turn the Guarantee into reality in the member states (see below).

In addition, the related Youth Employment Initiative (YEI) provides further top up support of €3bn for the Guarantee in those regions which experience youth unemployment rates of over 25% and on young people who are NEETs.

The YEI itself will be part of the new ESF programmes currently being negotiated between the Commission and the Member States. Examples of the types of measures which might be included are:

- Direct support for high-quality traineeships and apprenticeships
- Provision of first job experience (placements for at least 6 months)
- Reduction of non-wage labour costs
- Targeted and well-designed wage and recruitment subsidies (these could for example be delivered through voucher schemes)
- Mobility measures to bring skills and jobs together
- Start-up support for young entrepreneurs (mentoring and access to finance)
- Quality vocational education and training
- Second chance programmes

Complementing the above are several further specific initiatives to assist in the transition from school to work:

1. A Quality framework for Traineeships and an European Alliance for Apprenticeships, which will bring together the relevant stakeholders with a view to improving the quality of provision and the numbers available.

2. Erasmus for New Entrepreneurs, provides support for cross border exchanges and engagements with experienced entrepreneurs whilst the wider Erasmus+ programme will enable up to 4 million young people to study, train or volunteer abroad. A million of these are specifically targeted at traineeships and apprentices.

3. The new Programme for Employment and Social Innovation (EaSI) provides €920m over the period to 2020 to facilitate access to microcredit facilities and encourage social entrepreneurship. A specific budget of around €100m is to be devoted to testing innovative solutions for employment and social policies in areas such as youth unemployment and inclusion.

4. Labour mobility for young people can be enhanced by the use of EURES, the pan European job search network, which provides access to nearly 2 million job vacancies. ‘Your First EURES Job’ is a pilot job mobility scheme targeted at young job seekers who wish to access opportunities in other member states. These should offer a minimum 6 months contract with pay and conditions compliant with national law in the destination country. It provides information, job search and job placement support as well as travel expenses for interviews and job settlement. Since 2013 the scheme has been extended from jobs to also include traineeships and apprenticeship placements.

4.2 Youth and Cohesion Policy 2014–2020

Cohesion Policy will invest €325bn in Europe’s Member States, regions and cities to deliver the EU-wide goals of growth and jobs, as well as tackling climate change, energy dependence and social exclusion. As set out above, it will also contribute €3bn from the European Social Fund to the Youth Employment Initiative (YEI).

The new financial instruments (Integrated Territorial Investments and Community Led
Local Development) seem to offer genuine opportunities to better integrate projects focusing on people (European Social Fund) and those focusing on economic development and jobs (European Regional Development Fund). However, much of the focus here is on ‘active’ labour market policy, on trying to move young unemployed people into/towards work rather than on the jobs themselves and creating more of them and better ones which they could access.

4.3 The European Foundation for the Improvement of Living and Working Conditions (EFILWC)

The EFILWC, in their detailed study of NEETs across the EU (EFILWC 2012), have identified six good practices in policy design and implementation:

- Measures taken need to be **diverse**, addressing the various issues along the ‘pathway’ to employment, paying particular attention to vulnerable groups.
- Take account of the labour market ‘readiness’ of participants which vary from those focused on entry into jobs and those that are further away and need to address personal barriers.
- Set young people on a long term sustainable **pathway** to quality, stable and sustainable employment, including equipping them with relevant qualifications.
- **Stakeholder involvement** is vital, in particular strong **engagement with employers** is needed to focus on employability.
- Action should be client, rather than provider, focused.
- Successful policies are innovative: new ways of reaching out to target groups are important whilst incentives and marketing are valuable for universal services.

4.4 The OECD Action Plan for Youth

Published in 2013, the plan draws together and builds on the youth related employment policies and initiatives of the ILO (the Resolution on the youth employment crisis), the G20 commitments and EU Youth Guarantee, as well as its own extensive analysis of the issue over many years (for example, OECD 2012). They major on the causes relating strongly to both a **shortage of jobs and poor skills and qualifications**, though both causes and policy action are recognised as being more multifaceted. They argue that particular attention should be given to the most disadvantaged groups, in particular the low skilled and those from migrant backgrounds, who are most at risk from ‘scarring’ and long term labour market exclusion. They also stress, in line with the OECD Skills Strategy, that effective action requires the co-ordination of measures across different bodies.

It is important to recognise too, that the employment challenges faced by young people are not only due to the crisis and its aftermath but to more long standing issues in the transition from schooling to work.

The key elements of the OECD Action Plan for Youth, framed within two dimensions: the current crisis of youth unemployment and the longer term employment prospects, are as follows:

1. **Tackle the current youth unemployment crisis**
   - Tackle **weak aggregate demand and boost job creation**. There is clear recognition here that the central problem to resolve is a shortage of jobs created by insufficient demand. Action could be

**Questions/Issues for Consideration:**

- Is a Youth Guarantee or Youth Employment Initiative type offer available in your city/cities?
- What are its key characteristics?
- How could it be improved?
- How can we ensure that Cohesion policy investment in youth is well spent?

(One of the main questions to be addressed by this workstream)

**Questions/Issues for Consideration:**

- Are these good practices embedded in your actions on youth employment?
taken to strengthen employer incentives to hire new recruits, for example through reducing non-wage labour costs.

- 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.
- 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.
- Tackle demand-side barriers to the employment of low-skilled youth, such as high labour costs.
- Encourage employers to continue or expand quality apprenticeship and internship programmes, including through additional financial incentives if necessary.

2. **Strengthen the long-term employment prospects of youth**

- Strengthen the education system and prepare all young people for the world of work. Too many young people leave the compulsory education system without an adequate level of skills:
  - 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.
- Strengthen the role and effectiveness of Vocational Education and Training (VET) in relation to both job specific skills and wider skills to promote employability:
  - 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.
- **Assist the transition to the world of work.** At all ages and stages education could do more to help prepare young people for the world of work:
  - Provide appropriate work experience opportunities for all young people before they leave education.
  - Provide good quality career guidance services with high quality information about careers and labour market prospects, to help young people make better informed 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.
- **Reshape labour market policy and institutions** to facilitate access to employment and tackles 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 disadvantage youth, intensive programmes may be required with a strong focus on remedial education, work experience and adult mentoring.

---

**QUESTIONS/ISSUES FOR CONSIDERATION:**

- Does your approach include attempts to boost jobs for young people or does it focus solely/largely on young people’s transition to work and access to the opportunities that already exist?
- How closely involved are employers and in what ways?
- What role does school, university and VET reform play in your approach?
4.5 OECD: LOCAL IMPLEMENTATION OF YOUTH GUARANTEES

The OECD LEED programme has recently reviewed the progress and effectiveness of Youth Guarantee type measures across the EU at the local level with a view to identifying emerging lessons. The study considers local involvement in action in 7 countries (Belgium, Denmark, Germany, Finland, Norway, Poland and Sweden), in each case examining two contrasting (one urban and one rural) localities in each country. The key lessons and recommendations are as follows:

• Ensure that localities have flexibility to tailor activity to local needs. ‘One size fits all’ is not appropriate.
• Deepen and broaden local partnerships to enable a ‘holistic’, pathways oriented approach so that there is strong alignment between services. Building trusting relationships is important and youth organisations should be consulted.
• Funding levels need to take account of the complex needs of some groups of young people in order to provide intensive support.
• The timing of interventions is an important determinant of success. Early intervention is desirable as is ongoing post placement support.
• More reliable data and indicators, on target groups, services and outcomes are required.
• The quality, as well as the quantity, of placements is important.
• Incentives for mobility can be important to ensure that opportunities in stronger labour markets can effectively be accessed by those living in areas with weak employment.
• Guaranteeing an opportunity for young people is one thing, a guarantee of a successful outcome, including that of a job, and ideally a quality and stable job, is quite another. This more bold offer is much harder to achieve but that is required if young people are to be a Job Generation.

Interestingly, this report makes virtually no mention of the role and importance of employers, though the OECD LEED’s wider study of Youth Employment does so. It is to this that we now turn.

4.6 THE OECD LEED PROGRAMME: LOCAL STRATEGIES FOR YOUTH EMPLOYMENT

The LEED programme also commissioned a series of case studies into youth employment in a range of localities (both inside the EU and outside it) during 2011-12 as part of their input into the OECD Skills Strategy and as a component of their ongoing project on Local Youth Employment Strategies.

Two sets of themes emerge from an analysis of these studies (OECD LEED 2013), notably the tools and approaches that are used AND the Governance arrangements employed.

With regard to tools, it is helpful to distinguish three different youth groups to enable targeting and appropriate action, in particular: 1. Those who are NEET; 2. Those who are poorly integrated new entrants; and 3. Those who are (potentially) good performers. The first group requires more of a focus on the foundation stages of education, action to reduce school drop-out, personalised support, action to raise aspirations and recognition of the value of informal learning. The second, needs the creation of pathways to assist career progression, making work more attractive and ensuring that the work is ‘decent’ and the employment practices good. The third, involves action to support young entrepreneurs, the development of transversal skills and action to combine training with work experience. In short, the heterogeneity of the group means that action needs to be tailored for, and appropriate for, the relevant group.

With regard to Governance arrangements, the barriers that young people face then are various and multi faceted and depend on their situation. Action is thus often required from a range of local and national agencies and bodies and their effective integration is essential for successful action. Joined up service delivery and a strategic approach are necessary.

Six key lessons in this regard from the case studies are:

• Put in place the right incentives and success measures to support collaboration and target action.
• Improve data and understand local skills supply and demand mismatch.
• Promote employer ownership and ensure that firms invest in their workforce.
• Adapt funding in the context of reduced public spending.
• Consider sectoral approaches to bringing stakeholders together to build career pathways and connecting youth to the local economy.
• Monitor implementation and evaluate success.

This shows the importance of going beyond action on the supply side to help make youth more ‘employable’
important though that it is. It identifies the local economy and employer practices and engagement as central as well as careful attention to the local governance arrangements that are put in place. How action is taken is as important as what action is taken.

4.7 The European Youth Forum (EYF)

The type of work that young people do is an important aspect of their employment experience. There is more to labour market success than getting a job, any job. The characteristics of that job are crucial to long term sustainable success.

What are the wages/pay level? Is the contract temporary/of fixed duration? Is there training? Is there possibility of progression to better paid, higher quality jobs? These are the issues addressed in EYF’s ‘Quality Jobs for Young People’ (2013). For example, 42% of young workers across the EU, if they have jobs, are on temporary contracts compared to 13% of adults. And they are twice as likely to have been hired through a temporary employment agency. Such work is more precarious and uncertain than ‘permanent’ employment with rights, holidays, sick pay and other working conditions often less generous, or not available at all.

The youth labour market is also characterised increasingly by self employment and the use in some countries, like the UK, of ‘zero hour contracts’. Furthermore, underemployment (where workers wish to work more hours than they actually do) is also on the increase, with 9 million workers underemployed on this measure and a quarter of time workers experiencing it (see also Blanchflower and Bell 2014, who show that in the UK 20% of young people in jobs are underemployed, a proportion greater than for any other socio-economic group, and up by a half since 2008.). Young people’s skills can also be underutilised in the workplace, with implications for job satisfaction and productivity: it is estimated that 1 in 3 workers in the EU are over or under qualified for their job, with young people more likely to be the former. The value of the minimum wage for young people also varies across the EU, where it exists.

It is thus unsurprising that almost 30% of European youth are deemed at risk of poverty or social exclusion (compared to 24% of people in general).

4.8 Recent European Level Research on Youth Employment: The IPPR, Work Foundation and McKinsey Reports

The Institute for Public Policy Research (IPPR) in UK (2013) provides a thorough assessment of the extent and nature of youth unemployment in the EU, with a particular empirical focus on the UK, Germany, France, Sweden, Netherlands and Spain. Their key insight is the explicit recognition that a successful transition from ‘school to work’ is determined by a range of factors and that these vary both across EU countries and sub groups of youth, thus creating a variegated picture of the youth employment experience. There is no ‘one size fits all’. The implications for policy and practice are important. The transition is driven by three sets of forces:

1. The education system: Low qualifications/skill levels are a major force in structuring youth labour market experience, so school drop outs/

QUESTIONS/ISSUES FOR CONSIDERATION:

- What is your city doing to identify, and design appropriate actions for, the range of youth in scope?
- What actions are being/could be taken to shape the local economy, labour market and employer behaviour to create more and better jobs for young people?
- What Governance arrangements work best in integrating actions and improving service delivery to both young people and employers?

QUESTIONS/ISSUES FOR CONSIDERATION:

- What action is being or could be taken to improve the quality of jobs available to young people?
- Can action be taken in co-operation with employers to improve the quality of existing jobs?
failure to complete compulsory education/certification is important. However, the numbers at risk in this way have been in long term decline. For those, on the other hand, who do complete compulsory education differences in VET systems are important. For example, in Germany and Netherlands youth perform better in the labour market if they have done a vocational course rather than a general/academic one, but the opposite is the case in Spain, France, Sweden and the UK, implying that these latter country’s VET systems are less successful. Moreover, size matters: in the Netherlands 70% of young people who are in upper secondary education are on vocational pathways compared to 36% in the UK.

2. The Labour Market: The shape of the economy and jobs market also affects youth employment. Similar changes in GDP do not lead to similar changes in youth employment across countries and the shift from manufacturing jobs combined with the decline in ‘middle’ jobs and growth of low end jobs in retail and hospitality have changed the pattern of job opportunities available. The growth of part time work for young people is also important though ‘under employment’ as a result can be significant e.g. half of young people in part time work in Sweden, France and Spain would rather be in full time work.

3. Policies: Patterns of labour market regulation/employment protection as well as the existence of a minimum wage (or not) and the availability and level of unemployment benefits for youth, all affect youth and employer behaviour. However, IPPR did not find a simple link between these and youth unemployment.

The conclusions to be drawn from the study can be summarised thus:

- It is important to focus on the transition from school to work in its entirety rather than being seen as a series of independent pieces of a jigsaw. Action needs to address the combined elements of education, the labour market/economy and existing policies.
- High levels of employer involvement are important but care needs to be taken as labour market change (as the nature of jobs has changed and has led to the risk of withdrawal of key employers and sectors from VET).
- Combining education and work experience is valuable.
- Assisting young people to stay in work is as important as moving them into work in the first place.

QUESTIONS/ISSUES FOR CONSIDERATION:

- How far are your city’s actions integrated across education (school, VET and University), labour market and economy wide elements?
- Are distinct groups identified and targeted with appropriate measures?

The Work Foundation Study (2013) examines particular aspects of four countries’ youth labour markets, where youth unemployment is low:

- In Germany a strong dual apprenticeship system can facilitate transitions between school and work.
- In Denmark the role of active labour market policies (ALMP) in limiting long term unemployment and thereby associated scarring.
- In the Netherlands, the labour market is characterised by high employment rates for young people, the majority of whom are on non-standard contracts and so looks at the role a flexible labour market.
- In Australia the ‘work for dole’ programme attempts to tackle the lack of work experience barrier.

A number of lessons can be drawn:

- A strong dual apprenticeship system can facilitate transitions between school and work. Several factors contribute to the success of the German model. These include its large scale and high quality training, high levels of corporatist involvement, recognised qualifications and sustained investment in research and development.
- Intervening early with Active Labour Market Policy can reduce the duration of unemployment. Expenditure on active labour market policies in Denmark is the highest among OECD nations. The Danish government has prioritised education over a ‘work-first’ approach for young benefit claimants who have not completed formal schooling. This is likely to
have reduced the length of time a young person remains on benefit and will have acted to limit the scarring effect associated with long-term unemployment.

- **The availability of part-time flexible employment opportunities supports high levels of youth employment.** The Netherlands’ youth labour market supports high levels of youth employment. Although concentrated in what is often labelled precarious work and in many cases ‘less desirable’ for many young Dutch people, these jobs act as stepping stones to permanent full-time contracts and can help young people gain work experience, develop human capital and build social networks. The level of involuntary part-time work in the Netherlands is very low and the government has acted to mitigate against the negative effects of non-standard employment contracts with increased employment protection, rights to training, wage guarantees, and supplementary pensions.

Potential policy responses include:

- **Policy measures to maximise engagement of large corporate in the apprenticeship system including in design and delivery.**
- **More local control and better co-ordination between agencies, authorities and government departments.** Denmark provides a good model for granting local authorities and job centres more autonomy.
- **Develop better integration between schools and the labour market** by allowing young people to experience a variety of employment opportunities. This could include developing a wide range of activities such as business mentors, experiences of different work environments, talks from business leaders, and visits to workplaces.

McKinsey (2014), based on an analysis of 2,600 employers, 5,300 young people and 700 education providers across 8 European countries, have usefully examined to what extent youth unemployment is primarily due to a **lack of jobs, a lack of skills or a lack of co-ordination.**

They also reviewed the main obstacles that young people face on their journey from education to work and what can be done about it. They also reviewed 100 programmes in 25 countries. Their intent was to provide the basis for an education to employment system ‘that works’.

They found that there is a shortage of jobs but also that youth have become relatively more disadvantaged over time as older people’s participation in the labour market has risen and their inexperience shows more. Interestingly, they do not point to another key driver of their changing labour market position, the significantly increased numbers of migrants in the labour market. They also find that youth unemployment co exists with high levels of employer skills shortages: employers are not getting the skills they need. This is most notable in terms of ‘work readiness’, with providers (74%) being much more confident that young people are ready for work than either employers (35%) or the young people themselves (38%). Further hurdles are the cost of post compulsory education; a lack of information on courses, notably on VET programmes, and careers; and a lack of soft skills including oral communication and work ethic. The system is failing to ‘connect’ education to employment effectively, especially to smaller employers. Segmenting both the employers and youths further helps to refine the ‘disconnects’ and thus potential solutions.

They **propose a series of ways in which the transition to work journey can be improved for the benefit of both young people and employers.** These include innovations in course design and delivery to make provision more accessible and affordable; a greater focus on work readiness through improved information and guidance and greater employer engagement through the curriculum and work placements; and better structures with fragmentation tackled through a ‘system integrator’ to oversee and coordinate the education to employment ‘highway’. Interestingly, they also argue that the EU has a critical role to play in three areas: information; mobility; and sharing good practices on better ‘matching’ demand and supply.
4.9 THE OECD AND EMPLOYER ENGAGEMENT

Strengthening employer engagement is also the theme of a recent OECD briefing (2013) as part of their skills strategy spotlight series. It examines the main barriers to employer engagement before setting out the priority areas for action to strengthen it, through actions by government and employers themselves. Priority actions for employers could include:

- Identify leaders and brokers who can raise awareness and promote skills investment within the SME community (e.g. sectoral skills councils, local business associations, chambers of commerce).
- Build quality apprenticeships which are valued by youth and employers alike.
- Offer more work experience, placements and internship opportunities.
- Employers, of all sizes, to play an active role in steering and actively supporting local skills development.
- Share concrete examples of good practice in employer-led skills investment.
- Leverage public funding for employer-led skills development to secure equivalent levels of sustainable business investment, while ensuring accountability for results.
- Ensure all young people have the basic foundation skills of literacy and numeracy.
- Promote excellence in vocational education and training (VET) through greater employer involvement to strengthen recognition, status, career pathways and bridges to higher education.
- Include employability as one of the performance measures for education and training institutions.

Priority actions for government could include:

- Clarify, simplify and stabilise government policy initiatives for skills development.
- Use public funding for employer-led skills development to secure equivalent levels of sustainable business investment, while ensuring accountability for results.
- Provide SMEs with targeted support, network opportunities and tailored services to address their skill needs (e.g. expert advice, simplified interfaces, one-stop shops).
- Focus on ensuring all young people have the basic foundation skills of literacy and numeracy, while setting targets and quality standards that are challenging and internationally competitive.
- Promote excellence in vocational education and training (VET) to strengthen recognition, status, career pathways and bridges to higher education.
- Include employability as one of the performance measures for education and training institutions.
- Clarify qualifications frameworks and make them intelligible and meaningful for employers.
- Allow local flexibility in education and training provision to meet the skill needs of local employers.

4.10 THE ILO: EMPLOYMENT RATHER THAN UNEMPLOYMENT

The ILO (2012) proposals for action on youth unemployment, interestingly focus on employment rather than unemployment. Though supply side measures are seen to be important, they emphasise the importance of job creation as the core ‘solution’. They call for the fostering of employment growth and decent jobs, for targeted demand side measures, public employment programmes, labour intensive infrastructure programmes, wage and training subsidies and other youth specific employment interventions. They also call for actions to explicitly engage the social partners and the building of partnerships to take effective action.

QUESTIONS/ISSUES FOR CONSIDERATION:

- How can employer engagement be increased and in what ways?
- What actions can be taken locally to stimulate demand and new job creation? and economy wide elements?
5. SOME LESSONS FROM EU PROGRAMMES

Here we look briefly at some of the projects, funded by URBACT and other EU programmes which are of relevance to the theme and extract some of the key lessons as well as identifying questions and issues for consideration.

5.1 URBACT

Of the URBACT networks with some focus on young people the lessons from JobTown, My Generation and My Generation at Work and ESIMeC would seem to be the most relevant:

The rationale behind JobTown is that the problem of youth unemployment does not only concern young people. It has general social, economic and political causes and repercussions and therefore needs to be treated as a structural problem. The network aims to explore what cities can most usefully do in order to support youth employment and opportunity creation.

The early findings from this network focus on the vital role of partnerships and offer hints and tips on how to create and run an effective partnership which will contribute to job creation for young people. They emphasise the importance of strategic vision, agreement on key themes, decisions on priorities and the development of action plans. They assess where partnerships often go wrong and look at different ways of structuring partnerships as well as offering some examples of what partner cities are doing. One of these - the Aviles Youth Commission (‘Empleáte Joven’ = ‘Employ Yourself Young Person’) uses informal learning techniques to explore - through the eyes of young people - some of the main themes and issues connected to youth employment. These include training, language skills, the relations between private companies and public administration and the quality of guidance services. If we look now at the two phases of My Generation, the first concluded that cities should use young people as co-creators and in so doing need to transform the ‘ecology of engagement’ and develop a comprehensive ‘Youth Policy Cityscape’. This would start with good practices in outreach and education would be increasingly tapping into the informal skills of the young to induce better motivation. There would be a better connection between further and higher education and employment. The Policy would be co-created with young people (and of course with other key stakeholders, too), and it would cover in a holistic way the whole landscape, or Cityscape, so that young people are offered the right support and possibilities at every transitional stage.

Building on the work of this first phase, a new network - My Generation at Work - was developed to focus more on employment. The focus has been on identifying the gap between education and the changed world of work and exploring the (currently inadequate) bridges to bridge the gap. The project promotes enterprising skills and attitudes, acknowledging that new jobs increasingly offer ‘hybridised’ roles which require ‘hybrid’ skills and attitudes. The project identifies three key thematic areas: enterprising curriculums, spaces and brokerage and aims to develop a new Youth Policy Cityscape on this basis.

1 It is important to note, that ‘enterprising’ in My Generation at Work refers to actively creating your skills, job and career, be it eventually working as an entrepreneur or a salaried worker (or both, or alternating, as happens more and more).
It uses the same social innovation spiral adopted by URBACT’s ‘Supporting Urban Youth through Social Innovation’ workstream (2012/13) to test new approaches through a series of ‘Go For It’ experiments or prototypes in partner cities. Several of these appear relevant to the More Jobs for Urban Youth work. Tampere (FI), Thessaloniki (GR) and Gdansk (PL) for example have GFI’s looking at **job creation through entrepreneurship**. In Antwerp, much of the focus is on **enterprising dialogue between employers and young people** and Glasgow (UK) and Rotterdam (NL) seem to be focusing on the overall youth policy (and practice) cityscape.

Within ESIMeC city partners, the Gävle (SE) Local Action Plan aims to **change attitudes of young people and adults towards education** to make it more relevant to the labour market. The city has developed and is implementing a series of interesting actions to meet this goal including extensive work to better engage employers of all sizes and sectors. In Basingstoke (UK) the URBACT Local Support Group members are trying to act as ambassadors of change, having started a number of initiatives to facilitate the transition of young people into employment in their own organisations.

Alongside these projects, there is also a series of networks looking at the economic potential of different sectors which may also be of interest to this workstream - these include URBACT Markets, Sustainable Food in Urban Communities, Gastronomic Cities and Creative Spin. These do not focus on jobs for young people per se, but as projects which explore job creation potential in Markets, Food, Gastronomy and Creative Industries they are worthy of note, particularly given the demand-side approach taken here. Interestingly, several of the cities involved in these projects are also considering the implications (and potential benefits) of their work for young people. In Barcelona (ES), for example (Lead Partner of URBACT Markets), ‘Youth Policies against Unemployment’ (2013) place real emphasis on job creation aiming to:
- Prioritise policies to promote economic and job creation, particularly aimed at young people
- Promote the creation and consolidation of companies in emerging sectors with high added value
- Award grants, in addition to tax incentives, to companies that hire (young) people
- Include recruiting young people as an evaluation criterion within the clauses for calls for tenders of the City Council

Turning now to ESIMeC, it is important to note that as a whole the project does not focus solely on young people. However, its **employer-led approach** seems particularly pertinent to the ‘More Jobs for Urban Youth’ work. Key messages from the first phase of the project include the importance of a whole system approach which integrates economic and workforce development agendas thereby creating a virtuous cycle which puts as much emphasis on employer ambition as on unemployment.

Brussels (BE) (Lead Partner of Sustainable Food in Urban Communities) is also exploring how young people might create or invent their own jobs as part of the city’s transition to a sustainable food system. Indeed, Brussels was also one of the winners in the European Social Innovation Competition (see others below) with a project which will facilitate and support urban farming in Brussels, with the aim of directly creating 6,000 direct jobs and an additional indirect 1,500 jobs.
Table 1. URBACT II networks of interest

<table>
<thead>
<tr>
<th>PROJECT TITLE</th>
<th>SUMMARY</th>
<th>FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>My Generation at Work</strong></td>
<td>Promotes the employability of young people in a changing labour market, with special focus on enterprising skills and attitudes</td>
<td>It aims to challenge the traditional concepts, notions and perceptions of the labour market and employment and develop a new approach built on co-creation - where young people are part of the solution and not just the problem</td>
</tr>
<tr>
<td><strong>JobTown</strong></td>
<td>Seeks to ensure that today’s youth become effective and successful members of tomorrow’s workforce, thereby making economies more dynamic, sustainable, innovative and competitive</td>
<td>The focus is on addressing structural youth unemployment and poor employment, by establishing Local Partnerships for the advancement of Youth Employment and Opportunities. Cities are engaging local stakeholders, to advance youth employment and opportunities, as an approach to the development and maintaining of a competitive and sustainable local economy</td>
</tr>
<tr>
<td><strong>EUniverCities</strong></td>
<td>Explores how to frame co-operation between city and university, and arrive at smart, ‘next-generation’ forms of city-university collaboration</td>
<td>The core idea behind the network is that more comprehensive types of collaboration and ‘co-creation’ will bring significant benefits for both sides, and will strengthen the position of the city as ‘knowledge-based’ city. The project asserts that University-cities are the key engines of Europe’s knowledge economy, and the prime loci of ‘smart growth’. They are ‘incubators’, attracting and educating talented young people in a crucial period of their life.</td>
</tr>
<tr>
<td><strong>Prevent</strong></td>
<td>Explores how workforce development and demand led skills provision can be the main drivers of a thriving local economy</td>
<td>Prevent proposes an innovative approach, where parents are considered as a key part of the solution to reduce early school leaving, and cities are seen as driving forces to create synergies, common understanding and develop concrete collaboration between stakeholders</td>
</tr>
<tr>
<td><strong>ESIMcC</strong></td>
<td>Explores how workforce development and demand led skills provision can be the main drivers of a thriving local economy</td>
<td>Having developed their Local Action Plans the 5 medium sized city partners are now working together in a delivery pilot network. The pilot is exploring what cities can do better to support LAP implementation. Key themes include Leadership, Stakeholder engagement and Governance; Employer Engagement; Measuring Results; (Quality) Job creation and Smart Financing. 2 of the LAPs include a focus on jobs for young people (Gävle and Basingstoke)</td>
</tr>
<tr>
<td><strong>My Generation</strong></td>
<td>Worked to identify effective local policies in three areas: giving disadvantaged young people more access to social services already in place in cities; creating bridges between training, education and the business world; and improving coordination among the various players and including young people in the decision-making process.</td>
<td>Focused on promoting the potential of the young in cities. The main areas of work included: (1) Developing new insights into the youth lifestyles and aspirations of the young (2) Fostering genuine youth involvement throughout the project (3) Providing positive activity and career alternatives (4) Promoting boundary crossing collaboration of various actors and services, particularly local communities, education, business and public officials (5) Developing and disseminating good practices of engagement and contact (6) Underpinning the above with effective and relevant local action plans and strategies</td>
</tr>
</tbody>
</table>
5.2 OTHER PROGRAMMES

There are numerous EU projects within other EU programmes which explore how best to prepare young people for the world of work - too many to consider here. Instead, this section pulls out a small number of projects which focus more on the job creation angle or the links between young people and employers.

Within INTERREG IVC, there are many examples of projects which support economic growth through e.g. innovation or the development of the knowledge economy along with several which support job creation through entrepreneurship. One of these - YES - focused on Youth Entrepreneurship - and aimed to contribute to European competitiveness and regional growth by developing an entrepreneurial mindset in the next generation. INTERREG’s own capitalisation work on entrepreneurship offers some interesting messages for the ‘More Jobs for Urban Youth’ work - particularly on entrepreneurship education:

• “Entrepreneurship education is a strategic tool to equip young people from the earliest age with enterprising competencies and the possibilities of a career in business”.

• “Entrepreneurship education creates a better workforce generally, instilling skills that are widely sought after by mainstream employers, such as teamwork creativity and problem-solving (increasingly referred to as ‘intrepreneurship’).”

Another INTERREG IVC project, which seem also to offer useful lessons for this work is SolidarCity (led by the Network of European Cities for Sustainable Development in Greece), which has explored the role of local and regional authorities in job creation and employment rate increase. Finishing in 2014, the project has produced a range of brochures and reports on the role of local authorities and partnerships in areas such as stimulating an enterprising culture and inward investment opportunities and considering job creation through social enterprise or town centre regeneration programmes. The project also cites a Time Bank model as a useful model through which (young) people can gain valuable confidence and experience.

Within the cross border programmes, one project of interest is Generation Balt (funded through the INTERREG IVA South Baltic Region Programme and including partners from Germany, Lithuania, Poland and Sweden).

The overall aim of the project is to better link maritime education with the changing job market so as to create a new generation of Baltic Sea workers. It has explored the shift in skills requirements in this sector from mainly manual and low level to knowledge based skills and worked with employers to develop new and better courses and curricula for young people seeking to enter the maritime economy. It explored the new skills needs of (and with) employers and found that alongside technical know-how, businesses were increasingly seeking workers able to think in an interdisciplinary way, to take a holistic view and with excellent soft skills. Alongside this it has developed a ‘match making’ platform to bring together students and employers (and universities and maritime companies). The long term aim is to better match supply and demand in the labour market.

The European Social Innovation Competition has also highlighted a number of city examples of what can be done to grow more and better jobs for young people and two which of the thirty shortlisted entries are highlighted here:

Jobs’R’Us - from Turin (IT) is based on the premise that each one of us can generate work opportunities for others in terms of needs identified, skills searched, quantity and quality of performance required. By combining such a unique insight with crowd-funding tools, the idea is that such job opportunities can become real jobs. Jobs’R’Us is a proximity crowd-sourcing and crowd-funding platform focused on local and extended needs, empowering citizens to invest in their immediate environment by generating local work and assigning it to local unemployed or under-employed people. Jobs’R’Us aims to create an ecosystem unlocking financial and human resources to generate job opportunities.

TaskSquad - Task Squad is a new micro-work platform from vInspired, the UK’s leading youth charity. It uses young people’s proven volunteering experience to make them stand out with employers who are looking for staff to fill short-term, flexible, paid jobs. The platform is mobile responsive website connecting young volunteers with paid micro-work opportunities at the click of a button, wherever they are. These could be small jobs, or short-term positions of two
hours to a week duration, posted by SMEs, charities and start-ups needing short-term resources. Task Squad gives young people the opportunity to apply their volunteering experience to access vital paid work experience, helping their future career choices and enabling them to become economically active as well as providing start ups, small businesses and charities access to bright, motivated and highly skilled young workers.

Finally, in this section looking at lessons from other EU programmes, the STYLE project (Strategic Transitions for Youth Labour in Europe) (Funded through FP7 and led by the University of Brighton (UK) appears interesting. STYLE aims to examine the obstacles and opportunities affecting youth employment in Europe. It includes 25 research partners, an international advisory network and local advisory boards of employers, unions, policy makers and NGOS from over 20 European countries. It explores a range of themes from the mismatch between education and work to the impact of migration and mobility, self employment, the role of the family and flexicurity.

STYLE started in March 2014 and will run until September 2017 so results are not yet available.

QUESTIONS/ISSUES FOR CONSIDERATION:

- To what extent is your city adapting its youth employment policies (or ‘youth policy cityscape’) to the new world of work?
- Are you, for example, considering the hybridisation of jobs and skills and the links between an entrepreneurial mindset and work?
- How is your city engaging young people and employers in the debate and brokering links between them?
- Does your city prioritise the employment of young people within its own contracts and operations?
The ‘more jobs for urban youth’ agenda is of great importance. Much of the focus of policy initiatives and debate is around ‘supply’ side measures to enhance employability, active labour market measures to ease movement from welfare to work and skills development to better meet labour market needs. This is not enough to seriously tackle youth unemployment.

The breadth (and length) of this ‘State of the Art’ and the long list of potential questions and issues which could be considered gives a small indication of the potential scope of this work. It does however seem that relatively little attention is paid to how to create more jobs for young people; how to ensure that these jobs are better, more productive and of higher quality; and how to engage employers more effectively in the whole process. And too often the intelligence/research we have on the youth labour market in cities is too limited to enable approaches to be developed which are most likely to be effective. The demand side is of great importance therefore and moreover joining it up better with supply side activity would provide a more coherent and integrated ‘offer’ to both young people and employers, to the benefit of both. This is why we focus on these issues in the URBACT workstream ‘Job generation’.

6. CONCLUSIONS

Throughout this paper we have sought to identify the many key issues and questions that arise from our review of a wide range of European wide material in order to inform the project deliberations, discussions of the core group, the evidence hearings and, ultimately, the project outcomes and final report.

This document informed the first discussions of the Core Group which took place on 14 and 15 July 2014. This meeting explored:

- **Title and key focus** for the work (acknowledging that, as it stands, it is not possible to cover all the themes included here) and agreed the following title **JOB GENERATION: What can cities do to grow jobs for young people**; and the focus on **Understanding the problem** and **Engaging employers (and young people)**.
- **Final (short) list of questions/issues** to be addressed and agreed the following:

**ISSUES AND QUESTIONS TO BE ADDRESSED:**

### Understanding the problem

- What is the nature of the youth (un)employment problem (in your city)?
- How much do we/you know about it?
- What do we/you know of the jobs that young people, who are employed, do (in your city)?
- Overall, how strong is your evidence base?
- What actions has (your city) taken to improve labour market intelligence and its use by employers, providers and labour market agencies?
- What governance arrangements work best/are needed to integrate actions and to provide a joined-up service to young people in the transition from school to work?
Whilst this will now be the focus of work, we would also hope to investigate any other innovative examples of what cities are doing to grow quality jobs for young people.

6.2 NEXT STEPS

Building on this ‘State of the Art’, further evidence will be collected from URBACT materials; the core group of experts and practitioners; some structured dialogue between cities, employers and young people and two evidence hearings. The URBACT Tribune - to be launched at Open Days in Brussels on 8 October - will include an article on each of the capitalisation workstreams and provide some initial thinking on each of the themes as well as some short examples of what is working in cities.

During September and October ‘thinkers’ and ‘doers’ from across the EU will be invited to give evidence to supplement this State of the Art and a list is attached at Annex 1.

This work will then be delivered through the Autumn of 2014 and early Spring of 2015 and final results of the work will be published in May 2015 at the URBACT City Festival in Riga, as part of the celebration of the end of URBACT II and start of URBACT III.

Engaging employers

- How can cities work with employers to grow the demand for local jobs which have a large youth workforce?
- How can employer engagement be increased and in what ways?
- How is your city engaging young people and employers in the debate and brokering links between them?
- What action is being or could be taken to improve the quality of jobs available to young people?
- Can action be taken in co-operation with employers to improve the quality of existing jobs?

ANNEX 1. LIST OF PEOPLE TO BE INVITED TO GIVE EVIDENCE

Robert Arnkil (Lead Expert, My Generation at Work)
Angels Chacon (Igualada)
Steve Bainbridge (CEDEFOP)
Celine Schroeder, Nantes (Chair of Eurocities Employment Working Group)
Peter Matjasic (European Youth Forum)
Pia Hellberg Lannerheim, Malmo (Vice Chair of Eurocities Employment Working Group)
Jonathan Greenhill (BIAC)
Jean Jacques Darrien, Nantes
Philippe Vanrie (EBN)
Furio Honsall, Udine
Zolton Kazatsay (DG Employment)
Noemi Danajka (Hungarian lead on Youth Guarantee)
Corrine Hermant De-Callatay (DG Regional and Urban Policy)
Bruno Garca de León, Cadiz
Elisabet Arp (WAPES)
Serena Foracchia (Reggio Emilia and President of Eurotowns)
Kirsten Panton (Microsoft)
Fabrizio Barbiero, Turin
Professor Jacqueline o’Reilly (Lead Partner of STYLE)
AN Other, Hungarian / Romanian / Polish city (to be confirmed, possibly Wrocław)
David Halabisky (OECD)
Ms Niina Immonen or Ms Mirja Taipale, Tampere
Corrine Natival (OECD)
AN Other (Camden Collective)
Glenda Quintini (OECD)
Guillermo Montt (OECD)

ANEX 27

URBACT II CAPITALISATION
REFERENCES

Blanchflower, D and Bell (2013) Under-employment in the UK revisited. NIER, May http://ner.sagepub.com/content/224/1/F8.full.pdf+html


## URBACT II Projects

<table>
<thead>
<tr>
<th>Projects</th>
<th>Issues Addressed</th>
<th>Lead Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Call Projects (2008-2011)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active A.G.E.</td>
<td>Strategies for cities with an ageing population</td>
<td>Rome - IT</td>
</tr>
<tr>
<td>Building Healthy Communities*</td>
<td>Developing indicators and criteria for a healthy sustainable urban development</td>
<td>Torino - IT</td>
</tr>
<tr>
<td>CityRegion.Net</td>
<td>Urban sprawl and development of hinterlands</td>
<td>Graz - AT</td>
</tr>
<tr>
<td>CoNet</td>
<td>Approaches to strengthening social cohesion in neighbourhoods</td>
<td>Berlin - DE</td>
</tr>
<tr>
<td>Creative Clusters</td>
<td>Creative clusters in low density urban areas</td>
<td>Obidos - PT</td>
</tr>
<tr>
<td>CTUR</td>
<td>Cruise Traffic and Urban Regeneration of port areas</td>
<td>Naules - IT</td>
</tr>
<tr>
<td>EGTC</td>
<td>Sustainable development of cross-border agglomerations</td>
<td>Mission Opérationnelle Transfrontalière - FR</td>
</tr>
<tr>
<td>FIN-URB-ACT</td>
<td>Small and medium enterprises and local economic development</td>
<td>Aachen - DE</td>
</tr>
<tr>
<td>HioR*</td>
<td>Cultural heritage and urban development</td>
<td>Regensburg - DE</td>
</tr>
<tr>
<td>HOTUS</td>
<td>Design coding for sustainable housing</td>
<td>University La Sapienza, Roma - IT</td>
</tr>
<tr>
<td>JESSICA 4 Cities</td>
<td>JESSICA and Urban Development Funds</td>
<td>Regional government of Tuscany - IT</td>
</tr>
<tr>
<td>Joining Forces</td>
<td>Strategy and governance at city-region scale</td>
<td>Lille Métropole - FR</td>
</tr>
<tr>
<td>LC-FACTIL</td>
<td>Implementing integrated sustainable urban development according to the Leipzig Charter</td>
<td>Leipzig - DE</td>
</tr>
<tr>
<td>LUMASEC</td>
<td>Sustainable land use management</td>
<td>University of Karlsruhe - DE</td>
</tr>
<tr>
<td>MLE*</td>
<td>Managing migration and integration at local level</td>
<td>Venice - IT</td>
</tr>
<tr>
<td>My Generation</td>
<td>Promoting the positive potential of young people in cities</td>
<td>Rotterdam - NL</td>
</tr>
<tr>
<td>Net-TOPIC</td>
<td>City model for intermediate/peripheral metropolitan cities</td>
<td>L'Hospitalet de Llobregat - ES</td>
</tr>
<tr>
<td>Nodus</td>
<td>Spatial planning and urban regeneration</td>
<td>The generalitat de Catalunya - ES</td>
</tr>
<tr>
<td>OPENCities*</td>
<td>Opening cities to build-up, attract and retain international human capital</td>
<td>Belfast - UK</td>
</tr>
<tr>
<td>REDIS</td>
<td>Science districts and urban development</td>
<td>Magdeburg - DE</td>
</tr>
<tr>
<td>RegGov*</td>
<td>Integrated policies and financial planning for sustainable regeneration of deprived areas</td>
<td>Dusburg - DE</td>
</tr>
<tr>
<td>REPAIR</td>
<td>Regeneration of abandoned military sites</td>
<td>Medway - UK</td>
</tr>
<tr>
<td>RuNUp</td>
<td>Strengthening potential of urban poles with triple helix partnerships</td>
<td>Gateshead - UK</td>
</tr>
<tr>
<td>SUITE</td>
<td>Sustainable housing provision</td>
<td>Santiago de Compostela - ES</td>
</tr>
<tr>
<td>UNCIT</td>
<td>Promoting innovation in the ceramics sector</td>
<td>Limoges - FR</td>
</tr>
<tr>
<td>URBAMECO*</td>
<td>Integrated sustainable regeneration of deprived urban areas</td>
<td>Grand Lyon - FR</td>
</tr>
<tr>
<td>Urban N.O.S.E.</td>
<td>Urban incubators for social enterprises</td>
<td>Gela - IT</td>
</tr>
<tr>
<td>WEED</td>
<td>Promoting entrepreneurship for women</td>
<td>Celje - SI</td>
</tr>
<tr>
<td><strong>2nd Call Projects (2009-2012)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Travel Network</td>
<td>Promoting walking and cycling in small and medium-sized cities</td>
<td>Weiz - AT</td>
</tr>
<tr>
<td>CASH*</td>
<td>Sustainable and affordable energy efficient housing</td>
<td>Echirillos - FR</td>
</tr>
<tr>
<td>ESIMEC</td>
<td>Economic strategies and innovation in medium-sized cities</td>
<td>Basingstoke and Deane - UK</td>
</tr>
<tr>
<td>EVUE</td>
<td>Electric Vehicles in Urban Europe</td>
<td>Westminster - UK</td>
</tr>
<tr>
<td>LINKS</td>
<td>Improving the attractiveness and quality of life in old historical centres</td>
<td>Bayonne - FR</td>
</tr>
<tr>
<td>OP-ACT</td>
<td>Strategic positioning of small and medium-sized cities facing demographic changes</td>
<td>Leoben - AT</td>
</tr>
<tr>
<td>RomaNet*</td>
<td>Integration of the Roma population in European cities</td>
<td>Budapest - HU</td>
</tr>
<tr>
<td>SURE</td>
<td>Socio-economic methods for urban rehabilitation in deprived urban areas</td>
<td>Eger - HU</td>
</tr>
<tr>
<td>TOGETHER</td>
<td>Developing co-responsibility for social inclusion and well-being of residents in European cities</td>
<td>Mulhouse - FR</td>
</tr>
<tr>
<td><strong>3rd Call Projects (2012-2015)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4D Cities</td>
<td>Promoting innovation in the health sector</td>
<td>Izguadiz - ES</td>
</tr>
<tr>
<td>CityLogo</td>
<td>Innovative city brand management</td>
<td>Utrecht - NL</td>
</tr>
<tr>
<td>Creative Spin</td>
<td>Cultural and Creative Industries</td>
<td>Birmingham - UK</td>
</tr>
<tr>
<td>CSI Europe</td>
<td>Role of financial instruments (Jessica Urban Development Fund) in efficient planning</td>
<td>Manchester - UK</td>
</tr>
<tr>
<td>ENTER.HUB</td>
<td>Railway hubs/multimodal interfaces of regional relevance in medium sized cities</td>
<td>Reggio Emilia - IT</td>
</tr>
<tr>
<td>EUFreCITIES</td>
<td>Partnerships between cities and universities for urban development</td>
<td>Delft - NL</td>
</tr>
<tr>
<td>Jobtown</td>
<td>Local partnerships for youth employment opportunities</td>
<td>Cesena - IT</td>
</tr>
<tr>
<td>My Generation at Work</td>
<td>Youth employment with focus on entrepreners skills and attitudes</td>
<td>Rotterdam - NL</td>
</tr>
<tr>
<td>PREVENT</td>
<td>Involving parents in the prevention of early school leaving</td>
<td>Nantes - FR</td>
</tr>
<tr>
<td>RE-Black</td>
<td>Renewing high-rise blocks for cohesive and green neighbourhoods</td>
<td>Budapest XVIII District - HU</td>
</tr>
<tr>
<td>Sustainable Food in Urban Communities</td>
<td>Developing low-carbon and resource-efficient urban food systems</td>
<td>Brussels Capital - BE</td>
</tr>
<tr>
<td>URBACT Markets</td>
<td>Local markets as drivers for local economic development</td>
<td>Barcelona - ES</td>
</tr>
<tr>
<td>USEACT</td>
<td>Re-utilizing existing locations to avoid land consumption</td>
<td>Naules - IT</td>
</tr>
<tr>
<td>USER</td>
<td>Involving users and inhabitants in urban sustainable planning</td>
<td>Agglomération Grenoble Alpes Metropole - FR</td>
</tr>
<tr>
<td>WOOD FOOTPRINT</td>
<td>Local economic development through the (re)use of brownfield and buildings of the wood furniture sector</td>
<td>Pocos de Ferreira - PT</td>
</tr>
</tbody>
</table>

### PILOT Projects (2013-2015)

<table>
<thead>
<tr>
<th>Projects</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diet for a Green Planet</td>
<td>Cooperation to align eating habits for an ecologically sustainable development.</td>
</tr>
<tr>
<td>ESIMEC II</td>
<td>Economic strategies and innovation in medium sized cities</td>
</tr>
<tr>
<td>EVUE II</td>
<td>Electric Vehicles in Urban Europe</td>
</tr>
<tr>
<td>Gastronomic Cities</td>
<td>Promoting gastronomy as a key urban development</td>
</tr>
<tr>
<td>Genius: Open</td>
<td>Creating innovative solutions to city challenges via an en-lne collaborative platform</td>
</tr>
<tr>
<td>Healthy Ageing</td>
<td>Cities’ action for an active and healthy ageing</td>
</tr>
<tr>
<td>PlaceMaking 4 Cities</td>
<td>Useful public spaces instead of nice public spaces</td>
</tr>
<tr>
<td>RomaNet II</td>
<td>Integration of Roma populations</td>
</tr>
<tr>
<td>TUTUR</td>
<td>Temporary use as a tool for urban regeneration</td>
</tr>
</tbody>
</table>

*Fast Track Label
URBACT is a European exchange and learning programme promoting integrated sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, re-affirming the key role they play in facing increasingly complex societal changes. URBACT helps cities to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT II comprises 550 different sized cities and their Local Support Groups, 61 projects, 29 countries, and 7,000 active local stakeholders. URBACT is jointly financed by the ERDF and the Member States.