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# Pathways to Work

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The implementation of the  
EU Council  
Recommendation for a  
Youth Guarantee

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Ireland

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# ***Youth Guarantee Implementation Plan***

## ***Ireland***

### **0. Introduction**

During the Irish Presidency of the EU in early 2013, the EU adopted a Council Recommendation to Member states on a youth Guarantee. The Recommendation encourages Member states to:

*“ensure that all young people under the age of 25 years receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education”*

The purpose of this document is to describe how Ireland intends to set out on the phased implementation of the Recommendation in 2014 and subsequent years.

It uses the headings and follows the structure in the template suggested by the EU Commission.

### **1. Context**

#### **1.1. Youth unemployment – recent trends and prospects**

Ireland suffered a major employment shock in the recession that followed the financial crisis of 2008. In the period 2008 – 2012 employment levels fell by about 340,000, or 16%, from just under 2.2m to just over 1.8m. This led to an increase in unemployment levels of over 220,000, from 107,000 to a peak of about 328,000 – a threefold increase. The overall unemployment rate increased from less than 5% to about 15% in early 2012; it has fallen somewhat since then, to 12.8% in the third quarter of 2013.

In relative terms the reduction in youth employment levels was more pronounced than for the working age population generally. The number of people aged 15 – 24 in employment fell by nearly 60%, accounting for over 210,000 of the overall reduction of 340,000; there were just 147,000 young people in employment at the start of 2013. The level of youth employment appears to have stabilised and begun to grow again in the recent past, showing a year-on-year increase of about 3,000 to reach 167,000 in the third quarter of 2013.

The increase in youth unemployment levels was not as pronounced as for the population generally, with unemployment increasing by 45,000 from about 38,000 to a peak of about 83,000. The smaller increase in youth unemployment in the face of such a large employment decline reflected a reduction in the young adult population. This was due in

part to out-migration, but the low birth rates in the late 1980s/early 1990s, have also had a significant impact in reducing the size of the young adult population in recent years. In addition more young people have taken up opportunities to stay on in education, this reduced the labour force participation rate of young people from 53% to 45%. The combination of these factors saw the number of young people participating in the labour market fall by about 110,000 between 2008 and 2012.

The youth unemployment rate, having averaged about 9% in 2005-2007, nevertheless rose sharply to reach a peak of 33% in mid-2012, before falling slightly to average 28% in the first nine months of 2013. The youth unemployment ratio<sup>1</sup> rose from a typical level of less than 5% in the years 2005-2007 to average over 12% in both 2011 and 2012; this ratio has also shown a slight fall in 2013, to 11%.

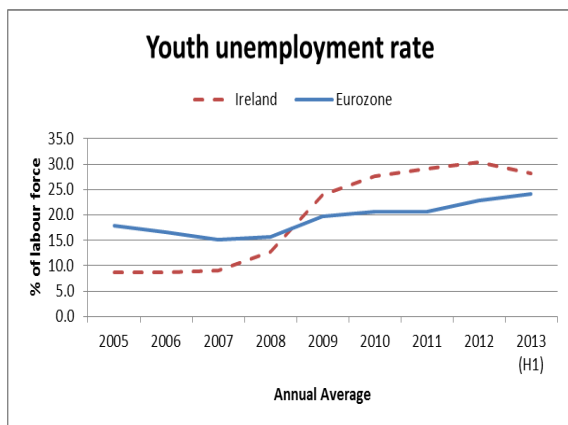


Diagram 1(a)

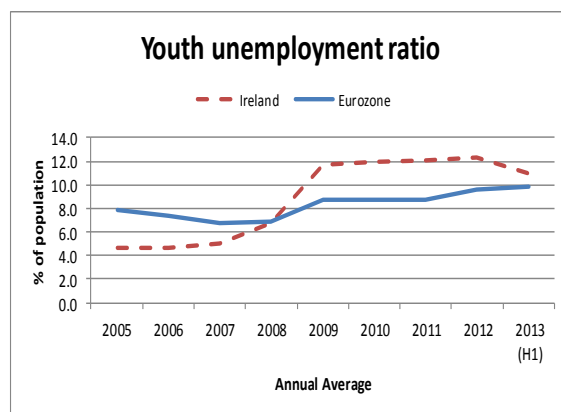


Diagram 1 (b)

These trends brought both the Irish youth unemployment rate and ratio from below the Eurozone average in the earlier years to significantly above average in the later years, as shown in Diagram 1 (a) and (b). The Irish position has however improved somewhat relative to the Eurozone average over the last year.

The fall in the unemployment rate has seen the number of young people out of work fall to an average of just under 60,000 in 2013 to date. The prospects for the next few years are for a continuation of the recent fall in youth unemployment. Overall, the Department of Finance is projecting that the unemployment rate will fall from an average of 13.5% in 2013 to 11.4% in 2016. Youth unemployment tends both to rise and fall more rapidly than overall

<sup>1</sup> The unemployment rate for young people can be heavily influenced by variations across countries in the balance between participation in education and in the labour force. The unemployment *ratio* – which measures the proportion of the population (as opposed to the labour force) who are unemployed – is not affected by this, and can therefore be useful in cross-country comparisons.

unemployment. With a fall in overall unemployment on the scale foreseen, the youth unemployment rate would be likely to fall from its current level of 28% to somewhere in the range 21-23% by 2016. Given demographic and participation trends, this would see the absolute number of young unemployed fall to about 44,000 on average in 2016 assuming no change in policy.

### **1.2. Main current features of youth unemployment**

Unemployment rates for young men and women were similar, at approximately 10%, at the beginning of the downturn. The initial rise in youth unemployment was much more rapid for males than for females, reflecting the particular problems of the construction industry. The resultant gap in the unemployment experience of young men and women remained wide for several years but has begun to narrow over the last year; the average unemployment rate for young men in 2013 to date is 31% as compared with 24% for young women. About 60% of all the young unemployed are male.

As high unemployment has persisted, the duration of unemployment has tended to increase, for young people as well as those in older age groups. Less than 20% of the young unemployed in mid-2008 had been out of work for a year or more; in early 2013 over 41% of the young unemployed were long-term unemployed. While this is less than the percentage for older age groups (62% and 69% respectively for the 25-44 and 45+ age groups), it is still very high from a historical perspective. It is also particularly concentrated among males, who account for 69% of the young long-term unemployed.

The unemployment rate is higher for teenagers (at 37% in 2013 to date) than for those aged 20-24 (25%). However, this reflects the rather small number of teenagers who are actually in the labour force – the vast majority of teenagers are still engaged full-time in education. The unemployment ratio for teenagers is about 6%, as compared with 16% for those aged 20-24, and teenagers, as a result, account for little over a quarter of all the young unemployed; only about 5% are aged under 18 years.

Unemployment is higher for young people with lower levels of qualification, and their labour force participation is below that of those with higher qualifications. Over recent quarters, the unemployment rate for those aged 20-24 with no more than lower secondary education has been over 50%, as compared with about 30% for those with higher secondary education and 20% for third-level graduates. Those with the lowest level of qualifications make up 10% of the labour force in this age range, but for 20% of the unemployed; graduates account for 30% of the labour force but for 20% of the unemployed.

### **1.3. Young people not in employment, education or training**

One aspect of the EU discussion on the youth guarantee is a focus on persons described as “not in employment, education or training” (NEET). A note on how this measure reflects the situation of young people in Ireland is attached at Annexe 1 to this plan. In summary:-

- Overall the NEET rate reported for Irish people aged 15-24 is 18%. However, when those describing themselves as students and the unemployed are excluded from this figure, “inactive” NEETs account for about 3% of the young population – the “inactive” NEET rate for those aged under 18 is less than 1%, and 4% for those aged 18-24.
- Among inactive NEETs aged 18-24, almost 60% are carers – primarily young women aged 22-24 who describe themselves as looking after children. A further 20% describe themselves as disabled. Excluding these groups, “other” inactive NEETs account for approximately one half of 1% of the young adult population aged 18-24.
- In relation to those aged 18-24, the vast majority of non-student NEETs are identified as unemployed. Data on the young unemployed registering for welfare payments indicate, in turn, that the vast majority of the young unemployed aged 18-24 do in fact register for such payments.

#### **1.4. Outcomes for young people registering as unemployed – recent data and prospects**

In the full year 2012, there were some 66,000 new registrations by young people that led to the award of jobseekers’ welfare payments. Approximately one seventh of new jobseekers’ claims from young people related to compensation for partial unemployment from people who, while working, were under-employed. The number of wholly-unemployed new claimants was just over 56,000.<sup>2</sup>

As shown in Diagram 2, in about 20,500 of these cases, the young person exited from unemployment within four months, leaving 35,500 (64%) still unemployed at that stage. A further 12% of claimants exited from unemployment in months 4 and 5, so that 51% or 29,000 remained unemployed after 6 months. The proportion still remaining unemployed after 10 months of a spell of unemployment was 35%.

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<sup>2</sup> A further 10% of young wholly-unemployed claimants in 2012 went on to do part-time work at some stage during their claim.



Diagram 2

Of the 20,500 who left unemployment within 4 months, about 8,500 indicated that they had found work, and it is estimated that a further 2,000 found work but did not inform the PES of this. About 5,300 took up education, training and work experience places. About 1,300 migrated out of the country. Almost 1,000 had some part-time or casual work during their unemployment spell.

Data for the year to date suggest that the number of young people becoming newly unemployed will fall substantially in 2013, to about 49,000, with the number remaining unemployed after 4 months falling to about 31,000. A further fall in inflows to unemployment, and in the numbers remaining unemployed for 4 months or more, seems in prospect for 2014.

### 1.5. Overview of current post-secondary provision of initial vocational education and training

The experience of young people who become unemployed needs to be seen in the context of overall outflows from education into the labour market and/or to further and higher education.

In Ireland, as recognised by the OECD and others, there is high level of institutional provision for school leavers. In broad terms, approximately 60,000 young people leave second-level education each year at present. About 8,000 of these leave before completing upper secondary, although this figure includes those who leave to attend non-state aided post-

primary education and those who emigrate with their families. A significant proportion of the remainder enter various forms of second-chance education and Ireland's early school leaving rate is well below the European average.

About 52,000 complete upper secondary, of whom 32,000 go on to third level studies, which typically last 3-4 years, and 13,000 enter vocationally-oriented further education courses of 1-2 years' duration. A further proportion finds training as apprentices – though the number here has fallen from an average of close to 8,000 each year prior to 2007 to about 1,500 in 2013.

Given the strong institutional provision a large majority of young people leaving the general second-level education system either avail of second chance opportunities or go on to further and higher education or training rather than entering the labour market directly. This is elaborated further in section 2.3.

## 2. Implementing the Youth Guarantee

The approach to a youth guarantee for Ireland must take account of the current institutional structure -- most specifically in terms of the transition from education to working life and the way in which the benefits system and public employment service engages with the young unemployed. It is therefore proposed to identify two separate groups of young people to whom the concept of a guarantee will operate in different ways.

### 2.1. Formulation of the national Youth Guarantee

It is proposed that the guarantee should be formulated as follows:

- a) Young people under the age of 18 years, who have left the school system without completing secondary education, and who have failed to find employment, will be provided with a quality 'second-chance' educational /training pathways outside the school system such as Youthreach or be supported in re-entering the school system
- b) Young people aged 18-24 years who become unemployed (whether on loss of a job or while seeking a first employment) and register with the benefits/employment service, and who subsequently remain unemployed for four months, will be provided with assistance to secure work or alternatively with a quality offer of training, education or work experience.

Achieving these targets will be a medium-term policy objective of the Irish government. It is envisaged that

- The guarantee as it affects those aged under 18 years will be implemented within 2 years, i.e. by the end of 2015.
- The guarantee of an offer of training, education or work experience for those aged 18-24 years after a four month period should be implemented on a phased basis as follows:
  - Starting in 2014, and for completion by the end of 2014, processes and programmes will be progressively rolled out to ensure that all of those young unemployed people who need most support (i.e. are assessed as having a low probability of securing employment in the absence of support from the Public Employment Services) will receive a Youth Guarantee offer within four months.
  - Starting in 2014 – and for completion by the end of 2015 processes and programmes will be progressively rolled out to ensure that all those young unemployed people assessed as having a medium-to-high probability of



finding employment will, if still unemployed after nine months, receive a Youth Guarantee Offer

- During 2014 – 2015 all long-term unemployed young people under 25 will be engaged by the Public Employment Service and will receive a Youth Guarantee offer if still unemployed after four months of this engagement process commencing.
- The operation and coverage of the Youth Guarantee offer described above will be reviewed before the end of 2015, in the light of developments in the economy and in the labour market. Should the labour market situation of young people improve during this period the review will examine opportunities to broaden and deepen the level of supports offered in respect of those young people who continue to be unemployed.

## **2.2. Partnership approaches**

### **2.2.1. Co-ordinating Organisation; National Partners**

The Department of Social Protection (DSP) has been identified as the lead co-ordinating organisation for the youth guarantee, and as the central point for communication with the European Commission in relation to the guarantee in Ireland. The Department has responsibility for the Public Employment Service, activation of the unemployed and the payment of social welfare payments to jobseekers. These three services were previously provided by separate agencies but are now integrated within the Department and are provided under the service name – *Intreo*.

The Department delivers activities to promote active participation in society through the provision of income supports, employment services and other services for a wide range of clients. The functions of the Department which have relevance to the Youth Guarantee are to:

- Advise Government and formulate appropriate social protection and social inclusion policies;
- Design, develop and deliver, via *Intreo*, effective and cost efficient income supports, activation and employment services, advice to customers and other related services;
- Ensure that the payment of income supports to young people who do not have a job is directly linked to the equally important task of encouraging and

supporting such young people in the pursuit of employment and related opportunities and improving their life chances;

- Provide a range of employer services via *Intreo*, including recruitment services, online vacancy publication, recruitment incentives (e.g. JobBridge, JobsPlus)

The main partner bodies, working alongside DSP, in the central administration will be:-

- the Department of Education & Skills (DES), and its relevant agencies including SOLAS (see below ) and the Higher Education Authority. DES has statutory responsibility for the funding provision and content of education and training programmes;
- the Department of Jobs, Enterprise & Innovation (DJEI), responsible for job creation strategies which will provide jobs for young people, including through the promotion of entrepreneurship ;
- the Department of Children & Youth Affairs (DCYA), responsible for state policy and provision on youth work services, and for securing good educational and welfare outcomes for young people through the National Educational Welfare Board (NEWB);
- Department of Public Expenditure & Reform (DPER), responsible for overseeing exchequer funding and ensuring that Youth Guarantee-related programmes will be thoroughly evaluated and will provide value for money.
- SOLAS, the new Further Education and Training Authority in Ireland. It is responsible for funding, planning and co-ordinating training and further education programmes for delivery through regional Education and Training Boards (ETBs). DSP can act as a broker between unemployed clients and Solas and has a significant input into the planning of programmes co-ordinated by Solas. Solas will be responsible for developing an FET Strategy and for monitoring its implementation.

Other national partners to be invited to participate in the delivery and/or review of the Youth Guarantee include

- The Irish Business & Employers' Confederation (IBEC)
- The Irish Congress of Trade Unions (ICTU)
- The National Youth Council of Ireland (NYCI)

- The Irish Local Development Network (ILDN) – the representative body of Local Development Companies, who *inter alia* run the Local Employment Service (LES) in areas of high disadvantage
- The newly established Labour Market Council (LMC) a council composed of senior business leaders, senior academics, representatives of employers and trade unions and other advocacy groups.
- Skillnets – An employer sponsored and state funded not –for –profit organisation focussed on the development and delivery of workplace training programmes including training programmes for unemployed jobseekers.
- Business In the Community (BITC) – An employer led association which promotes Corporate Social Responsibility initiatives among employers.
- Chartered Institute of Personnel and Development – The representative and professional development body for the HR community in Ireland and the UK.

### **2.2.2. National Partnership model**

While DSP is the lead organisation for the Youth Guarantee and has a central role in its delivery, the design and delivery of the Irish Guarantee is, and will be, through the co-operation of all of the relevant stakeholders listed above. Ultimately, the intent is to ensure that there is an improved partnership approach to service provision across all organisations which will release synergies that would have otherwise have lain dormant in the absence of a co-ordinated response. The partnership model will be realised at both the macro (national policy formulation) and micro (local delivery) level.

In order to integrate these partners into the process the national Youth Guarantee model proposed in this paper was developed through a consultative/collaborative process as follows:

First, In order to develop and implement a Youth Guarantee, DSP has set up an interdepartmental Youth Guarantee Implementation Group with officials and programme managers from the government departments mentioned above. The terms of reference for this group are to review the current range of youth employment services in Ireland, to assess what measures are appropriate to deliver the Youth Guarantee in Ireland and to develop this implementation plan for approval of Government and transmission to the EU.

Second, In order to get non-governmental input into the Youth Guarantee implementation plan the Department of Social Protection held an open Youth Guarantee stakeholders’

consultation forum in October 2013. In addition, DSP invited and received a number of submissions from interested stakeholders. The Department also consulted with a body representing senior Human Resources executives from a cross section of Irish Industry and presented to and invited feedback from a cross-party parliamentary committee composed of members from both houses of parliament.

Third, the Department retained the OECD to provide input to, and advice on, the framing of the plan (the OECD is also providing assistance to a number of other countries). As part of this process a delegation from the OECD met with stakeholders at the aforementioned forum as well as with a range of relevant public bodies.

Fourth the LMC has been consulted and has agreed to review progress made on the delivery of the guarantee based on key performance metrics such as uptake/coverage levels, costs, outcomes, and progression.

### **2.2.3. Local Partnership – Local Delivery Model**

Ultimately, the youth guarantee will involve a mix of initial assessment, career guidance and planning, education and training or work experience, aimed at increasing the capacity of the young people to access employment. This will not be realised at a local level without both co-ordination and partnership between the public service agencies and local businesses and community groups. Hence, the approach at a national level will be mirrored at local level by the direct involvement of the local representatives of the national stakeholders.

In the case of the 18-24 age group, the natural co-ordinator at a local level will be the DSP, or more specifically the local PES (*Intreo*) office. The *Intreo* Office is the PES ‘one-stop shop’ and is the nexus of the radical restructuring of Ireland’s labour market activation policy. It is therefore the appropriate vehicle for the delivery of the Youth Guarantee both from a logistical and a reform perspective. The *Intreo* Office will provide the point of entry for most young people entering the Youth Guarantee process, and its referral function will ensure the involvement of other stakeholders, such as employers, training/education providers such as the ETBs, and in the case of the most disadvantaged young people/areas the LES and other community and voluntary groups.<sup>3</sup> The detail of how this process will work in practice is outlined below in sections 2.3-2.4.

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<sup>3</sup> One model of stakeholder involvement at the local level is being tried out under the pilot YGS being implemented in the Ballymun area of Dublin; lessons from this pilot will inform stakeholder involvement in other areas of the country as this implementation plan is rolled out.

## **2.3. Early Intervention and Activation**

### **2.3.1. Persons under 18 Years of age**

Ireland's level of early school leaving has fallen consistently over many years. Significant additional resources are targeted at schools in areas of concentrated disadvantage through the Department of Education and Skills *DEIS* Programme. This is supported by the National Education Welfare Board's Home / School / Community Liaison scheme (HSCL), the School Completion Programme (SCP) and the Educational Welfare Service (EWS). Measured as the proportion of the population aged 18-24 having completed no more than lower secondary education and not in education or training, the early school leaving rate is 9.7% (source: Eurostat). This is below the EU average of 12.8% and the EU target level of 10% set in ET 2020 – the EU's Strategic Framework for Education and Training. Ireland has set itself a national target of 8% for early school leaving.

As noted in Section 1 above, approximately 8,000 young people leave school each year without completing upper secondary education.

Administrative data matched by the Department of Education and Skills identify the vast majority of these (77%) as being in employment or in private or second-chance education/training, rather than being inactive, in the period after they leave school. A further 7% show some social welfare activity, presumably on having reached age 18 shortly after leaving. Finally, the remaining 17% (1.6% of 18 – 24 years) did not appear in the datasets used in the matching process; these young people are not necessarily inactive as there will have been some family emigration and seasonal employment abroad.

An analysis of survey data on young people aged 15-17 also supports this view, with almost all of those identified by the NEET measure (not in employment and not engaged in education and training in the last 4 weeks) still reporting themselves as "students". This suggests that many identified by the measure are continuing their full time studies but have not been engaged in education or training in the weeks prior to being surveyed.

Overall there does not appear to be a deficit in education and training provision for the under 18s. All can benefit from the universal offer of free post-primary education, and there is widespread provision of second-chance education and training opportunities for those who do not complete post-primary education and fail to find employment.

Good local arrangements exist to work with potential early school leavers and those who do leave school early, in order to provide a bridge and introduction to "second-chance" opportunities in Youthreach and Community Training Centres. However, these arrangements tend to be informal, and may not therefore deliver the Youth Guarantee in the systematic manner envisaged.

Accordingly, in order to deliver the Youth Guarantee, a system will be developed and implemented to ensure that all post primary schools give contact details for early school leavers to the relevant Education and Training Board for early follow up on alternative

education and training options. In this regard Youth Work approaches can be useful in identifying young people who might benefit from second-chance options, and in enhancing the service provided under those options.

## **2.3.2. Unemployed people aged 18-24**

### **2.3.2.1. Background**

Ireland's activation policy is set out in the Pathways to Work strategy which was launched in 2011 and updated in 2013.

'Pathways to Work' has five strands:

- more regular and on-going engagement with people who are unemployed
- greater targeting of activation places and opportunities
- incentivising the take-up of opportunities
- incentivising employers to provide more jobs for people who are unemployed, and
- reforming institutions to deliver better services to people who are unemployed.

These strands aim to ensure that persons do not remain on the Live Register for lengthy periods without an appropriate offer of assistance from the State. In return, individuals are aware of their responsibility to commit to job-search and/or other employment, education and training activities or risk losing welfare entitlements. Together, the five strands of 'Pathways to Work' present a coherent and effective transformation of Ireland's labour market activation policies which is manifest in the roll-out of the new *Intreo* employment/income support services offices.

### **2.3.2.2. Engagement Process for Newly Unemployed Young People:**

Currently our engagement process with persons signing on our live register is defined by our Pathways to Work Model as set out in Annexe 2. This model is designed to focus our scarce employment services/activation resources on those new entrants to unemployment who are at greatest risk of becoming long-term unemployed. The allocation of resources is determined by our profiling system which, informed by statistical analysis of progression outcomes, computes the probability of a person exiting the unemployment register within a year (PEX score – See Annexe 3). The intensity and nature of engagement with any individual jobseeker is differentiated based on the PEX score with earlier and more intensive engagement being given to those with a lower PEX score.

### 2.3.2.3. Initial engagement

The intervention and activation process governing the Youth Guarantee will essentially be a tailored version of this Pathways to Work activation model with a greater focus on early engagement for all younger job-seekers compared to job-seekers in other age categories.

For the 18-24 group the engagement process will begin when they register for welfare/employment supports at their local PES (*Intreo*) office and are awarded a job-seeker's payment.<sup>4</sup> At registration they will then be profiled using our profiling system. At this point they will also sign a Record of Mutual Undertakings/ Commitment which will be modified specifically for this target group to reflect the fact that as they are being prioritised for intervention they are expected to offer a higher level of commitment.

The engagement process will then differ depending on the person's PEX score. For under 25s with a low-to-medium PEX, they will attend a Group Engagement session within 2 weeks, followed immediately (**within days**) by a one-to one/person-to-person (1-2-1) interview with a case officer. This differs from the current approach (Annexe 2) where persons with a medium PEX may have to wait 2 -3 weeks for a 1-2-1 interview.

Young Jobseekers with a high PEX (i.e. they are more likely to become employed) will also receive Group Engagement within 2 weeks of registration (subject to there being sufficient numbers in the relevant area). They will then have a follow-up 1-2-1 if still unemployed after **four** months – currently the waiting period for a 1-2-1 interview for jobseekers categorised as high-PEX is six months.

A Personal Progression Plan (PPP) will be agreed between the young person and the case officer. The PPP will be developed during the 1-2-1 interview process. The case officer will, depending on the individual, provide support in some or all of the following

- Basic assessment of work experience, skills and competencies
- Job Search/Matching (including work experience and internship opportunities)
- Registration with JobsIreland.ie and other jobs websites
- CV and interview skill development (via job clubs)
- Certification for eligibility for JobsPlus

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<sup>4</sup> The data in Annexe 1 indicate that this approach will reach the vast majority of the young inactive, and particularly of those with the most severe labour-market difficulties. Where there are indications that there are any significant groups of young people in difficulty not covered in this way, alternative ways of reaching these young people (e.g. through Youth Work approaches) will be explored.

- Application for Back to Work Enterprise Allowance (BTWEA.)
- Referral to County Enterprise Boards/LEOs for start-up advice and training (including assistance in applying for micro-credit loans from Micro Finance Ireland (MFI) ).
- Course selection and referral
- Application for Back to Education Allowance (BTEA)/ Part-Time Education Option (PTEO)
- Application for an international mobility offer (under EURES)

#### **2.3.2.4. Follow-Up Process**

The follow-up process will involve **monthly** 1-2-1 meetings from registration until the young person exits unemployment or commences an activation/training intervention. These monthly meetings will allow for review, and if necessary modification, to the young person's PPP.

This process will differ from the standard activation process currently in place where there is a 2-month interval between 1-2-1 follow-up meetings for people with low PEX scores and a 3 month interval for those with medium/high PEX scores.

A further 1-2-1 meeting will be scheduled following completion of intervention at which the PPP will be reviewed and modified as appropriate.

#### **2.3.2.5. Record of Mutual Undertakings and Offer Process**

Unique to the Youth Guarantee will be a commitment by the Department of Social Protection (DSP) in the Record of Mutual Undertakings to ensure that an offer of work, training, education is made to the young person **within 4 months** of the initial 1-2-1 interview engagement. There will also be a reciprocal commitment by the client to accept any reasonable referral to, and offer of, employment, internship, training or education. Failure to accept such an offer will be subject to a penalty rate sanction (see below) and investigation for compliance with the Genuinely Seeking Work (GSW) condition. There will also be a commitment by the client to register and upload their CV to the JobsIreland.ie website (the official PES job matching website). Again failure to do so will trigger the penalty rate and GSW processes.

The offer process will be the same for young persons with high PEX scores and low-medium PEX scores. However, the timing of the offer process will be later for high PEX, at 9 months after initial registration, given that their initial 1-2-1 engagement will be later in the unemployment spell.



The rationale for this differentiated approach is to ensure the most efficient and effective application of scarce resources and to minimise the deadweight cost of intervention which would arise given the survival rate trend illustrated at diagram 2 of section 1.4. As part of the implementation of the youth guarantee it is proposed, subject to labour market and economic developments, to review the Youth Guarantee offer, including the offer periods/thresholds, before the end of 2015.

All young people who, despite the best efforts of the services and the provision of a Youth Guarantee offer, are still unemployed for more than 12 months and not engaged in a training/work placement programme will be referred to our contracted placement service for long-term unemployed which will be launched in 2014.(working title – JobPath)

#### **2.3.2.6. Penalty Process**

If a young person refuses the offer of assistance from *Intreo* or otherwise fails to engage at any time during the engagement and offer process they will be subject to the application of a penalty rate process. (The jobseeker's weekly welfare payment rate reduces to €75 from €100 and to €111 from €144).

This process will be differentiated from that applied to other jobseeker cohorts. Given that work experience, training and education opportunities will, under the Youth Guarantee, be prioritised for young people, and that other cohorts will be displaced from access to these opportunities, young people will be expected to demonstrate a higher level of engagement and commitment with the public employment services.

In the case of young people, failures to engage that will give rise to sanctions will include:

- Non-attendance at meetings with DSP
- Failure to accept a legitimate offer of a training/work placement/job
- Failure to attend an accepted place on a training/education
- Failure to apply for or accept an opportunity on the national internship scheme (JobBridge) (Additional Requirement)
- Failure to register their CV on recommended jobs websites (Additional Requirement).

### 2.3.2.7. Process for Existing Unemployed Young People

While the Guarantee as set out in the Recommendation for a Youth Guarantee focusses particularly on measures for the recently unemployed, Ireland's circumstances require that we also engage with the large number of young people who are already unemployed for longer periods. This will also be involved in the Youth Guarantee through a structured engagement process. For the purpose of the Youth Guarantee this process will focus in the first instance on young people already unemployed over 12 months. This time threshold will be progressively reduced to ensure that all existing unemployed young people will participate in the Youth Guarantee process by mid- 2015.

Accordingly it is proposed that young people who are already unemployed more than 12 months (estimated at 22,000) will be invited to a series of Group Engagements over the course of 2014. These Group Engagements will be specifically tailored for young people. Each participant will also be offered a 1-2-1 meeting with a case worker with monthly 1-2-1 review meetings as part of which they will be:

- a) provided with a Benefit of Work statement, assisted with the development of a personal progression plan, receive job matching and job search assistance (including for JobBridge);
- b) assisted in the development of a CV for up-loading onto jobsireland.ie;
- c) subject to compulsory referral to, and participation in, developmental and work experience interventions such as JobsClubs, Tús/CE and training if so determined by the case worker (element of compulsion may require regulation/legislative change);
- d) asked to sign the statement of mutual commitment (social contract);
- e) assessed for compliance with the Genuinely Seeking Work condition.

Jobseekers under 25 years of age who have been unemployed for 12 months or more will be prioritised during 2014 and will be offered referral under (c) above within **four** months of the engagement process commencing. Such referral may also include compulsory referral to the JobBridge developmental internship (see section 2.4) and other service options developed in support of the Youth Guarantee. Jobseekers that do not co-operate with this engagement process will be subject to the same penalty process as outlined above for new entrants.

Once the process of extending this Youth Guarantee process to all young people unemployed over 12 months has been completed the process will be extended to all remaining young unemployed people who have not already participated in the process.

## **2.4. Supportive measures for labour market integration**

### **2.4.1. Main core provision**

#### **2.4.1.1. Mainstream post-secondary education and training**

As described in Chapter 1, a large majority of young people progress directly from second-level schooling to further training or education without an intervening period of unemployment. The programmes involved account for the bulk of Ireland's investment in providing young people with a quality offer of education and training after leaving school, to prepare them for, and support their integration into, working life.

Thus, in 2014 it is estimated that about 13,000 young people will progress directly to Post Leaving Certificate (PLC) vocational courses of 1-2 years' duration. About 32,000 will progress to third level courses in universities and institutes of technology; many of these courses have a strong vocational focus. Finally, about 1,500 will commence statutory apprenticeships – employment contracts with substantial off-the-job training components, typically of 4 years duration.

Together these destinations are estimated to account for somewhat over 90% of all young people completing upper second level.

Reviews are currently underway of both further education provision (which includes PLCs) and of apprenticeship. Resulting reforms will focus on increasing the market focus and dual-learning content of PLCs, and on extending apprenticeship beyond the limited range of industries and occupations to which it currently applies.

The contribution of further education and training to successful youth transitions depends on young people being assisted to make appropriate decisions about courses and routes to follow through the mainstream system. Strengthened guidance, close to the provision of education and training, can be important in supporting young people in these decisions. (It can also be important in supporting unemployed young people who may be referred to elements of the FET system under the arrangements described in Section 2.3 above).

#### **2.4.1.2. Programmes for unemployed young people**

There is currently in existence a wide range of supportive measures for the labour market integration of young people. The estimated number of opportunities for young people on these programmes in 2014 is set out below:

### **Youthreach/Community Training Centres:**

Courses delivered through Youthreach/CTCs are directed at unemployed young early school leavers aged 15-21. They offer participants the opportunity to identify and pursue viable options within adult life, and provide them with opportunities for personal and social development education and training while pursuing nationally accredited qualifications. Participation can last between one and two years. Some 6,000 places will be provided in 2014,, with an intake of about 3,300. This will continue to be the main programme offer for school-leavers aged under 18 in the context of the Guarantee.

### **FAS/Solas training for young unemployed**

FAS has been dissolved and in the interim former FAS training centres as well as other associated provision for unemployed persons will continue to operate under SOLAS. SOLAS will not be an education or training provider. The former FAS provision is being progressively transferred to the new regional Education and Training Boards up to mid-2014.

The main FAS/Solas programmes of relevance to the young unemployed are Specific Skills Training, Traineeships, Local Training Initiatives, and training for people with disabilities through Specialist Training Providers. About 9,500 young people are expected to take up such courses in 2014.

### **Momentum**

MOMENTUM, a scheme for education and training interventions, which is part of the Government's Action Plan for Jobs initiative, was rolled out by the Department of Education in 2013. MOMENTUM supports the provision of free education and training projects to allow up to 6,500 long term jobseekers to gain skills and to access work opportunities in identified growing sectors. Over 1,600 of these places have been taken up by young people in 2013 up to mid-November. It is intended to provide a minimum of 2,000 MOMENTUM places for young people in 2014. In the context of the Guarantee there may be grounds for reducing the minimum duration of unemployment required for young people to become eligible for the programme.

### **JobBridge (Internship Scheme)**

JobBridge is the National Internship Scheme that provides work experience placements for interns for a 6 or 9 month period. The aim of the JobBridge is to assist in breaking the cycle where jobseekers are unable to get a job without experience, either as new entrants to the labour market after education or training or as unemployed workers wishing to learn new skills. The Scheme gives people a real opportunity to gain valuable experience to bridge the gap between study and their working lives, or between old and new jobs. The Scheme provides for work experience placements in the private, public, voluntary & community

sectors. Interns receive an allowance equal to their existing social welfare entitlement plus a top-up of €50 per week. This is payable for the period of their internship.

Take-up of internships by people under 25 is expected to exceed 3,000 in 2014.

### **JobsPlus**

JobsPlus is a new employer incentive, introduced in July 2013, which encourages employers to offer employment opportunities to jobseekers on the Live Register who have been out of work for long periods. JobsPlus provides two levels of payment: a payment of €7,500 over two years to the employer for each person recruited who has been unemployed for more than 12 but less than 24 months and €10,000 over two years to the employer for each person recruited who has been unemployed for more than 24 months. The incentive is payable monthly in arrears over a two year period.

Initially, JobsPlus is limited to supporting the recruitment of approximately 2,000 people in 2013-2014, with further expansion being dependant on review at that stage. While the programme is not targeted at any specific age group, it is estimated that about one sixth of those recruited under the scheme will be aged under 25 years.

### **Temporary Employment programmes**

Temporary employment on works of value to the community is supported under two main programmes. Tús is targeted at people of all ages who are out of work and on job-seekers' payments for a year or more. Community Employment is targeted on a wider range of welfare recipients aged 25 and over, but is open to certain particularly disadvantaged young people. In both these programmes, participants are generally employed by not-for-profit voluntary organisations.

Current expectations are that about 1,300 young people will take up opportunities on these programmes in 2014.

### **Back to Education Allowance (BTEA):**

BTEA is an educational opportunities scheme for persons in receipt of certain social welfare payments who wish to pursue an approved full-time second or third level course of education in an approved college leading to a recognised qualification. Close to 3,700 young people are taking up new opportunities under BTEA for the current academic year (2013-14), and overall there are now 6,600 young people on the programme.

### **The Vocational Training Opportunities Scheme (VTOS)**

VTOS is an educational opportunities scheme for unemployed persons, which is funded by the Department of Education and Skills. The Scheme is operated through the Vocational

Education Committees (VECs – ETBs) and provides a special range of courses designed to meet the education and training needs of unemployed people.

The aims of the scheme are:

- to give unemployed people education and training opportunities which will develop their employability
- to prepare people to go into paid employment or on to further opportunities leading to paid employment:

Some 1,000 of the 5,000 places on the scheme are taken by 21 – 25 year olds, which will allow for an annual inflow of about 500 young people in 2014.

#### **Back to Work Enterprise Allowance (BTWEA):**

The Back to Work Enterprise Allowance is designed to provide a monetary incentive for people who are long term dependent on social welfare payments to make engagement in self-employment financially attractive and viable, while allowing them to retain a reducing proportion of their qualifying social welfare payment over two years (100% in year 1 and 75% in year 2). The enterprise officers of Local Development Companies and INTREO Case Officers work closely with applicants in developing business plans and projections, and providing continuing support to individual start-ups. About 200 young people are likely to enter the scheme in 2014.

#### **Part-time programmes**

The programmes listed above under this Section are all full-time. In addition unemployed people may receive free access to a range of part-time programmes, in which they may participate while retaining their welfare payments. These include Springboard post-graduate courses in areas where significant skills demand is envisaged; about 12% of the 6,000 Springboard 2013 places are being taken up by young graduates. SOLAS/FÁS has provided free part-time evening courses for 18,300 unemployed people during 2013, of whom almost 2,700 were aged under 25. There is also a significant level of part time provision in the further education area, mainly in the basic and generic skills areas, including a comprehensive adult literacy programme.

#### **2.4.2. Additional planned supportive measures**

In addition to existing provision, and taking on board the insights offered by the OECD, a range of new initiatives and some variants on existing initiatives, specially tailored to address the challenges faced by young unemployed people are listed below. It is to be noted that the timing indicated for the implementation of each of these initiatives is informed both by the process design and development effort required to give effect to these

initiatives, and the drafting and enactment of legislative changes which may be required to enable the state to positively discriminate on the grounds of age.

### **JobBridge for Disadvantaged Youth**

In addition to the existing JobBridge internship scheme it is proposed to introduce an additional developmental internship variant for the most disadvantaged young people. This will involve canvassing employers, as part of their Corporate Social Responsibility (CSR) programmes to make work experience places available for young people 18 – 25 with low levels of educational attainment and/or long periods of unemployment and/or other social barriers to employment, with the preferred option that these places will include a certified training element accredited by the national qualifications authority. Candidates will be selected and referred to the scheme by DSP and will receive, or will have already completed, work preparation courses prior to commencement. Employers will be required to choose from candidates referred (DSP will over-refer to employers by c 33% allowing them a certain degree of choice in their recruitment – which will help ensure buy-in from employers)

The detailed scheme design is yet to be finalised but will likely involve participants receiving the €50 JobBridge top-up in addition to their social welfare payment with some reduction in the working hours requirement in order to facilitate job search activities during the period of internship and participation in relevant part-time training

The participation of clients, once referred, will be non-discretionary and subject to the imposition of a penalty rate should they fail to attend in accordance with the activation process outlined in 2.3.

It is proposed that, at any one time, 1,500 young people will have access to this variant of the JobBridge Internship, which would allow an annual intake of about 2,000.

*Timing: The target date for the implementation of this JobBridge variant is Quarter 2 2014.*

### **JobsPlus**

In line with recommendations from the OECD it is proposed to revise the targeting of the JobsPlus recruitment subsidy scheme by reducing the qualifying period those aged under 25 from 12 months to 4 months in respect of young people who are assessed as low - medium PEX. Young people who are classified as low-medium PEX by the Department of Social Protection will be provided with certification that they qualify for the subsidy and will be in a position to use this certification in job applications with employers. It is envisaged that this initiative will, in a full-year, support an additional 1,500 jobs for under 25s with high barriers to employment.

*Timing: The target date for the implementation of this variant is Quarter 2 2014 and its operation will be reviewed after six months.*

## **Temporary Employment**

It is proposed to further increase the availability of temporary employment opportunities for longer-term unemployed youth by reserving 1,000 Tús placements for this group in 2014.

A new programme called Gateway is also currently being launched – similar to Tús, but concentrated on employment, by local government authorities, of persons who had previously been more than two years unemployed. It is anticipated that about 450 very long-term unemployed young people will benefit from the programme in 2014.

*Timing: It is proposed to implement this proposal in Quarter 2 2014.*

## **Jobs Fairs**

DSP will hold Regional Jobs Fairs, accessible by invitation only, to unemployed people aged under 25. These Job Fairs will incorporate CV clinics and group briefing sessions. The job stands at these fairs will be hosted by local employers and recruitment firms.

*Timing: These Jobsfairs will be initiated in Quarter 1 2014.*

## **Intra-EU Mobility and Language Skills**

A scheme will be introduced to operate in parallel with the Your First EurES Job initiative and the German Government's Job of Your Life initiative to offer young unemployed people support in taking up employment, work experience and training in other EU countries.

Under the proposed scheme DSP would fund some of the re-location costs and/or living costs incurred by jobseekers undertaking at least nine months training/work experience abroad. The scheme would be designed to support work experience/training in countries in respect of whose language Ireland has an acknowledged language deficit.

Irish firms who have a demand for language skills will be asked to sponsor a jobseeker by offering and reserving an employment position for them on completion of their work experience/training programme.

Basic language training would be provided in advance and language acquisition while abroad will be a compulsory element of the placement.

Relocation/living costs paid would be recovered from jobseeker payments if candidates return early, without good cause, from the training/work experience programme.

We estimate that the total budget for the scheme will be in the order of €2.5m. It is anticipated that this can cater for about 250 overseas placements of 12 months duration.

*Timing: It is proposed to design this scheme during Q1 2014 for implementation in Q2 2014.*



## **Youth Entrepreneurship: CEBs and Microfinance Ireland**

The County Enterprise Boards (the CEBS are shortly to be re-named Local Enterprise Offices), in conjunction with the CEB Central Coordination Unit (CCU) in Enterprise Ireland, and Micro Finance Ireland (supported by the European Progress Microfinance Facility with EIF funding) propose to pilot a new micro-credit support programme in 2014 aimed at encouraging and facilitating unemployed young people to set up their own business either as sole traders or as limited companies. The programme will be advertised nationally and locally and recruitment at local level will be done in conjunction with the other local enterprise support agencies (such as INTREO and the Local Development Companies operating the Back to Work Enterprise Allowance, and EI assisted Community Enterprise Centres (CECs)).

It is proposed to earmark €2.5m to cover micro-loan support to young entrepreneurs seeking to set up their own business.

To complement the access to microfinance, support for entrepreneurship and self-employment options for the young unemployed will be made available through a new Youth Entrepreneurship Programme which will have a significant focus on capacity building and mentoring and coaching to bring participants to a point where they are in a position to launch a start-up business. It is estimated that the cost of providing training and mentoring supports for a total of 700 young entrepreneurs/ self-employed (inclusive of those expected to be referred for micro-loans) will cost approx. €1million

*Timing: This proposal will be initiated in Q1 2014.*

## **Employment Transitions from Education**

A key feature of most second chance and further education programmes, second level transition programmes and some third level programmes is the provision of a period of unpaid work experience/work placement which is meant to count towards the overall assessment of programme outcomes.

A difficulty at present is that there is no system or process in place to facilitate educational institutions, employers or students to register their programmes, to offer work-experience places to such programmes or to apply for work placements from such programmes. Accordingly as part of the Youth Guarantee it is proposed to develop an on-line system which will enable such transactions between employers, students and educational institutions.

All educational institutions will be required to publish the programmes for which they require work placements and to provide details of the available students. Similarly employers will be encouraged to offer work placement opportunities via the system.

*Timing: This system will be developed and operational by Q4 2014.*

### 3. Funding the Youth Guarantee in 2014

Taking existing and planned provision together, the table below sets out current estimates of programme uptake by young people in 2014, with associated programme costs.

Expected participation, activation programmes, 2014				
Programme	Average participation	Inflow of new participants	Expected inflow of young people	Indicative 2014 cost of youth provision (€million)
Youthreach/CTC	6,000	3,300	3,300	110.0
JobBridge (including planned reserve)	7,700	13,300	5,000	27.0
Tus	7,500	7,500	1,000	15.9
JobsPlus	4,000	2,000	1,500	4.5
Momentum*	6,500	6,500	2,000	6.1
BTEA (excl Momentum)**	18,500	9,300	3,300	60.0
BTWEA	11,000	5,500	200	4.1
VTOS	5,600	2,800	500	14.3
FAS/Solas	10,300	25,000	9,500	72.0
CEB youth Entrepreneurship Training and Mentoring supports		700	700	1.0
CEB/MFI micro-loans for young people		150	150	2.5
International Work Experience and Training	250	250	250	2.5
Gateway	3,000	3,000	450	2.5
Community Employment	25,300	12,700	500	14.0
<b>Total</b>	<b>105,650</b>	<b>92,000</b>	<b>28,350</b>	<b>336.4</b>
<b>Memorandum items:</b>				
<b>PLCs</b>	<b>35,000</b>	<b>32,000</b>	<b>22,000</b>	117.0
<b>Apprenticeship</b>	<b>8,000</b>	<b>2,500</b>	<b>2,000</b>	75.0
<b>Vocational Third Level</b>	It is estimated that at least 50% of the 41,000 entrants to third level each year are entering courses leading towards defined occupations			N/A
<b>Overall total</b>				528.4 (excluding vocational third level)

\* Excludes income maintenance costs tentatively estimated at €10 million.

\*\* Includes only income maintenance costs; most provision cost included in data for PLCs and Third Level under memorandum items

These costs will be funded, in the first instance, by the Irish Exchequer. However, it is expected that a number of these Programmes will meet ESF eligibility criteria and will be included in the Youth Employment Initiative application for Ireland. This will permit EU funding to be drawn down in respect of expenditure in 2014 and 2015 to a level that should enable the full YEI allocation for Ireland of €68.145 million in current prices (with a further similar amount in ESF funding) to be taken up over those two years.

It is to be noted that the figures shown above reflect partial costs only as they are set out in the format of the Irish public expenditure estimates. As noted in the footnote to the table, for example, the costs for the Back to Education Allowance scheme relate only to the income supports offered to unemployed people taking up an approved education course. They do not include the cost of the education programme itself, which in most cases is also funded by the exchequer.

These figures also exclude the likely costs of additional caseworker resources to be devoted to young people as a result of the new procedures described in Section 2 above. The exact level of resources involved remains to be determined in the light of early experience with the new procedures.

## 4. Assessment and continuous improvement of schemes

Monitoring and assessment of the effectiveness of the initiatives and reforms undertaken under this Plan will be done at both the macro-level and the micro-level.

### **Macro-level assessment:**

Macro-level monitoring will involve assessing changes in a set of key indicators from survey and administrative data.

*Survey-based indicators will be the following:*

- Youth Employment Rate
- Youth Unemployment Rate
- Youth Unemployment Ratio
- Inactive NEETs Rate<sup>5</sup>

The data source for these indicators will be the CSO's Quarterly National Household Survey (undertaken as part of the EU-wide Labour force survey).

*Administrative indicators will be the following:*

- Survival rates for young people on the unemployment register at 4,6, 12, 16 and 24 month thresholds
- Exit rates for young people from the unemployment register to employment/ other progression options (e.g. training programmes, education programmes, internships, apprenticeships, employment programmes)
- Outcome data for young people exiting from the progression options listed above

The data source for these indicators will be DSP's administrative database.

It is intended that both survey and administrative indicators will be reported on a quarterly basis.

The indicators used for the macro-level assessment will also be guided by the recommendations made by the EMCO Indicators Group subject to data availability.

### **Micro-level assessment:**

The micro-level assessment of reforms/schemes will involve a combination of econometric evaluation and follow-up surveys for the specific reforms/schemes. The form of assessment will be

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<sup>5</sup> i.e. young people, other than the unemployed, who are neither in employment nor education/training

driven by the nature of the data available for each reform/scheme. The schemes/reforms and their respective assessments are set out in tabular form below.

**Table 4.1: Planned assessments for the (non-financial aspects of) structural reforms**

Name of the reform <sup>6</sup>	Expected change	Means through which change will be measured	Source of information / planned evaluations
1) Early Intervention and Activation Process	To provide a tailored and timely activation service to young unemployed to increase engagement with the PES in order to avoid a scarring effect and a drift into long-term unemployment.	<ul style="list-style-type: none"> <li>• Attendance / Non-attendance rate at interview.</li> <li>• Number of interviews as a percentage of the stock of young persons on the Live Register at 4 months.</li> <li>• Number of follow-up interviews as a percentage of the stock of young persons on the Live Register at 12 months</li> <li>• Number of referrals to activation programmes as a percentage of the stock of young persons on the Live Register at 4 months.</li> <li>• Number of CVs loaded on JobsIreland website as a percentage of the stock of young persons on the Live Register at 4 months.</li> </ul>	In 2015 an Econometric evaluation of this reform will be undertaken to assess what improvement there has been in the placement of young people into employment compared to the placement performance prior to the reform (i.e. pre 2014)
2) Work Placement in Public Sector/ Companies contracted by the Public Sector	Increase in the proportion of young people who are employed either directly or indirectly by the public sector.	The proportion of young people who are employed either directly or indirectly by the public sector	The Quarterly National Household Survey/EHECS carried out by our Central Statistics Office
3) Employment Transitions from Education	Development of on-line system which will facilitate transactions between employers, students and educational institutions with regards to work experience/placements	The proportion of education places which have a work experience/work placement element.	Department of Education & Skills Administrative Data.

**Table 4.2: Planned assessments of the initiatives and of the financial aspects of reforms**

<b>Name of the initiative / reform <sup>7</sup></b>	<b>Target population (or equivalent)</b>	<b>Population (or equivalent) actually reached</b>	<b>Outcome for population</b>	<b>Sources of information</b>
4) JobBridge for Disadvantaged Youth	Disadvantaged Youth with low levels of educational attainment	Number of young people actually on internships under this scheme	Employment experience for 1,500 unemployed youth.	Econometric assessment using randomised control group based on administrative data
5) JobsPlus for Youth	Youth most at risk of long-term unemployment (as determined by their PEX score)	Number of young people actually employed under this scheme	Employment for 1,500 unemployed youth.	Econometric assessment using randomised control group based on administrative data
6) Temporary Employment	Youth most at risk of long-term unemployment (as determined by their PEX score and duration on the Live Register)	Number of young people who are offered a place (1,000 TUS + 450 Gateway Places)	Increase in employability of participants on these schemes	Econometric assessment using randomised control group based on administrative data
7) Youth Entrepreneurship	Youth who have an aptitude and desire for entrepreneurship	Number of young people who are awarded grants by MFI (150)	Number of young people who are start their own business	MFI data
8) Intra-EU Mobility and Language Skills Scheme	Increase in the number of young people working in countries where Ireland has a language deficit	Young people who are interested in improving language skills and who have an interest in working abroad (250)	Increased employability including acquisition of foreign language skills for the workplace	Commissioned Follow-up Survey

## Annexe 1

### **Background note – Irish data on young people “not in employment, education or training” (NEETs)**

One aspect of the EU discussion on the youth guarantee is a focus on persons described as “not in employment, education or training” (NEETs).

This measure is based on data from the EU Labour Force Survey (LFS, in Ireland the QNHS). It includes anyone who is a) not working and b) has not engaged in education or training in the last 4 weeks.

The figure therefore includes the unemployed, but also includes anyone who, while continuing their full-time studies, happens not to have engaged in education in the few weeks prior to being surveyed. Both these groups are large in Ireland relative to the total size of the NEET population. The NEET measure also includes people who have withdrawn from the labour force to care for children, as well as people who describe themselves as inactive due to a disability.

The contribution of these various groups to the overall NEET measure is illustrated in the tables overleaf. The data are averages from the QNHS for the four most recent quarters (ending in Q2 2013).

Overall the NEET rate reported for Irish people aged 15-24 is 18%. However, when students and the unemployed<sup>8</sup> are excluded from this figure, it can be seen that the “inactive” NEET rate is 3%.

The “inactive” NEET rate for those aged under 18 is less than 1%.

For those aged 18-24, when students and the unemployed are excluded, the “inactive” NEET rate is 4%. Of these, almost 60% are carers – primarily young women aged 22-24 who describe themselves as looking after children. A further 20% describe themselves as disabled. Excluding these groups, “other” inactive NEETs account for approximately one half of 1% of the young adult population aged 18-24.

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<sup>8</sup> The unemployed here includes, as well as those identified as unemployed on the standard international ILO criteria, others who self-identify as unemployed on the “main status” criterion in the EU LFS – typically referred to as “principal economic status” in the Irish data.



In relation to those aged 18-24, the vast majority of non-student NEETs are identified as unemployed. The tables also present some data on the young unemployed registering for welfare payments.<sup>9</sup> It is clear from these data that the vast majority of the young unemployed aged 18-24 do in fact register for such payments.

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<sup>9</sup> The registration data here exclude partially unemployed people with part-time or casual employment.

Table 1 A -ALL						
Category	15-17	18-24	All	15-17	18-24	All
Total population	173300	370700	543900	100.0%	100.0%	100.0%
All NEETS, Eurostat definition, of whom:-	13800	83900	97700	7.9%	22.6%	18.0%
Students (self-reported main status)	11300	10500	21900	6.5%	2.8%	4.0%
Unemployed (ILO or self-reported)	1400	58300	59700	0.8%	15.7%	11.0%
Inactive NEETs, of whom:-	1000	15100	16100	0.6%	4.1%	3.0%
Disabled	#	3500	3800	0.2%	1.0%	0.7%
Carers	#	9100	9200	0.1%	2.5%	1.7%
Other	#	2500	3100	0.3%	0.7%	0.6%
All ILO unemployed	3600	59300	62900			
Non-student unemployed (ILO or self-reported)	1400	58300	59700			
Live Register August 2013 excluding those with some work	0	60000	60000			

Table 1 B -MALE						
Category	15-17	18-24	All	15-17	18-24	All
Total population	89100	186900	276000	100.0%	100.0%	100.0%
All NEETS, Eurostat definition, of whom:-	6900	45300	52200	7.8%	24.2%	18.9%
Students (self-reported main status)	5600	5100	10800	6.3%	2.7%	3.9%
Unemployed (ILO or self-reported)	800	36100	36900	0.9%	19.3%	13.4%
Inactive NEETs, of whom:-	400	4100	4500	0.4%	2.2%	1.6%
Disabled	#	2500	2600	0.1%	1.3%	0.9%
Carers	#	#	#	0.0%	0.1%	0.1%
Other	#	1300	1600	0.4%	0.7%	0.6%
All ILO unemployed	1900	35800	37700			
Non-student unemployed (ILO or self-reported)	800	36100	36900			
Live Register August 2013 excluding those with some work	0	36200	36200			

Table 1 C -FEMALE						
Category	15-17	18-24	All	15-17	18-24	All
Total population	84200	183700	267900	100.0%	100.0%	100.0%
All NEETS, Eurostat definition, of whom:-	6800	38700	45500	8.1%	21.1%	17.0%
Students (self-reported main status)	5700	5400	11100	6.8%	2.9%	4.1%
Unemployed (ILO or self-reported)	600	22200	22800	0.7%	12.1%	8.5%
Inactive NEETs, of whom:-	600	11100	11600	0.7%	6.0%	4.3%
Disabled	#	1000	1200	0.2%	0.5%	0.4%
Carers	#	8900	9000	0.2%	4.8%	3.4%
Other	#	1200	1400	0.3%	0.7%	0.5%
All ILO unemployed	1700	23500	25200			
Non-student unemployed (ILO or self-reported)	600	22200	22800			
Live Register August 2013 excluding those with some work	0	23800	23800			

Note: All data averages of 4 quarters to Q 2 2013, except otherwise stated.

## Annexe 2

### Pathways to Work Activation Model

Key Elements of the Model	High	Medium	Low
When does first intervention occur	<ul style="list-style-type: none"> <li>• Immediate Group Engagement Session (within 2 weeks of claim awarded)</li> <li>• Different to Low and Medium</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate Group Engagement Session (within 2 weeks of claim awarded)</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate Group Engagement Session (within 2 weeks of claim awarded)</li> </ul>
When does second intervention occur	<ul style="list-style-type: none"> <li>• 4 months - GSW and other Activation Review (being devised)</li> <li>• 6 months - 1:2:1 session with Case Officer/LES Mediator to agree PPP (if still on LR)</li> </ul>	<ul style="list-style-type: none"> <li>• Within 2 weeks of GE - 1:2:1 session with Case Officer/LES Mediator to agree PPP</li> </ul>	<ul style="list-style-type: none"> <li>• Immediately after GE- 1:2:1 session with Case Officer/LES Mediator to agree PPP</li> </ul>
Intervention Follow Ups: <ul style="list-style-type: none"> <li>• Activation Review Meetings</li> <li>• Systematic follow-up based on Personal Progression Plan agreed steps – phone calls, emails, texts, etc.</li> </ul> Activation Reviews criteria: still on LR and not participating on a programme	<ul style="list-style-type: none"> <li>• Activation review meeting - every 3 months after first 1-to-1 (6 months)</li> <li>• Activation Review - as required according to PPP</li> </ul>	<ul style="list-style-type: none"> <li>• Activation review meeting - every 3 months after first 1-to-1</li> <li>• Activation Review - as required according to PPP</li> </ul>	<ul style="list-style-type: none"> <li>• Activation review meeting - every 2 months after first 1-to-1</li> <li>• Activation Review - as required according to PPP</li> </ul>
Information pack supplied at decision stage			
Interview immediately following GE Session			
Self service options available			

## Annexe 3: Profiling of Clients

In conjunction with the Economic and Social Research Institute (ESRI) the Department of Social Protection developed a Client profiling model to classify people on the Live Register according to their potential for gaining employment. This classification is then used to target resources and provide services to those who need them most. Unemployed jobseekers are required by legislation to provide all profile information upon request.

The profiling system uses a set of characteristics, combined with coefficients reflecting their relative importance, to statistically calculate the probability of a person, who recently became unemployed, exiting the register of unemployed (the Live Register - LR) to employment within twelve (12) months. The characteristics within the profile model include information that would have traditionally been gathered as part of the welfare payment claim process and additional information that is currently gathered as an addition to that process. The characteristics captured and assessed for the purpose of profiling include:-

- Gender
- Age
- Marital status
- Spousal income
- No. of Dependent Children;
- Motivation;
- Access to transport
- Education
- Literacy/ numeracy.
- Number of claims
- Unemployment history
- Employment history
- Proficiency in English language
- Location
- Health status
- Payment type.

Based on a person's individual characteristics, a Probability of EXit from the LR or "PEX" score is calculated for each person. The PEX indicates the probability of that person exiting the LR within twelve (12) months. The PEX scores facilitate the segmentation of the Client database into bands. Currently, bands of Low, Medium and High are used. Individuals can be selected for activation based on their PEX score. Profiling facilitates referral for

intervention very early in the claim cycle e.g. for those who have a low PEX score, or later in the claim cycle for those who are predicted to have a higher probability of exit to employment. This helps to prioritise interventions and minimise deadweight.

Client profiling was rolled out to the Department's Local and Branch Offices between 2012 and 2013. All new claimants are now profiled nationwide.

However, unemployed jobseekers who have been on the Live Register for some time (12 months or more) have not passed through the PEX profiling system. In order to address this deficit a profiling model has been developed with the ESRI, using administrative data only (i.e. data already stored within the Department) to classify long term live registrants according to their probability of finding a employment. This model generates a score similar to the PEX score that indicates a person's distance from the Labour Market (LMD). This LMD score, like the PEX score, will be used to segment the Live Register Client database into Low, Medium and High categories.

It is the intention of the Department to use the PEX and LMD scores to inform the implementation of the Youth Guarantee as set out in the implementation plan.