

The youth employment  
opportunity  
Understanding labor market  
policies across the G20 and  
beyond





# Table of contents

---

3	Executive summary
5	Introduction
8	Global Action
9	Survey description
10	Main findings
29	Connection with G20 Commitments
32	Closing remarks
35	Annex: International and National Initiatives and Experiences

---

## Acknowledgements

The IOE would like to thank its members who have contributed to the report by participating in the survey. Special thanks are given to the following employer organizations whose responses have been critical in formulating this report:

- Union of Albanian Business (BiznesAlbania)
- Confédération Générale des Entreprises Algériennes (C.G.E.A)
- Unión Industrial Argentina (UIA)
- Australian Chamber of Commerce & Industry (ACCI)
- Fédération des Entreprises de Belgique (FEB)
- Confederação Nacional da Indústria (CNI)
- Canadian Employers' Council (CEC)
- China Enterprise Confederation (CEC)
- Confederation of Danish Employers (DA)
- Mouvement des Entreprises de France (MEDEF)
- Confederation of German Employers' Associations (BDA)
- All India Organisation of Employers (AIOE)
- The Employers' Association of Indonesia (APINDO)
- Jamaica Employers' Federation (JEF)
- Japan Business Federation (NIPPON – KEIDANREN)
- Korea Employers' Federation (KEF)
- Confederación Patronal de la República Mexicana (COPARMEX)
- Business New Zealand
- Russian Union of Industrialists and Entrepreneurs (RSPP)
- Council of Saudi Chambers
- Business Unity South Africa
- Confederación Española de Organizaciones Empresariales (CEOE)
- Suriname Trade and Industry Associations (STIA)
- Union Patronale Suisse (UPS)
- Turkish Confederation of Employer Associations (TISK)
- Confederation of British Industry (CBI)
- United States Council for International Business (USCIB)

Our appreciation is also extended to the **Global Apprenticeship Network (GAN)** for sharing details of its initiative.

# Executive Summary

The International Organization of Employers (IOE), Business and Industry Advisory Committee to OECD (BIAC), and Deloitte Global (Deloitte) collaborated to develop a youth employment policy survey to better understand national initiatives and policies to combat youth unemployment. This report collates the perspectives of national employer organizations in an effort to provide a more comparative and global picture of what is being implemented across countries and views on what is working, or not, and why. The survey was distributed to a wide group of employer organizations, with 27 responses received, including those in the G20 group. It is acknowledged that the employer perspective, though of high relevance, is only one among many. The report provides a starting point to which alternative views can be added to achieve a more holistic picture.

The survey focused on a range of policy initiatives, namely:

1. Benefits and incentives targeting youth
2. Job creation policies targeting youth
3. Gap between the unemployment system and the education system
4. Policies aimed at minimizing the skills gap in youth
5. Policies promoting a dynamic labor market
6. Other relevant policies
7. Expected future policies on youth employment

Respondents indicate the four main challenges to hiring and retaining young people. These include: appropriate training, job readiness and skills; availability of job opportunities and entrepreneurial enterprises; employment costs and reduction in subsidies for employers; and youth expectations including, in some countries, the prospect of better opportunities overseas.

A summary of the specific policy levers is provided below. In all areas a variety of policies are being implemented with varied degrees of success. There is also a sustained need to further analyze the various programs in order fully to understand their success (or lack hereof). Having said that, it is clear that in some countries like Australia and the U.S., the decentralized nature of policy development and implementation is creating unique challenges.

## Benefits and incentives for hiring youth

A few commonalities were identified. These include the need for a holistic and coherent policy framework that provides a combination of flexible efforts. A framework that, while providing social protection for unemployed youth, still encourages them to take a job or be in education. There was also an overall desire for stronger incentives (economic as well as related to flexibility) for employers to employ youth.

## Job creation policies targeting youth

The more frequently mentioned policies were internships, apprenticeships, entrepreneurial support and statutory minimum wages. Internships and apprenticeships are clearly perceived as the most effective program.

It was not possible to map the different drivers of success but there are a number of somewhat consistent and interlinked tendencies. One of these is the match of skills. In countries where the target group of the specific scheme is far from the labor market, the gap between the skills needed to retain the jobs and the skills possessed by that target group is comparatively large. The target group is simply unable to fulfill the requirements posed by employers. Furthermore, schemes with a longer horizon tend to be more successful. One of the reasons given for this was that such schemes allow the young person to grow in the job and acquire the skills needed to stay in employment.

## Policies to Bridge Employment and Education Systems

Bridging the education and employment systems represents a way to address one of the main challenges identified by the respondents: namely, appropriate training, job readiness and skills. None of the policies mentioned stands out as extremely successful, and shows mixed results or with only a slight positive impact.

Some resource and financially heavy programs, though perceived as successful, have been discontinued.

Knowledge of the skills required by the labor market seems to be of particular importance. The administrators of the policies need to have a proper understanding of the skills demanded by employers (in terms of both guidance in choice of education, as well as matching the right person with the right job), and the employers need to know how to support a candidate to obtain the right skills in the right measure.

### **Policies Aimed at Minimizing the Skills Gap for Youths**

Clearly a lot is being done to address the skills gap. It is being tackled with job related training and on-the-job training policies, as well as policies to promote vocational education and training (VET), work subsidies and work study programs. There are a number of programs specifically targeting youth which have been implemented in recent years. There remain a number of programs that aim to minimize the skills gap but which do not target youth specifically. It will be important to assess whether the success rate of the targeted programs is comparatively greater over time.

### **Policies Promoting a Dynamic Labor Market**

Flexibility is the main policy approach referred to as most constructive for creating a dynamic labor market. It comes in many forms, including flexible time arrangements (part-time/part-year, work-life balance, remote working) and flexible layoff requirements. There are also other policies such as flexible migration laws, promoting/funding entrepreneurship, the use of temporary and fixed term contracts, and various economic incentives.

The most frequently mentioned policies are relevant to a broad cohort of workers and not specifically target youth. If this is a general practice, consideration should be given to alternative policies and approaches that specifically target younger workers.

### **Future labor market policies**

Several employer organizations mention programs that they expect to see implemented in the coming year. These reflect the diverse nature of the policies that the countries are generally implementing in an effort to improve youth employment.

Examples range from youth wage subsidies, to revisions of national youth services programs, to entrepreneurship programs. Clearly time will be needed to assess the effectiveness of these changes.

### **Alignment with G20 commitments**

The credibility of the G20 process depends on G20 governments implementing their jointly adopted strategies at the national level: to date, the G20's commitment on employment, calls for coordinated actions between governments, business and other social partners. The survey responses echo this need, in particular in the area of skills development and associated supportive policies. Government efforts to provide and support apprenticeships and traineeships seem to be focused in the right area as they are in the main successful. Much appears to have been implemented and many commitments have been made to set up apprenticeship and internship/traineeship programs, and to bridge the gap between education and employment.

The survey suggested mixed results across many other policies for a myriad of reasons. These policies include those focused on making the labor market more dynamic, enhancing job creation and removing barriers to hiring young people. Furthermore, there are clearly a range of policies being implemented across G20, with new policies in the pipeline, but what is working and why does not appear to be clear. If the questionable usefulness of policies identified in this survey is considered alongside the 2014 BIAC monitoring report on the implementation of the G20 commitments, there is cause for serious concern. The monitoring report showed that the majority of employer organizations in the G20 are not sure whether the G20 process has resulted in policy change.

The best way to inject more dynamism into the labor market, strengthen links between education and employment, improve job creation and skills development and remove barriers to hiring young people is to understand the drivers behind the successes. Without this knowledge it is difficult for the G20 to pull the right levers. It is also important to understand the interconnectedness and effectiveness of policies beyond the G20 commitments, and ensure that these policies are well thought out and implemented in the right environment.

# Introduction

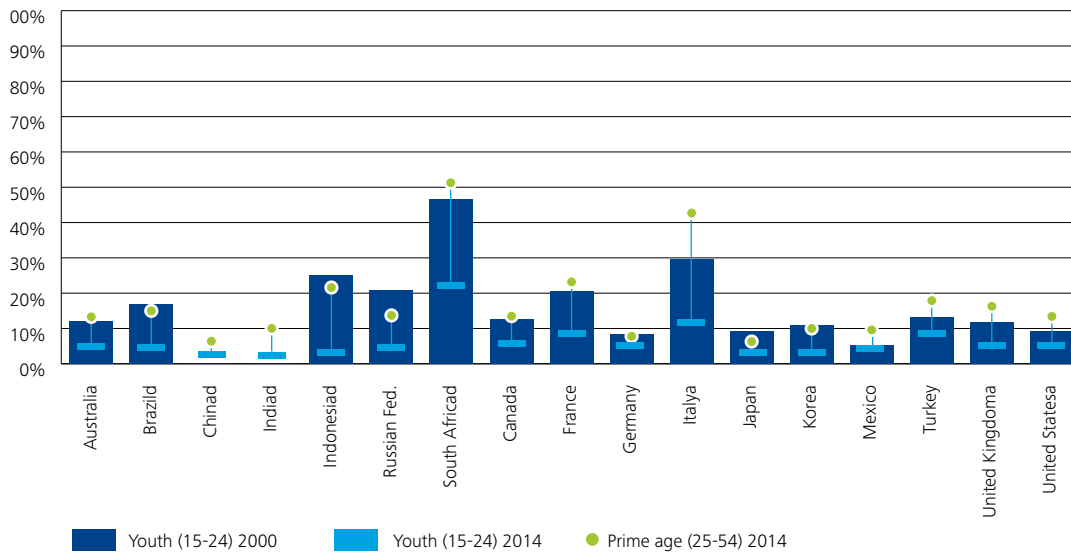
While modest economic growth rates are reported in both developing and advanced countries, employment growth continues to show little signs of improvement (since 2011).

Young workers are facing tough labor market conditions. Employment opportunities are not expanding as fast as GDP growth and in 2013 more than 70 million young people were unemployed. Unemployment rates remain higher for youth than other working cohorts (prime age) and have increased in approximately two-thirds of the G20 countries with available data (Figure 1, Panel A). Likewise, the employment to population ratio demonstrates that a smaller percentage of total youth is employed as compared to the general workforce (prime age) and that the situation has become worse over almost the past decade and a half (Figure 1, Panel B).

**Figure 1. A few facts on Youth Unemployment**

Panel A. Unemployment rates have increased for youth between 2000 and 2014

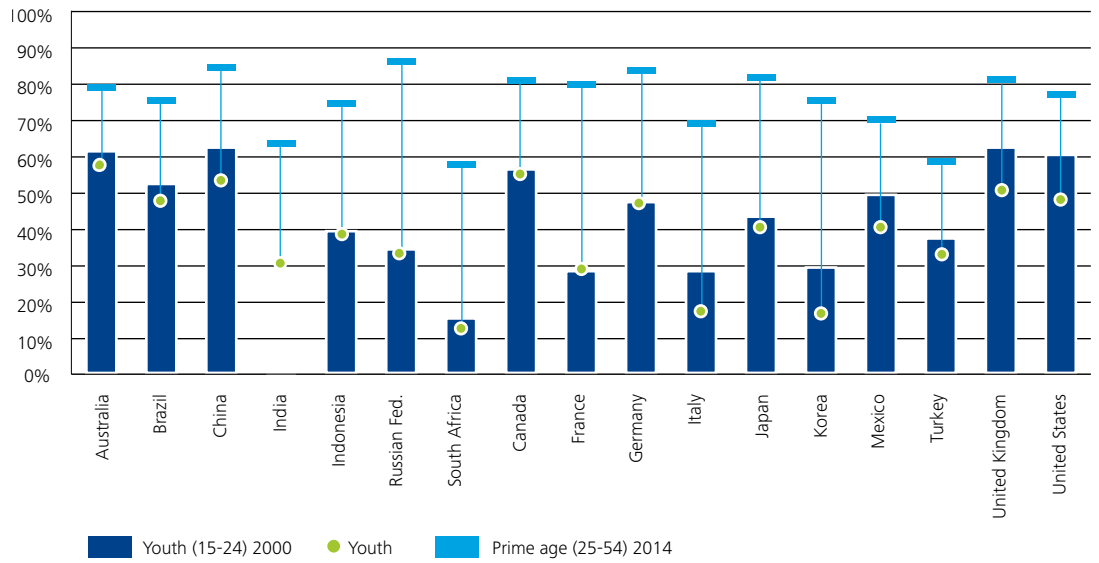
Unemployment rates, as a percentage of the total labor force in each age group



<sup>1</sup> World Bank (2014), Annual Report 2014, <http://www.worldbank.org/en/about/annual-report>

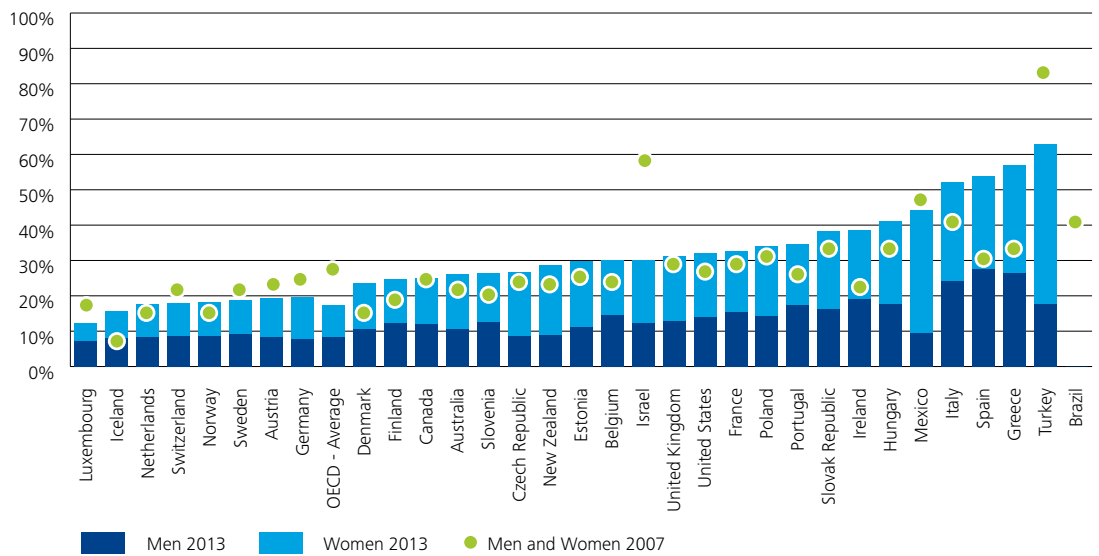
Panel B. ... while employment rates have remained the same or decreased.

**Employment-to-population ratio, as a percentage of the population in each age group**



Panel C. And, more young men and women are not employed or in education.

**Percentage of Youth (15-29), Not in Education, Employment or Training (NEET) by gender, Major EU and G20 Countries, 2007-2013**





Source: OECD (2015), Youth not in education or employment (NEET) (indicator).

Notes: Men and women's individual percentages are summed. doi: 10.1787/72d1033a-en (Accessed on 03 August 2015)<sup>2</sup> Data refers to year stated, or closest available year for countries with available data.

a) The lower age limit is 16 instead of 15. For Iceland up to 2008, Italy prior to 2009, Norway up to 2005 and Sweden up to 2006.

b) There is a break in series between 2011 and 2012 with the introduction of a redesigned monthly labor force survey since January 2012. Therefore, data prior to 2012 are spliced using new-to-old chaining coefficients between monthly and quarterly surveys based on data of fourth quarter of 2011.

c) Weighted average.

d) Data for 2000 refer to 2007 for Brazil, Indonesia and South Africa (earliest year); Data for 2014 refer to 2010 for China, 2012 for India and 2013 for Brazil and Indonesia (latest year)

Note: Out of G20 Countries, Argentina and Saudi Arabia are missing  
Source and definition: OECD Online Employment Database: [www.oecd.org/employment/database](http://www.oecd.org/employment/database) and [www.oecd.org/els/emp/lfsnotes\\_sources.pdf](http://www.oecd.org/els/emp/lfsnotes_sources.pdf).

Even more troublesome is the increasing number of youth who are neither employed, nor in education or training (NEET) or who have dropped out of the labor market (Figure 1, Panel C). Among the 32 members of the OECD with available data, it is estimated that there are 26 million young NEETs<sup>3</sup>. As compared to the last pre-crisis estimate (2007), more than three-quarters of the 32 OECD countries experienced an increase in NEET rates in 2014 (OECD, 2015)<sup>4</sup>. Similarly, across developing countries, the World Bank (2014) estimates that there are 262 million NEETs.

Such figures create a serious cause for concern on many levels. High youth unemployment hampers economic growth and negatively impacts the health and well-being of young people, and their opportunity to lead productive and rewarding lives. With young demographics swelling the ranks of working age population worldwide, and the impact of young adults' current high unemployment rate following them across their work lives, funding retiree pensions and health care may also be even more challenging than otherwise, as those with lessened prospects for income, and lower life-time earnings will be asked to support an ever-growing number of retirees.<sup>5</sup>

Continued urgent attention is needed to address the difficulties of young people and their opportunity for meaningful and sustainable employment. This challenge is rightly the focus of governments, and civil society around the world and corporate leaders are expected to have a viewpoint.

<sup>2</sup> Note: The so-called NEET population refers to youth population which is neither in employment, education nor training. NEET rates are presented by status of inactivity (unemployed or inactive), completed level of education and migrant status. OECD Estimates are based on national labor force surveys. Data for some countries (such as Iceland) should be interpreted carefully due to relatively small sample size.

<sup>3</sup> OECD (2014), Education at a Glance 2014, OECD Publishing, Paris. DOI: [http://dx.doi.org/10.1787/eag\\_highlights-2014-en](http://dx.doi.org/10.1787/eag_highlights-2014-en)

<sup>4</sup> OECD (2015), OECD Employment Outlook 2015, OECD Publishing, Paris. DOI: [http://dx.doi.org/10.1787/empl\\_outlook-2015-en](http://dx.doi.org/10.1787/empl_outlook-2015-en)

<sup>5</sup> An unbalanced age: Effects of youth unemployment on an aging society, Deloitte University Press, April 2015 <http://dupress.com/articles/effects-of-youth-unemployment-US/?id=us:2em:3na:dup948:eng:dup:052615:ibtn&elq=8d6d5ae7502945438a5d823eaaf4d655&elqCampaignId=3360&elqaid=7294&elqat=1&elqTrackId=a6ad49168e424e069e6b97793accc4c1>

# Global Action

Against this background, many initiatives (both global and national) have emerged with the goal of addressing persistent youth unemployment. At its 101st International Labor Conference in June 2012, the ILO adopted a Resolution calling for immediate, targeted, and renewed action to tackle the youth employment crisis. The Resolution gave impetus to placing national youth action plans in various countries. The ILO provided resources and capacity building to fully implement the tools highlighted in the Conference Resolutions. Other than the ILO, OECD Ministers at their meeting in May 2013 agreed to take a comprehensive range of measures as set out in the OECD Action Plan for Youth, with its first objective being to tackle the current situation of high youth unemployment and underemployment. The European Commission also introduced a Youth Employment Package in 2012 which includes a Youth Guarantee adopted in April 2013 that aims to give all young people a choice for employment, education or training. Likewise, G20 governments have come together to sign a commitment to tackle youth unemployment

## Global Action: The Business Community

Business believes it has a role to play, specifically at the national and regional levels where government policies can be integrated and combined with private sector initiatives. Barriers preventing youth from successfully transitioning from school into work and even between different forms of employment are generally multifaceted in nature. As such, responses need to come from a diverse range of policy areas. Likewise, programs that are delivered in isolation from one another tend to be constrained in terms of capacity and coverage to reach out to those most in need of assistance.

At the international level, IOE has taken the lead to follow up on G20 recommendations on youth employment adopted from the Los Cabos Summit in 2013.

- IOE and BIAC collaborated to create a compendium of best practice initiatives from national member federations with regards to the promotion of vocational training and workplace centered learning.
- IOE and BIAC jointly set up the Global Apprenticeships Network (GAN), a worldwide business alliance which aims to promote quality apprenticeships through the exchange of experience, the facilitation of social partnerships and the provision of updated and relevant information. National apprenticeship networks are also being established with national employers' organizations. There are at present three national networks: Turkey, Indonesia and Spain.
- The B20 agreed with the L20 on a joint understanding on key elements for quality apprenticeships that identifies key principles in making apprenticeships work. This joint understanding represents a concrete commitment by the social partners to engage actively and constructively in vocational education and training based on common principles. IOE and BIAC continue to promote this joint understanding by way of initiatives including the GAN.

# Survey description

Against this background, IOE, BIAC, and Deloitte collaborated to develop a youth employment policy survey. The survey report is a starting point to understand better national initiatives and policies on combating youth unemployment. It further provides insights on the alignment of these national efforts to the G20 goals.

The report collates the perspective of national employer organizations, in an effort to provide a more comparative and global picture of what is being implemented across countries. The survey was distributed to a wide group of employer organizations, including those in the G20 group. It is important to note that the employer perspective, although of high relevance, is only one among many, and provides a starting point to which alternative perspectives can be added to achieve a more complete picture.

The survey focused on policies implemented in the period 2009 and 2015. In some countries, youth employment policies were already implemented and in place prior to the designated period. These policies were also integrated in the responses of the survey.

The survey focused on a range of policy initiatives, namely:

1. Benefits and incentives targeting youth
2. Job creation policies targeting youth
3. Gap between the unemployment system and the education system
4. Policies aimed at minimizing the skills gap in youth
5. Policies promoting a dynamic labor market
6. Other relevant policies
7. Expected future policies on youth employment

The survey had a total of 27 responses representing employer federations. The respondents included Albania, Algeria, Argentina, Australia, Belgium, Brazil, Canada, China, Denmark, France, Germany, India, Indonesia, Jamaica, Japan, Korea, Mexico, New Zealand, Russia, Saudi Arabia, South Africa, Spain, Suriname, Switzerland, Turkey, United Kingdom and United States.

Since the report has been developed from responses of individual employer organizations, it should be noted that alternative initiatives (i.e. others than those mentioned in the responses) exist. Neither the survey responses, nor the survey report thus presents an exhaustive list of initiatives. The employer organizations have offered their perspective as a contribution to further analysis and policy discussions around youth employment.

The respondents used a scale from 1 (not useful) to 5 (very useful) when assessing the usefulness of each policy.

# Main findings

## Country Challenges

The employer organizations were asked to describe the challenges concerning youth unemployment in their country- with particular regards to the specific barriers to hiring and/or retaining young employees. As expected, the responses were as varied as the countries from which they came. Despite their diversity, however, the responses can be grouped into four main categories:

1. Appropriate training, job readiness and skills
2. Availability of job opportunities and entrepreneurial enterprises
3. Employment costs and reduction in subsidies for employers
4. Expectations of youth and, in some countries, the prospect of better opportunities overseas

### Four Categories: Excerpt from Country Responses

The key barriers are: lack of job readiness, including poor literacy and numeracy and long disengagement from school or work; relatively high junior rates and minimum wage rates, including a significant increase in most trade apprenticeship first wages that was passed by the workplace regulatory commission in 2013; and a decline in financial support from both state and federal governments for apprenticeships and traineeships which have seen a dramatic slide in the number of places offered; and an employment service funded by government that needs to better target the needs of young people. **Australia**

There is a necessity to give youngsters guidance, skills and the right attitudes to ensure their integration into the labor market, or to start their own enterprise (entrepreneurship). **Belgium**

The training of young people is not adapted to the needs of companies and those who have the skills to fill these jobs are not attracted by them. **France**

The right job fit and appropriate training for the job market and perceptions of better opportunities overseas. **Jamaica**

Young people would like to seek various employment opportunities including overseas, but there are barriers to success including language and different labor market environments. **Korea**

Lack of new enterprises. **Mexico**

Tertiary education graduates misaligned with labor market needs and too few technical and vocational graduates. **Saudi Arabia**

The biggest concern is the mismatch between the skills acquired and those required by the labor market. The biggest barrier is the risk of employing unqualified youth without the relevant skills and experience. **South Africa**

## Benefits and Incentives for Hiring Youth

As evident from the survey responses, a variety of different benefit and incentive policies targeting youth are used across the respondent countries. These include:

1. Eligibility or entitlement requirements for unemployment or social benefits
2. Employee social contribution
3. Search or job availability requirements for unemployment or social benefits
4. Job assistance, counseling or placement
5. Employment conditional income tax credit, benefits or 'make work pay' schemes
6. Sanctions or reduction of unemployment or social protection benefit or duration
7. Review of apprenticeship programs and regulation to encourage such amongst employers
8. Government subsidies for hiring and training youth and an inexperienced workers' wage
9. Social security contribution support

The responding employer organizations perceive certain policies to be working well and others not so well, and some indicate that more time is needed to assess their usefulness. It is clear from the survey that in some countries like Australia and the U.S., the decentralized nature of policy development and implementation is creating unique challenges. While the following paragraph highlights a number of benefit and incentive policies, further in-depth analysis of the specific programs is needed fully to understand their degree of usefulness and the underlying factors that provide for this usefulness (or lack thereof).

**Table 1: Benefits and incentives for hiring youth - programs assessed to work well**

Country	Description
<b>Algeria</b>	Algeria has an integrated approach to those who have never had a job. This combines three targeted shortterm contracts ('contrat d'insertion') depending on the qualification and training level of the 'primo demandeurs d'emploi'; encouraging recruitment via sharing salary costs with the employer via the formula of the supported work contract ('CTA'); encouraging job-training for the work position via the job/training contract; and granting a bonus to those young people who sign up for training internships/trial periods in unprofitable professions.
<b>Argentina</b>	Argentina's approach combines specific measures on supply and demand of labor, training youth and giving employers incentives for hiring them.
<b>Belgium</b>	Belgium utilizes a variety of mechanisms including eligibility or entitlement requirements for unemployment or social benefits; employee social contribution; search or job availability requirements for unemployment or social benefits; job assistance, counseling or placement; employment conditional income tax credit, benefits or 'make work pay' schemes and sanctions or reduction of unemployment or social protection benefit or duration. The combination of all these incentive policies are assessed as a good mix of support in counseling and job search, with some carrots and sticks needed to encourage youth to take action to find a job.
<b>South Africa</b>	South Africa introduced the Youth Employment Tax Incentive Bill (January 2014), the aim of which is to encourage employers to hire more inexperienced youth and create a space for learning and acquiring of workplace experience. The incentive is assessed to be working very well; employers are participating in the scheme and thousands of young people have been employed, with about 18,000 employees aged 23 years.

Some employers, while pointing to the positive programs in their countries, were also willing to share their view on the challenges posed by other policies and the unintended consequences on youth employment that these may have. Examples from respondents are provided in the following table.

**Table 2: Benefits and incentives for hiring youth - programs assessed to have potential challenging impacts**

Country	Description
<b>Australia</b>	Australia cited two programs as challenging. The first, "Work for the Dole" program which requires up to 25 hours per week for up to 6 months for people under 30 years of age. The idea of the program is to generate mutual benefit - rather than have the youth simply receive financial payments. There is, however, less evidence that this leads to jobs as the experience is limited to community work and work in charitable organizations. The business community is trying to encourage this to be broadened to small businesses. Further, even with such incentives, if there are no jobs, then the incentives cannot work. This has proven to be the case in Australia which has a shortage of jobs rather than a lack of willingness to work. In 2013, there was a 500,000 job gap whereby only 140,000 job openings were available to the 716,000 unemployed. Unpaid internships limit the ability for young people to gain experience as many cannot afford to work for free while living in capital cities where living expenses are high.
<b>France</b>	France has an incentive scheme designed to encourage employers to hire young people first and foremost. The weakness of this policy is that if the youth lack necessary skills they will not be hired, as employers recruit when they need a resource, not because it is cheaper.
<b>Korea</b>	Korea states that their Short Internship Period (3 months) has limitations including - limitations for enterprises to educate and utilize interns given the short period of time; insufficient time for young jobseekers to obtain adequate work experience; and interns are not fully utilized especially at high skill positions. Combined, this limits conversion into regular jobs.
<b>Spain</b>	Spain has adopted various measures as part of the Entrepreneurship and Youth Employment Strategy 2013-2016 which it believes are going in the right direction. However, business organizations consider the adoption of additional actions necessary to make hiring young people more flexible, especially in terms of hours and wages.
<b>Turkey</b>	In Turkey, various fiscal, monetary and other market reforms have created high economic growth and together with the influence of incentive measures implemented by the Government towards decreasing unemployment and increasing employment, positive developments were recorded in the labor market. The unemployment rate has decreased to 9.4% as of April 2015. Despite this employers believe that the heavy burden of social security premiums and tax on enterprises in the formal sector is still the most obstinate barrier to investment and job creation in Turkey. The average labor cost in Turkey is 36.8% which is higher than the OECD country average of 29.6%. These burdens should be lowered to OECD averages.
<b>U.S.</b>	In the U.S. unemployment benefits are tied to private unemployment insurance schemes. Therefore a reduction of unemployment benefits and other unemployment-related incentives to get youth back into employment are relevant only when this is a policy within the private insurance provider. Youth tend to have a harder time satisfying the requirements to receive unemployment insurance because of eligibility requirements. Further, its Earned Income Tax Credit supports young workers over 25 years of age if they have low levels of income. Administered federally, the program has been put into place to remove the incentive to live on public support and to "make work pay." This incentive however is not relevant for the youngest cohorts of youth.

As previously stated, recent changes to labor market programs have been implemented across a number of countries, hence it is not immediately possible to assess their impact. The effectiveness of these changes should instead be monitored throughout the coming years. Examples of country responses falling into this category are provided in the following table.

**Table 3: Benefits and incentives for hiring youth - programs that cannot yet be assessed**

Country	Description
<b>Denmark</b>	In Denmark unemployment benefits and social assistance have been adjusted to be in line with training aid. The idea is to support young people to choose education and jobs instead of public support. The focus has not been so much on the job, but more on the education.
<b>Korea</b>	Korea intends to provide unemployed youth with internship opportunities in SMEs to enhance employability and job performance. One example is SMEs' internship program for youth, specifically targeting 15-34 year olds in manufacturing production companies. Employers perceive this to potentially contribute to resolving the mismatch between enterprises and jobseekers. Some explanation for this is: support SMEs with labor shortage and young jobseekers who look for employment opportunities which contributes to resolve job mismatch between enterprises and jobseekers; provides jobseekers with 'work experience' and opportunities of developing their job performance; and provides youth with an opportunity of planning their career path and developing job performance through experience before actual employment.
<b>Turkey</b>	In Turkey employment incentives have been put into effect by the Turkish Government, which provides social security contribution support for employers who employ well-trained workforce (2008). Focusing on women over 18 years old, men between the ages of 18 and 29 and men over 29 years old, this incentive is available for 6 to 24 months. The individuals who have graduated from vocational and technical schools, who hold a vocational qualification certificate İŞKUR can benefit from this incentive for up to 54 months. Also, five points of employers' contribution are covered by the Treasury. The expectation is that the policy will fulfill its purpose to some extent.
<b>UK</b>	The UK is introducing a new benefit system – Universal Credit. Business supports the principles underpinning Universal Credit as it is designed to simplify what is currently an overly complex system and ensure that it always pays to be in work. That said, challenges around introducing the new system remain a concern.

In conclusion, the responses from the survey do not provide a unanimous answer as to why some benefits and incentive policies work well in terms of hiring youth and others do not. There is a sustained need to further analyze the various programs in order to fully understand their success (or lack thereof). However, the responses did provide a few overall tendencies. Among others, the employer organizations address the need for a holistic and coherent policy framework that provides a combination of flexible efforts as the main policy approach. A framework that, while providing social protection for unemployed youth, still encourages them to take a job or an education. At the same time, they express an overall wish for stronger incentives (economic as well as related to flexibility) to take on young workers, addressing the high barriers for youth to enter the labor market.

### Job Creation Policies Targeting Youth

The employer organizations further identified a large number of different policies and programs that aim to create jobs for young people. The more frequently mentioned amongst respondents were internships, apprenticeships, entrepreneurial support and statutory minimum wages. The survey responses also uncovered a number of country specific schemes targeting youth employment, including:

- Youth guarantees
- Job-guarantee programs
- Wage supported jobs
- Special schemes for youth
- Direct job creating schemes
- Reductions of employer social security contributions

**Internships and apprenticeships** are clearly perceived amongst the respondents as the most effective job creation programs for youth. Among others, the commitment by the educational institutions (Mexico) and the fact that apprenticeships provide companies sufficient time to impart real skills to those they train (France) are mentioned as essential to the usefulness of such programs.

The Australian apprenticeship system is evaluated to be highly effective, as it yields more than a 90 percent chance of staying in employment 6 months after completion of a trade apprenticeship (3 to 4 years) and more than an 80 percent chance of doing so after completion of a non-trade apprenticeship. Despite these success rates, policy settings from both levels of government have caused a drop in employers offering apprenticeship opportunities. An assessment of these policies are therefore worthy of further consideration.

Germany and Switzerland have higher success rates, and assessed their apprenticeship system to entirely fulfill its purpose of creating jobs for youth. In the case of Switzerland, it has a dual apprenticeship system which has been operational for nearly 100 years.

The apprenticeship is designed within the sectors, corresponding to the needs of the sectors, with the input of the trade unions and under the surveillance of the administration. Every five years, there is a check as to whether curricular adaptations are necessary, for example to take account of technical change. It will be important to compare the policy influences of these systems, including insights as to the levers that are challenging the Australian system. This will require a more thorough investigation than undertaken as a part of this survey.

Brazil referred to its "Learning Law" which creates mandatory quotas for hiring young people between 14 and 24 years, except for people with disabilities, for which there is no age limit. This is a special labor contract for a fixed period of up to two years.

The Code provides that "establishments of any kind must employ and enroll in courses in the National Services of Learning a number of apprentices equivalent to five percent at least, and fifteen percent at most, existing in each establishment whose duties require professional qualification. "

Changes to the law in 2005 mean that effectively almost every occupation, even those that do not require a professional qualification, such as a doorman, is now covered by the law. In addition, the quota does not exclude hazardous activities which forbid young people under 18 years old from working in activities of this nature. Thus, it is difficult for companies to allocate positions to young people when the environment is considered hazardous. These two challenges resulted in a low ranking in impact assessment.

Other challenges were also mentioned by the employer organizations. These include, among others, a basic shortage of available apprenticeships (Belgium), lack of alignment with employer needs (UK) and challenges associated with wage subsidies and other incentives.

No definitive conclusions can be drawn from the survey regarding youth guarantees and job guarantee schemes. A handful of the respondents mentioned these policies, and assessed their usefulness quite differently. Belgium and Denmark were supportive of their youth guarantee schemes and deemed them to be highly useful and useful respectively, e.g. through testing youth's ability to work and bridge a way to the workplace. The UK assessed its program to be less useful. Another example of the unclear effect of job guarantees is the response from France. Targeting in particular those who are "far from employment", the French job guarantee scheme is designed to reserve jobs for young people and prepare them to take on those jobs by giving them practical experience. It targets those who are currently 'far from employment' and who have a low education level. A challenge with this program, and one of the reasons why it is deemed less successful than apprenticeships, is because the people for whom it is intended do not always have the requisite skills to retain jobs. For this reason, the French employer organization assesses this scheme to fulfill its purpose to some extent.



The UK expressed similar comments regarding its “Future Jobs Fund” policy, which was in place between 2009 and 2015 and targeted 15 to 24-year olds claiming job seekers allowance for over six months. The response from the UK noted that the scheme is costly and lacks sufficient focus on securing sustainable employment outcomes for young people, and ultimately assessed this policy as less useful.

As noted in the table below, the perception of the effectiveness of wage-supported job policies and programs was very mixed, suggesting that a more thorough analysis and comparison of the highly successful programs and non-successful programs, could prove useful. South Africa and Algeria identified its policies as very successful or successful respectively – and despite some considerations being provided in the responses, no “determinant factor” for their success was given (see table below). The employer organizations in Argentina, Australia and the UK offered further food for thought regarding wage supported job policies and programs, as depicted in the table below.

**Table 4: Wage supported job policies and programs – unclear success**

Country	Description
Algeria	Algeria’s, Dispositif d’aide a l’insertion professionnelle provides workforce participation support. Not specific to youth, the policy targets a wide range of age groups, 15-24, 25-34, 35-44 year olds and includes a gender component.
South Africa	South Africa’s continuing ‘Employment Tax Incentive’ policy targets 18 – 29 year olds. There is regular engagement at the National Economic Development and Labor Council.
Argentina	Argentina’s “PROGRAMA JOVENES con mas y mejor trabajo” (“Youth Program Providing More and Better Work”) aims to train young candidates in different skills and is operated in alliance with employer organizations. It includes three instruments: Wage supported jobs, internships and apprenticeships in the company. The policy targets 15-24 year olds. While the policy was assessed as useful it works on around 10% of total beneficiaries. It lacks effectiveness because the benefiting population has problems fulfilling the various program requirements. Having said that once companies use this program they tend to repeat it, validating its effectiveness as an employment tool.
Australia	Australia stated that the effectiveness of wage subsidies is mixed and the overall assessment of the usefulness of the policy is unclear.
UK	The UK decided to stop its program - “Wages Incentives” which was part of the Youth Contract’ policy. Implemented between 2009 and 2015, it was targeted at 15 – 24 year olds claiming Job Seekers Allowance for over six months. The uptake was very low and the scheme ended early.

**Statutory minimum wages**, like the above wage support policies and programs, received mixed feedback from the employer organizations regarding usefulness. Australia, for instance, has both “junior” rates and apprenticeship rates and the need for such rates is supported by the business community. However, there is pressure to raise these wage rates, which are already (at current levels) called too high by employers, disincentivizing youth employment. Indonesia is also challenged by this policy – but for different reasons. Available to all age groups/employees, statutory minimum wage rates do not, according to the employer organization, fulfill their purpose well enough due to both poor monitoring and law enforcement as well as the subjective nature of minimum wage determination.

On the contrary, the Russian employer organization considers statutory minimum wages as very useful, as does Belgium and the UK, with South Africa assessing them as unclear or neutral. South Africa’s continuing “Sectoral Determination: Minimum Wages” policy targets all workers in specific sectors. The Commission on Employment Conditions is a statutory body established to advise the Minister on these matters.

The UK also has a positive view of this policy. In the UK, the National Minimum Wage (NMW) continues to exist where young people under 18, young people aged 18 – 20 and apprentices all have separate NMW rates.

**Table 5: Statutory minimum wage – unclear success**

Country	Description
<b>Australia</b>	Junior rates policy targets 15-24 year olds. Junior rates and apprenticeship rates are a disincentive to employ. Business supports the need for a rate but the rate is too high and there is pressure for it to be higher. The overall assessment of the policy is less useful.
<b>Belgium</b>	Minimum wages policy exists and is available to 15 – 64 year olds and is assessed as very useful.
<b>Canada</b>	Minimum wage policy exists targeting 15 – 24 year olds. The policy also targets women, visible minorities and aborigines. The usefulness of the policy was not stated.
<b>Indonesia</b>	Minimum wage policy is available to all age groups / employees, but is not deemed to have fulfilled its purpose well due to poor monitoring and law enforcement as well as subjective nature of minimum wage determination.
<b>Jamaica</b>	A continuing minimum wage policy exists, and it has a gender component. Its usefulness was unclear.
<b>Japan</b>	A continuing policy of ‘guaranteed minimum wage’ targets a wide range of age groups, 15 – 24, 25 – 34, 35 – 44, 45 – 54 and 55 – 64 year olds. The usefulness of the policy is ‘not known’.
<b>Russia</b>	Policy continues to exist targeting all age groups (15 – 24 to 65+) and is assessed as very useful.
<b>UK</b>	The National Minimum Wage (NMW) continues to exist, where young people under 18 years old, young people aged 18 – 20 and apprentices all have separate NMW rates. It is a very successful policy, which has helped young people remain competitive in the labor market.
<b>U.S.</b>	<p>The Statutory minimum wage is set at a national and federal level. The federal minimum wage for covered nonexempt employees is \$7.25 per hour effective July 24, 2009. States set additions to minimum wage levels. In California, the case is as follows:</p> <p>Although there are some exceptions, almost all employees in California must be paid the minimum wage as required by state law. Effective July 1, 2014, the minimum wage in California is \$9.00 per hour. Effective January 1, 2016, the minimum wage in California is \$10.00 per hour. There are some employees who are exempt from the minimum wage law, such as outside salespersons, individuals who are the parent, spouse, or child of the employer, and apprentices regularly indentured under the State Division of Apprenticeship Standards.</p> <p><i>Minimum Wage Order (MW-2014)</i></p> <p>There is an exception for learners, regardless of age, who may be paid not less than 85% of the minimum wage rounded to the nearest nickel during their first 160 hours of employment in occupations in which they have no previous similar or related experience.</p>
<b>South Africa</b>	The continuing ‘Sectoral Determination: Minimum Wages’ policy targets all workers in specific sectors. The Commission on Employment Conditions is a statutory body established to advise the Minister on these matters. The policy is assessed as useful.
<b>Spain</b>	The policy, ‘salario minimo (minimum wage)’, continues to apply to workers, irrespective of the age. (Spain)
<b>Suriname</b>	Policy (Minimum Wage Act 2014) continues to exist for a wider range of age groups (15 – 24 through 55 – 64 year olds) and low skilled workers. It is too early to tell whether the policy has fulfilled its purpose although indications are that it is less useful.

Some countries have also taken steps to reduce employer social security contributions. For those that commented on these policies, Algeria assessed its program (Contrat de travail aide CTA) as very useful, as did Belgium. Mexico however assessed its country's program impact as less useful. The UK continues its policy providing for the abolition of Employer National Insurance contributions for apprentices and young people, targeting apprentices under the age of 25 and employees under the age of 21. It is too early to tell whether the policy has fulfilled its purpose.

A number of countries provided a brief overview on special schemes for youth. The extent to which they fulfill their purpose is varied. A summary of these is provided in the table below.

**Table 6: Special schemes for youth**

Country	Description
<b>Australia</b>	Australia introduced the Industry Skills Fund for youth targeting 15-24 year olds. It commenced in March 2015, and it is too early to assess how the policy is fulfilling its purpose or its overall usefulness.
<b>Belgium</b>	Belgium has a special scheme for lowly educated youngsters targeting 15 – 24 year olds. While assessed as very useful it is noted as not fulfilling its purpose due to the heavy financial efforts (for limited results).
<b>Denmark</b>	The usefulness of the program The 'Viden pilot' (knowledge pilot) targeting academics in Denmark is not clear.
<b>Germany</b>	In Germany 'Einstiegsqualifizierung' (entry level vocational qualification) and 'Ausbildungsbegleitende Hilfen' (training assistance) which has a target age group of 15 – 24 (open to all age groups but mostly used by younger people) was assessed as very useful.
<b>Jamaica</b>	In Jamaica YUTE (Youth Employment Through Education) is a private sector initiative with support from government. This policy was implemented between 2009 and 2015. Women participated more often in the program and it was assessed as less useful.
<b>South Africa</b>	Assessed as one of the two key policies to drive youth employment in South Africa, the continuing 'Expanded Public Works Program' targets 25 – 34 year olds and all youth, particularly women and youth from disadvantaged backgrounds, as well as all workers in specific sectors. There is regular engagement at the National Economic Development and Labor Council. The usefulness of the policy is unclear.
<b>Spain</b>	The Strategy for Entrepreneurship and Youth Employment 2013-2016 aims to promote measures to reduce unemployment among young people, either through opportunities in the job market or through self-employment and entrepreneurship. To this effect, 100 measures have been drawn up to correct the various imbalances that have been identified, with the priority on the integration of young people into the labor market, promotion of entrepreneurship and improved employability.
<b>UK</b>	In the UK, the new government plans to introduce a new Youth Allowance. This will replace the 'Job Seekers Allowance' and will require young people who do not find a job within 6 months to take up a traineeship, apprenticeship or community placement. The scheme, which has not started yet, will target 15 – 24 year olds.

In summary, a mapping of the different drivers of success for effective schemes is not possible based on the survey responses. However, across the long list of job creating policies mentioned above, there are a number of somewhat consistent and interlinked tendencies pointed to by the employer organizations. One successful driver tends to be the match of skills. In countries where the target group of the specific scheme is far from the labor market, the gap between the skills needed to retain the jobs and the skills possessed by that target group is comparatively large. The target group is simply unable to fulfill the requirements posed by employers. Furthermore, schemes with a longer horizon tend to be more successful (e.g. Australia's 3-4 year trade apprenticeships). As suggested by some of the respondents, this tendency might be because such schemes allow the young person to grow in the job and acquire the skills needed to stay in employment.

### Policies to Bridge Employment and Education Systems

Bridging the education and employment systems is seen by most respondent employer organizations as essential to improving youth employment. In particular, it represents a way to address one of the main challenges identified by the respondents; namely appropriate training, job readiness and skills. Again, various policies are utilized by the different countries, all with varying degrees of perceived impact.

The programs/policies identified by the respondents are listed below. According to the respondents, none of these stand out as extremely successful, but instead show mixed results or only a slight positive impact. It is also worth noting that some resource and financially heavy programs, while perceived as successful, have been discontinued.

The employer organizations mentioned the following policies:

1. Programs bridging young people from social benefits to education
2. Efforts targeting transition into education and from education to employment
3. One-stop shop employment services
4. Private employment service contact with employers
5. Standardized competency certification
6. School-company partnerships
7. Job counseling, mentoring or assistance
8. Unemployment education schemes

The programs mentioned by respondents to **bridge young people from social benefits to education** all specifically target the 15 to 34-year olds, which is not the case for some of the other policy areas covered by this survey. Further all were identified as at least somewhat useful. A few respondent countries like Argentina and Belgium have relatively recently introduced new programs, "PROGRESAR" and "Inschakelingsuitkering", respectively. Belgium perceives its program to be rather useful but, as in the case of Argentina, it may be too early to assess its overall impact. The usefulness of the Danish "Brobygningforlob" policy, which targets 18 to 30-year olds without any qualifying vocational education, is too unclear, while Jamaica's "Path program", targeting 15 to 24-year olds is assessed to be useful. The most positive response came from the Spanish employer organization. The "Garantia Juvenil" policy targets 15 to 34-year olds and has a gender component. This policy contributes to greater co-ordination of the measures implemented to get people into work and is assessed as very useful by the respondent. In the case of France, the policy targets 16 to 30-year olds with a low level of education to obtain the skills required by the labor market. The program is challenged, however, by a lack of alignment in the understanding of the skills needed between the employers and those who administer the policy. For this reason it was assessed as fulfilling its purpose to some extent.

Efforts targeting the **transition into education and from education to employment** seem to be working slightly less well than other programs, according to the survey responses. Further investigation is needed to understand the reasons. It may result from too little knowledge of these programs, a lack of time to assess them or non-visible impacts. A few comments of note from respondents include:

In Korea, a work-based learning system exists (www.bizhrd.net) to help young people make a rapid entry to the labor market and resolve a gap between industrial demands and school education. The system is targeted at young jobseekers (without an age limit). The strengths of the policy are that enterprises can develop human resources to meet industrial demands; that young people become experts through field-based education; prevention of social spending on unnecessary/excessive education; that young people make a rapid entry to the labor market; and acquiring further qualifications can assist career path management. The policy's challenge is that the dual student/worker achieves lower productivity whilst the enterprise bears the same cost as for a full time worker. This is seen as a disincentive to enterprises to adopt the work based learning system.

In Turkey, the training programs are being organized to meet the requirements of the labor market. The provinces and occupations to be covered by the workplace training programs are decided by the Ministry of National Education in accordance with the views of Provincial Employment and Vocational Training Boards. Non-formal education is delivered through courses given by vocational and technical secondary schools, adult training centers, apprenticeships and distance learning. Theoretical and hands-on training courses are held in workplaces alongside on-the-job training. Efforts for improving the scope and effectiveness of training courses and on-the-job training programs provided by İŞKUR have been progressed. Participation rates in lifelong learning are increasing, but in order to meet national targets, the vocational training system needs to be revised and formalized. The policy is assessed as fulfilling its purpose to a lesser extent. Some of the challenges mentioned that may account for this include: difficulty for employers to find qualified employees, a lack of communication between employers, education institutions, institutions regulating labor market and absence of labor market analyses. In addition, regulations easing the transition to working life, apprenticeship and on-the-job training programs and limited vocational knowledge, guidance and counseling services are also factors that create challenges.

The Turkish respondent also made mention of specific programs supporting women. For example employment incentives are provided for women, youth, persons holding occupational certificates, persons receiving unemployment benefits and the disabled. Within the scope of these incentives, the employer's share of the insurance premiums is covered by the state. These are provided with the regional incentive mechanisms and in accordance with development levels. Further, the Small and Medium Enterprises Development Organization (KOSGEB) provide interest-free loans following course completion. The support rate for women is higher than that for men.

**One-stop shops for employment services** were assessed as neutral or below, with the exceptions of Belgium and Germany who consider their policies to be very useful. Australia and Mexico, suggest the opposite – without giving further details. Countries like Denmark, Jamaica and the UK are more neutral in their assessment of these programs. The UK's "Job Centre Plus" program, which aims to support unemployed people from the age of 18 to 65+ back to work, generally works well but there is room for improvement. For example, businesses would like to see a more detailed classification of young people's needs to enable them to access the full range of support they require. Young people below the age of 18 also fall through the cracks given that they are ineligible for job seekers allowance. These results suggest further investigation is needed.

**Private employment service contact** with employers was raised by a handful of respondents. Belgium and Mexico perceived this policy as very useful or useful, while Russia had a more neutral assessment of this policy and Australia saw this as less useful.

**Standardized competency certificates** were seen mostly as useful by the countries that shared their perspectives. Argentina, Australia, and Russia see this policy as useful, while Jamaica was more neutral on its effectiveness.

School company partnership policies were rated as either neutral, useful or very useful. A few specific comments are provided in the following table, suggesting areas of possible closer review.

**Table 7: School company partnerships**

Country	Description
France	A policy designed to help young people (16 – 30 year olds) obtain a qualification recognized in the labor market existed in France between 2009 and 2015. The policy mainly targets individuals with a low level of education. Strengths of the policy are: young people are put in real work situations; it addresses company needs; and companies involved in the partnerships have greater concern about youth employment. Not all schools realize the importance to their pupils' prospects of school-company partnerships.
Germany	In Germany the continuing 'Netzwerk Schule Wirtschaft' program targets 15 – 24 year olds, with separate sessions for girls and boys.
U.S.	In the U.S. companies actively recruit on university and vocational training school campuses. There are several instances of partnerships with the private sector to support youth. For instance, The Riordan Programs enjoy a broad base of support among the corporate and academic communities. They targets incoming 10th, 11th, and 12th grade students from diverse backgrounds who are college-bound and interested in developing the necessary leadership skills to succeed in college and business. The comprehensive programs include: eight Saturday sessions; human resources and organizational behavior case study overviews led by UCLA Anderson faculty; team-based exploration of the stock market; a real estate competition focusing on communities in Los Angeles; guest speakers from industry; SAT preparatory workshops for 10th and 11th grade Scholars; personal mentors; and professional development seminars that include résumé writing, interviewing techniques and networking workshops.

The usefulness of **job counseling and mentoring assistance** was assessed either neutral/unclear, useful or very useful by all but a couple of respondents who shared input on this policy. Mexico, which has a program that is not specifically focused on youth, assessed it as not useful and Australia ceased the policy due to the fact that it is very resource intensive, despite positive assessments.

The usefulness of **unemployment education schemes** was uncertain. Countries that commented upon such policies included Australia, Belgium, Denmark, Canada, Russia and the UK. Australia identified the fact that many schemes exist to bridge unemployment and education systems at both state and federal levels, although sometimes the effort is too ad hoc in nature. According to the respondent, a more holistic and strategic approach is needed.

In summary, skill match/gaps is once again mentioned by the employer organizations as one of the most important drivers in terms of the success/failure of the specific policies. In regards to bridging young people from social benefit to education and from education to employment, knowledge of the skills required by the labor market seems to be of particular importance. The administrators of the policies need to have a proper understanding of the skills demanded by the employers (in terms of both guidance in choice of education as well as matching the right person with the right job), and the employers need to know how to support a candidate to obtain the right skills and the extent thereof.

### Policies Aimed at Minimizing the Skills Gap for Youths

Underlining the interconnectedness of the various programs to support youth in employment, a number of different policies were cited as aiming to minimize the skills gap, including:

- Job-related training, or on-the-job training
- Grants, including wage support
- Policies to promote vocational training and training grants, subsidies or wage support
- Life-long learning
- Promotion of Vocational Education and Training (VET)
- Work study programs

The majority of respondents referred to job related training and on-the-job training policies and programs. This was followed by policies to promote VET, work subsidies and work study programs. It seems that the majority of programs mentioned do not specifically target youth, raising the question as to whether specialized attention to youth should be further considered. Countries such as Turkey, South Africa, Korea, the U.S. and the UK do have programs specifically targeting those aged 15 to 34. The impact assessments are inconclusive. Turkey expressed a number of specific challenges, raising possible areas of focus going forward. South Africa has identified some clear challenges that it is currently discussing with social participants, possibly providing solutions for others to follow. Example respondent comments are provided below:

Argentina mentions a training grant/subsidies program referred to as “Becas para estudiantes de ingeniería” which is more targeted at 15 to 34-year old engineering students and is assessed as being useful for purpose.

The program encourages high school graduates to look increasingly at engineering studies at university. While no specific numbers were provided, the number of engineering students has increased since the program started in 2011.

Australia referred to various programs including training/retraining programs, policies targeting indigenous and female populations and industry fund programs targeting growth industries, amongst others. There is an extensive range of policies and programs at both federal and state levels. Vocational Education and Training (VET)

attracts over AUD7 billion in government funding each year. The Industry Skills Fund targets employers and supports them in providing skills advice and funds on a co-contribution basis, training of existing employees to upskill, or to gain skills in new areas of business growth.

In Belgium a number of programs were identified as minimizing the skills gap, including:

- Training/ retraining programs
- Funds for skills development initiatives
- Programs for long-life learning
- Policies to promote vocational training
- Job-related training, or on-the-job training
- Work-study arrangements

These programs do not specifically target youth (available to 15 to 64-year olds), with the exception of training/retraining programs which do not include the 55 to 64 age group. All programs were assessed as useful or very useful. Those assessed as very useful were training/retraining programs, funds for skills development, job-related training and on-the-job training programs. The remainder, i.e. those focused on lifelong learning, policies to promote vocational training and work-study arrangements, were assessed as useful.

Korea referred to its HRD School (<http://www.hrdschool.or.kr>). This program targets young people who do not attend school (aged 15-24) and who are isolated from society, giving them an opportunity to return to their home and community by learning practical job skills. The program provides personalized multi-dimensional assistance in an effort to narrow the skills gaps between people with or without school diploma and enables the participants to support themselves after completing the program. The strength of the program is that it is a collective training program conducted over a longer period of time – often more than 6 months. It helps trainees improve their vocational skills, personality and career paths. As of 2014, approximately 150 young people participated in this program, which accounts for a very small portion of the total troubled youth who have dropped out of schools. In this regard, this program is estimated to be insufficient to solve the problems of young people who are in need of help and address the skill gaps among the young people. While not specifically stated, a closer understanding of the resource intensiveness and scalability of this program through other means is worth consideration.

In Turkey programs to reduce skill gaps seem to link educational institutions with labor market needs and improve young people's qualifications, while providing qualified workers for employers. Apprentices between the age of 14 and 19 and VET school students are the target groups.

According to the Turkish respondent, there are some EU Projects which are implemented by the Ministry of National Education ("MoNE"), designed to encourage girls and their families to enroll in schools. All stakeholders, including public institutions, the private sector and NGO's, have full support in order to improve the VET System. This system is also supported by European Union funds.

A number of challenges were articulated by the employers' federation. These include:

- The apprenticeships system is not seen as a prestigious training method among students, families and society.
- There is no proper involvement of employers in the design of the VET system.
- It is almost forgotten that the main function of enterprises is to produce goods and services, rather than working as "training institutions".
- In most cases, training programs of VET schools and enterprises are not integrated and the roles of all parties are not determined clearly.
- The training materials at VET schools are not up to date and must be renewed to adapt to changing needs of industry.
- Apprenticeships are costly systems for employers and there are no tools offered by official authorities to support and encourage this.
- Employers face a large administrative burden when taking on apprentices.
- There is a lack of awareness within the society of the apprenticeships system.

In Russia, the training and retraining programs, funds for skills development initiatives and policies to promote vocational training, job-related training, or on-the-job training were all assessed as useful by the respondent employer organization. Russia also has policies promoting work-study arrangements that target a younger cohort (the 15 to 24-year olds and the 25 to 34-year olds) as well as training grants, subsidies and wage supports to those aged 25 to 34 and 35 to 44. The usefulness of these two policies are unclear.

The following policies were all ranked as useful by respondent countries.

India launched its National Policy on Skill Development in 2009, which was recently revised and launched as the Policy on Skill Development and Entrepreneurship (2015). The National Policy has identified various challenges in skills development in India. It proposes:

- Increasing capacity and capability of the existing system to ensure equitable access to all;
- Promoting life-long learning, maintaining quality and relevance, particularly an emerging knowledge economy;
- Creating effective convergence between school education, various skill development efforts of government and between government and private sector initiatives;
- Capacity building of institutions for planning, quality assurance and involvement of stake holders;
- Creating an institutional mechanism for research development quality assurance, examinations and certification, affiliations and accreditation; and
- Increasing the participation of stakeholders, mobilizing adequate investment for financing skill development, attaining sustainability by strengthening physical and intellectual resources.



In 2014, the Ministry of Skills Development and Entrepreneurship was set up specifically to work towards skilling India. The Ministry has launched the Skills Campaign in 2015 which will work towards skilling with speed, scale and standard across the country.

Indonesia's National Apprenticeship Network (INAN), is a continuation of APINDO's commitment to promote apprenticeships, and is designed to strengthen apprenticeship initiatives through the leadership of champions companies. Over time it will align and integrate with other apprenticeship forums. The role of INAN is to raise awareness and understanding of apprenticeships in Indonesia, to facilitate knowledge sharing of apprenticeship experiences and practices and to contribute to the improvement of apprenticeship regulatory framework in reducing the gap between knowledge generated in the educational system and the skills demanded by employers.

INAN will work in cooperation with the GAN to promote good practices in apprenticeship with the aim to achieve international benchmarks in Indonesia.

New Zealand sees success in education as essential to the Government's goal of building a productive and competitive economy. It also helps New Zealanders develop the skills needed to reach their full potential and contribute to the economy and society.

In this context, the Government has set a target of 85 percent of 18 year-olds achieving NCEA Level 2<sup>6</sup> or an equivalent qualification in 2017.

To achieve this target, the following measures are being implemented:

- School and student participation in the Achievement, Retention and Transition program in 2014 increased to 212 schools, and over 4,700 students. 2014 data show at least 2,744 students achieved NCEA Level 2.
- Funding was continued in Budget 2015 for the Achievement 2013-2017 program to increase NCEA Level 2 achievement and student progression into further study, train or work.
- Secondary-tertiary programs increase funded places to 5,250 in 2015.
- Increased Trades academy funding for an extra 1,200 students over the next four years.
- 9,900 Youth Guarantee Fees Free places are available in 2015, providing full time study for foundation level qualifications for 16 to 19 year-olds.
- Working with schools and tertiary providers to build transitions pathways from Levels 2 and 3 to Level 4 and more, and into employment, to support industry skill needs in line with Business Growth Agenda.
- Maintaining and extending the Vocational Pathways from Levels 1 and 2 to Level 3 and higher.
- Promotion of best practice around secondary-tertiary partnerships, utilizing Vocational Pathways to guide student decisions, and responding to industry skill needs.
- Facilitating 44 community-led Youth Guarantee Partnerships to better use local education resources for students and build capability within the education sector.

The UK has introduced Employer Ownership of Skills Pilot, which is based on the premise that employers and employees will be more willing to invest in skills development if they are given more freedom and leverage over the use of government funding. The flagship expression of this vision was the announcement of the first round of the Employer Ownership Pilot by the Department for Business, Innovation and Skills (BIS) and the UK Commission for Employment and Skills in 2012, followed by a second round in 2013.

---

<sup>6</sup> NCEA Level 2 is the minimum qualification that one needs to achieve to show that one is ready to enter and progress to further study, training or work. To understand the various levels, please see <http://www.nzqa.govt.nz/studying-in-new-zealand/understand-nz-quals/>

The key success of this program has been the ability to provide specialist training that has met the needs of employers and is led by employers. As a result, choices of provision have been widened, providing significant increases in the relevance of training, improved value for money and more flexible, targeted provision. Many of the successes have been adaptive in nature, that is, they have resulted from innovations which made changes to existing training provision within the same sector.

Changes in behavior among employers in regards to training have also been a positive success for the program. In particular, SME employers have provided training they would not have otherwise done. The collaborative model used within this program assisted in behavior change because it allowed the level of risk to be reduced or removed in regards to costs, time and resources; primarily from allowing sufficient volume of learners to be generated across several SMEs.

The U.S. Department of Labor announced (December 2014,) a \$100 million grant competition — the largest federal investment in apprenticeships ever made. The project is a partnership with the School District of Philadelphia and Communities in Schools that offers a two-year Computer Support Specialist registered apprenticeship program to local high school graduates.

The grant expands registered apprenticeships from the traditional skilled trades to new high-tech, high-demand industries like health care, information technology, and advanced manufacturing. These grants will also require clear employer commitments and strong public-private partnerships to ensure these apprenticeships are sustainable over the long run. Apprenticeships are a great talent development strategy for employers, many of whom say having apprentices not only builds loyalty to a company, but also increases production and reduces accidents on the job. In fact, more than 90 percent of employers who hire apprentices recommend the model to other employers. Finally, this initiative will promote career pathways and require strategies that ensure that these expanded opportunities are available for all, including populations that are currently underserved in apprenticeship. These grants are a major step toward President Obama's goal of doubling the number of apprenticeships in the next five years.

In summary, a lot is being done to address the skills gap which remains a major obstacle for youth employment. This is being tackled with a focus on job related training and on-the-job training policies and programs as well as policies to promote VET, work subsidies and work study programs. There are a number of programs specifically targeting youth which have been implemented in recent years. There remain, however, a number of programs aimed at minimizing the skills gap, but which do not target youth specifically. It will be important to assess whether the success rate of the targeted programs is comparatively greater over time.

### **Policies Promoting a Dynamic Labor Market**

A number of programs were referred to by respondents as promoting a dynamic labor market, and these included:

- Flexible forms of work
- Flexible layoff requirements
- Temporary employment contracts
- Retirement reform
- Special leave arrangements
- Short-term allowances
- Migration laws

The most frequently mentioned policies/programs related to promoting a dynamic labor market was flexible forms of work; flexible time arrangements (part-time/part-year, work-life balance, remote working) and flexible layoff requirements. These were mostly all rated useful or higher to promoting a dynamic labor market. The use of temporary and fixed term contracts and funding for entrepreneurs was also mentioned, though to a lesser extent. Retirement reforms and relevant migration laws were referred to by a few of the respondents.

Respondents who referred to support for entrepreneurship provided mixed results in terms of effectiveness. This may be explained in part by the different nature of the approach and how they interact with other initiatives. For example in France, policies increasing entrepreneurship, allowing flexible forms of employment (wage portage, grouping of employers, shared work) have been implemented. The strength of these policies is to widen the forms of employment, including having people create their own employment.

According to employers there are challenges related to contractual arrangements which make it difficult for employers. Algeria has increased government funds/ in-kind support for entrepreneurship which is not youth specific (targeting 15-24, 25-34, 35-44, and 45-54 year olds) and has assessed this as neutral.

As regards **temporary contracts and special leave arrangements**, two comments from respondent countries suggest areas of further analysis. Canada is of the opinion that special leave arrangements are not particularly useful in creating a dynamic labor market. Indonesia expressed concern at the lack of flexibility and clear and fair rules for employers and employees regarding temporary employment contracts. This is contrary to experiences in other markets like Germany and Australia.

Aligning migration policies was assessed as useful by those countries that made mention of this policy, namely the U.S., Germany and Russia.

Wages policies were specifically mentioned by Korea as an area that needs addressing to enable more young people to enter the labor market. The respondent specifically referred to the difficulties of what was referred to as the dual structure of labor market. According to the response there are excessive regulations that protect regular workers in large companies, including an excessive seniority-based wage system, which results in a serious mismatch between employees' labor productivity and wage level. Enterprises under a heavy financial burden to retain senior employees cannot afford to hire new employees. The respondent proposes reforms that will ease overly protective regulations on employment, such as the introduction of a merit/performance-based wage system. Labor market reform is seen as very urgent for youth, and in April social partners failed to reach an agreement on reforms.

Germany stood out as a country that believes six main policies are all useful to very useful for creating a dynamic labor market. In the main these are not youth specific. They include:

- Aligning migration policies with labor market needs – Blaue Karte EU, Positivliste
- Labor market regulations allowing flexible forms of employment – Agenda 2010
- Part-time work/part-year work – Minijob
- Work-life balance time arrangements – Various initiatives on company level, collective agreements. Temporary work contracts – Agenda 2010
- Working time accounts – Arbeitszeitkonten - Various initiatives on company level, collective agreements
- Short-time allowances – Kurzarbeitergeld. Very useful policy

Switzerland put its success down to its labor market system, with a very flexible employment law.

Two markets where new policies are under development or in their infancy and therefore require time to assess impacts are the UK and Mexico. The UK recently introduced work-life balance arrangements which give workers the right to request flexible working arrangements where they have worked for the same employer for at least 26 weeks. Mexico is going through a major "Labor Reform" in which rules and specific programs are yet to be finalized.

The following examples show further the breadth of approaches being implemented.

**Table 7: Policies to promote a dynamic labor market**

Country	Description
<b>Argentina</b>	“Teletrabajo”, is a regulation that provides a framework for “home office” jobs that require the employers to provide a helpful environment in their own space of work. However, the program does not specifically target youth, and its effectiveness was not rated.
<b>Australia</b>	The labor market regulations allowing flexible forms of employment, part-time work/ part-year work and temporary work contracts help create a dynamic labor market. Temporary and permanent skilled migration programs, targeting 15 to 54-year old seasonal workers in regional areas, are deemed as useful.
<b>Belgium</b>	The country has harmonized rules for blue and white collar workers, respectively, and assessed to make the labor market more dynamic – although it is noted that it does not make hiring and firing less expensive.
<b>China</b>	China has a number of polices to promote the upgrading and transition of enterprises. Focusing on innovation, entrepreneurship as well as new internet-based employment opportunities, this program is assessed to fulfill its purpose to some extent.
<b>Japan</b>	The country is undergoing a major overhaul of its labor market: in particular, the labor reform bill which has been passed by the lower house of the Diet on 19 June 2015 and awaits the upper house’s approval. The bill aims to reduce the current restrictions on Japanese companies when it comes to hiring temporary and contract-based workers. The reform would further reduce the role of “regular” workers and should help reduce employee cost and augment labor productivity for countries operating in Japan. Companies would also be able to choose, after three years, whether they would like to convert temporary positions to full-time or to maintain the position as temporary. It is expected that this will enhance the employment prospects of youth as companies will increase the numbers of people they hire.
<b>U.S.</b>	Migration policies which are often seen as in conflict with youth employment are currently being debated in the U.S.. The competitiveness of businesses relies heavily on the capacity to recruit top talent, which is why flexible migration laws for high-skilled labor is deemed to be of high importance by the American employer organization.

In summary: Most markets have a number of policies in place to create a dynamic labor market for young people. Flexibility is the main approach referred to as most constructive for this purpose. It comes in many forms. As mentioned above there are also other policies currently in place such as flexible migrations laws and promoting entrepreneurship. What stands out however is the fact that most mentioned policies are relevant to a broad cohort of workers and not specifically targeting youth. If this is general practice, consideration should be given to alternative policies and approaches that specifically target younger workers.

### Other Relevant Policies

A number of the respondents mentioned additional programs specific to their countries. Some are perceived as effective, while for others, their impacts are yet to be determined. Korea, for example, pointed to its policies aimed at encouraging youth to go abroad to get a job (K-MOVE)<sup>7</sup>. The program targets youth with the goal of expanding their employment opportunities and, according to the employer organization, the strength of the program is that it speaks to the desire of some young people to create an international career and certainly supports youth in the global market place. The challenge noted, however, is that it is difficult for young people to get a job overseas due to language barriers and the difference in the labor market environment.

In addition, such policies require supporting structures, such as customized support in understanding the global market. In practice, Korea is short of such related experience and supporting systems. For these reasons there is currently some skepticism as to the effectiveness of this initiative.

The U.S. cited a different approach. It highlighted its “Pathways for Youth” program, a draft strategic plan for federal collaboration on youth issues. It was published in 2013 by the Interagency Working Group on Youth Programs, which brings together 18 federal departments and agencies focusing on youth, and is currently in public consultation. The draft strategy formulates a strengths-based vision for youth and defines three goals: (1) Promote coordinated strategies to improve youth outcomes; (2) Promote evidence-based and innovative strategies; (3) Promote youth engagement and partnerships. It further introduces four cross-cutting initiatives<sup>8</sup>:

- Develop a shared language on youth topics
- Assess and disseminate models of collaboration
- Centralize and disseminate information
- Promote data collection and evaluation

Germany pointed to Kurzarbeitergeld –a short-term support program– that involves the labor market agency paying for workers who work less hours because the company is in crisis and cannot employ them fully. It compensates for the loss of income. This is equally available to young men and women. The employers have assessed this as being useful.

---

<sup>7</sup> <http://www.hrdkorea.or.kr/3/4/2>

<sup>8</sup> <http://www.youthpolicy.org/factsheets/country/united-states/>

### Expected Future Policies on Youth Employment

Several employer organizations mentioned programs that they expect to see implemented in the coming year. These reflect the diverse nature of the policies that the countries are implementing in an effort to improve youth employment. An extract of these future policies are given in the table below.

**Table 8: Expected future policies**

Country	Description
<b>Australia</b>	May 2015 Budget outlined a number of employment policies around youth engagement - some of it aimed at intensive support. Youth wage subsidies will be expanded from 1 Sep 2015 to include up 29 year olds.
<b>Denmark</b>	Implementation of a reform to make vocational education more attractive and increase the professional level.
<b>Jamaica</b>	Targeted training including TVET. Apprenticeship programs and school to work preparation for school leavers that are not going into further formal education. National Youth Service is to be upgraded to include enlistment into the military and police divisions in an effort to change work attitudes while engaging youth in service. Entrepreneurship is to be infused from Grade 5 in the appropriate level so that the knowledge is entrenched and choices can easily be made later in the life of the youth. This early training may be a factor in reducing the growth in the informal sector.
<b>Mexico</b>	The President has announced a national program for youth employment and entrepreneurs. The results are yet to be seen.
<b>Republic of Korea</b>	Package for youth employment (to be implemented from second half of 2015) that includes an integrated step-by-step services (consulting-vocational training-internship-overseas employment-job recommendation) with a plan of supporting 200,000 youths annually.
<b>South Africa</b>	Government is monitoring the implementation of the youth employment incentive act, which would inform future reviews.
<b>Spain</b>	2016 Strategy Entrepreneurship and Youth Employment (La Estrategia de Emprendimiento y Empleo Joven 2016)
<b>Suriname</b>	Further reform of the VET system including the establishment of the Suriname National Training Authority.
<b>Turkey</b>	The Tenth Development Plan for Turkey, covering 2014-2018, has the main objective of forming a labor market in which decent job opportunities are provided to all segments of society, skills of the labor force are upgraded and utilized effectively, gender equality and occupational health and safety conditions are improved and 'flexicurity' is accepted. Within the scope of the Plan, the measures for strengthening the link between the education system and labor market and developing the basic skills of young people will be implemented. Also, the National Employment Strategy and Action Plan will be in practice.
<b>UK</b>	Youth Allowance will replace Job Seekers Allowance for young people. It will require young people who have been claiming the allowance for 6 months to take up a traineeship, apprenticeship or community placement.

# Connection with G20 Commitments

In all G20 economies, youth are a key asset. Since the first meeting of G20 leaders in November 2008, employment, skills and job creation have taken center stage on the list of priorities in the G20 process.

Whereas in 2008, the G20 Summit in Washington was focused exclusively on financial systems, half a year later in London G20 leaders acknowledged the role of employment for a sustained recovery. The commitment to place jobs at the heart of recovery became part of every G20 leaders' declaration. To that effect, G20 Employment and Labor ministers have met periodically to define strategies and exchange best practices to address persistently high unemployment rates. Moreover, a G20 Employment Task Force was set up in Cannes in 2010 to support the G20 labor ministerial process.

In 2013, under the Russian Presidency, the importance of the private sector for job creation was made apparent and subsequently the G20 leaders acknowledged the need for a business friendly environment for jobs. This emphasis on private sector engagement continued under the Australian Presidency. The G20 leaders under the Turkish Presidency have reaffirmed their commitment to continue to support dialogue between the business world and global policy makers through the B20, which brings together business leaders from G20 economies. In particular, G20 under the Turkish Presidency aims to "emphasize issues pertaining to the small and medium sized enterprises (SMEs) as a cross-cutting subject, follow up on our commitment on strengthening gender equality in employment, as well as addressing youth unemployment".

However, the growing importance given to the topic has not led to concrete and measurable G20 employment targets. Despite the commitments of individual G20 countries in action plans in Seoul, Cannes, Los Cabos, Moscow and Melbourne, the ambitions expressed in G20 declarations were rather less concrete.

The G20 2014 communique confirmed a commitment to reducing youth unemployment which it acknowledged was unacceptably high, by acting to ensure young people are in education, training or employment. The G20 employment plans include investments in apprenticeships, education and training, and incentives for hiring young people and encouraging entrepreneurship. The G20 asked labor and employment ministers, supported by an Employment Working Group, to report to them in 2015.<sup>9</sup>

This lack of concrete measures is disappointing given the 2014 IOE-BIAC monitoring report on the implementation of G20 Commitments, that showed a less encouraging starting point. According to this report, one-fourth of the G20 countries failed to follow up on their G20 commitments. For example when it came to "promoting inclusive labor markets by allowing multiple forms of work for those who desire such forms while ensuring full respect for workers' rights and access to social protection", only seven countries had taken steps to implement this policy; in eight countries no initiatives have been taken; and in four countries government action limited the possibility of using multiple forms of work, despite the clear commitment by the labor ministers.<sup>10</sup>

On a positive note, however, steps had been taken "to invest in human capital, education, vocational training, skills development and capacity building programs that match employers' skills requirements for high quality jobs". Thirteen countries reported investments in human capital, education, vocational training, skills development and capacity building programs. Five countries reported that no additional investments have been made, and in one country investments in these areas have decreased in the last year.

The scores from 2014 G20 employment process are presented in detail in Table 9.

<sup>9</sup> G20 Leaders' Communiqué Brisbane Summit, 15-16 November 2014. [https://g20.org/wp-content/uploads/2014/12/brisbane\\_g20\\_leaders\\_summit\\_communique1.pdf](https://g20.org/wp-content/uploads/2014/12/brisbane_g20_leaders_summit_communique1.pdf)

<sup>10</sup> IOE-BIAC Monitoring Report, on the implementation of G20 commitments, September 2014

**Table 9: Scores of 2014 G20 Employment Process**

Truncated recommendations	B20 Australia Human Capital Task Force Recommendations	Score
3a (Establish a national innovation agenda and pipeline with supporting structural reforms)	Establish a national innovation agenda and pipeline that defines and promotes a nation’s priority areas, which is underpinned by structural reforms that align investment and support for innovation, resulting in productivity gains and job creation	Inadequate
3b (Alignment between the learning ecosystem and workforce needs)	Increase the level of alignment and responsiveness between the learning ecosystem and workforce needs.	Fair
3c (Remove barriers inhibiting entrepreneurs from starting and growing businesses)	Remove barriers inhibiting entrepreneurs from starting and growing businesses.	Poor
3d (Undertake structural reform)	Undertake structural reform to increase flexibility, adaptability and mobility within and across labor markets.	Fair
5e (Monitor and measure G20 nation Commitments.)	Monitor and measure G20 nation commitments to Human Capital and Employment Actions by ensuring Employment Plans submitted by G20 nations form the ‘baseline’ from which progress and development can be measured.	Good
<b>Average Score for Human Capital</b>		<b>FAIR (1.6)</b>

Source: 4th ICC Scoreboard



The credibility of the G20 process depends on the governments implementing their jointly adopted strategies at the national level. To date, the G20's commitment on employment calls for coordinated actions between governments, business and other social partners to tackle this multi-layered issue. This survey responses echo this need, in particular in the area of skills development and associated supportive policies.

As this survey shows, policies that support apprenticeships and traineeships are fulfilling their purpose and seem to do so more than some other policies. Governments' efforts to provide and support apprenticeships and traineeships seem to be focused in the right area as they are in the main successful. Much seems to have been implemented and commitments made to set up apprenticeship and internship/traineeship programs and to bridge the gap between education and employment.

This is however only one policy lever. The G20 recognizes that there is an interconnectedness between the various policies, whether it be benefits and incentives to hiring young people, job creation policies or policies aimed at minimizing the skills gap. The employers' responses support this. The survey suggested mixed results across many policies and many countries, for a myriad of reasons.

This includes policies focused on making the labor market more dynamic, enhancing job creation and removing barriers to hiring young people. Further, a range of policies is being implemented across the G20, with new policies in the pipeline, but what is working and why is not clear. If the questionable usefulness of policies identified in this survey is considered alongside the 2014 BIAC monitoring report on the implementation of the G20 commitments, there is cause for serious concern. The monitoring report showed that the majority of employer organizations in the G20 are not sure whether the G20 process has resulted in policy change.

The best way to inject more dynamism into the labor market, strengthen links between education and employment, improve job creation and skills development and remove barriers to hiring young people, is to understand the drivers behind the successes. Without this knowledge it is difficult for the G20 to pull the right levers. It is also important to understand the interconnectedness and effectiveness of policies beyond the G20 commitments, and ensure that these policies are well thought out and implemented in the right environment.

# Closing remarks

This report was developed as a starting point to understand better the employers' perspective on labor market policies targeted at youth and their effectiveness.

What is clear is that improving the jobs picture for young people is anything but monochromatic. There first has to be jobs available and jobs need to be met by the right skills in an environment that provides protection where needed, while also incentivizing the enterprises and young workers to look to non-traditional employment opportunities.

While a number of issues have been highlighted as worthy of further measurement, the survey respondents unanimously point to skill gaps as the number one obstacle for youth employment. This challenge was also substantiated in the 2015 BIAC Economic Survey that showed that employers considered skills mismatch as an important cause of job constraint among OECD countries for workers of all ages. We have to make sure that our workforce and particularly the unemployed are being trained for jobs for the future rather than those of the past. Our employment training systems must be designed and implemented to respond to future workforce requirements. There is an active role to be played by employers in designing and delivering employment and training programs. The employers' demand for skills has to be embedded in the process of determining how to spend the money<sup>11</sup>.

One way of approaching this is by establishing Public-Private partnership models based on 'payment for performance' for training as well as creation of sustainable jobs<sup>12</sup>.

The educational system is not to be forgotten in this context. Both public and private sector have to work closely with the educational system, including schools, colleges, universities and the vocational training system, to ensure alignment of programs and graduates to market needs, as well as providing information to students regarding trends and shifts. To increase young people's knowledge regarding the labor market and the skills demanded, employers should collaborate with the education system. The aim should be both to inform students and school student counselors. An annual or bi-annual survey for students regarding degree and professional path could be used to create a strategy that is ahead of the curve.

Deloitte's annual millennial survey<sup>13</sup> of more than 7,800 millennials - provides some insights on the expectations of young people and their perception of the workforce and also supports the employer views of an existing skill gap.

The findings show that skills gained by millennials in higher education contribute only 40 percent to the fulfillment of day-to-day roles and responsibilities in the workplace, and 42 percent towards meeting long term career aspirations. Only 28 percent of Millennials feel their current organization is making full use of their skills. The extent of the skills gap is relatively large with regards to technical skills. E.g. sales and marketing (-15), general business knowledge (-12), entrepreneurialism (-10) and financial/economic knowledge (-9).

---

<sup>11</sup> For more information on demand-led employment and training system see "Working together" by Deloitte and Social Capital Partners: [http://www.socialcapitalpartners.ca/pdf/14-2037T%20POV\\_Demand-led%20employment%20&%20training\\_online.pdf](http://www.socialcapitalpartners.ca/pdf/14-2037T%20POV_Demand-led%20employment%20&%20training_online.pdf)

<sup>12</sup> Social Impact Bonds for the Municipality of Rotterdam is a new and great example of Public-Private partnerships. Werkplaats Rotterdam Zuid is a private initiative, initiated by Deloitte, which aims at leading people with a distance of the labor market back to work. Within Werkplaats Rotterdam Zuid different local companies work together to create sustainable jobs for people that have been unemployed for a long time. During the period of training, a social investor compensates the companies for the unproductivity of the new hired employee. The municipality pays rewards to the social investor based on the amount of 'profit' they make.

<sup>13</sup> Mind the Gaps The 2015 Deloitte Millennial Survey, <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-wef-2015-millennial-survey-executivesummary.pdf>; January 2015

These findings reinforce the need for commerce and academia to close these gaps.

In order to implement effective labor market policies to combat youth unemployment, the labor market needs to be flexible and dynamic so that policies can be easily implemented and the labor market can operate efficiently. It seems there is a lack of flexibility and the exact nature of this needs to be identified so as to enhance opportunities for workers, especially the youth.

Economic incentives can work well as an instrument to encourage enterprises to hire more youth. Furthermore, a well-coordinated and holistic effort at the global level and at the national level can help ensure efforts are not duplicated or counterproductive. Ongoing assessments of such policies would be helpful in ensuring efforts that do not work as intended are detected at an early stage and can, thus, be rectified rapidly. Finally, policies by themselves are insufficient; they need to be put into practice to have an effect on youth employment. For this, commitments at the global forum will need to be stronger, action-oriented and focus most importantly on reforming the labor market.

Finally, we need to evaluate and measure the effects of the various initiatives in operation. The specific social interventions and training initiatives need to be selected based on evidence instead of history. We must not just do something – we must do what works, and what works best. Rather than an exclusive focus on initial placement, performance measurement must take into account how well jobseekers are set up for success on the job. This could be done with the use of data from the employers collected from intervention groups and control groups, which can then be used to assess the specific programs or the interventions with great certainty, with the purpose of getting the individuals closer to employment.

The problematic side of losing generations to unemployment and a life left on the margins of society cannot be overstated. If we are to make the most of the recovering global economy, we must ensure that our youth do not end up on a one-way social security path. This requires all actors - public, private and third sector – to work collectively towards the same goal.

---

<sup>14</sup> For more information on evidence based interventions see the Deloitte management handbook “Is it worth it” How to measure the social return on investment” by Mette Lindgaard et al. Gyldendal



# Annex: International and National Initiatives and Experiences

# International and National Initiatives and Experiences

## Algeria: National Action Plan for Employment

The National Action Plan for Employment in Algeria was adopted in 2008. This Plan is based primarily on promoting productive investment, valuing human capital through training and the modernization of the public employment service.

### **The main objectives of the plan are:**

1. To combat unemployment through emphasizing support for productive investment that generates jobs;
2. To value human capital through the implementation of a training policy that meets labor market needs; and
3. To develop entrepreneurial spirit especially among youth.

### **The main focus of the plan is four-fold:**

1. Support investment in the private sector through the implementation of fiscal measures to promote productive investment and job creation;
2. Promote training to facilitate insertion into the labor market;
3. Provide incentives to enterprises to promote the recruitment of job seekers notably through a substantial reduction in employers' contributions; and
4. Promote youth entrepreneurship as a means to combat youth unemployment.

One initiative implemented as part of the National Action Plan is the CTA (Contrat de Travail Aidé). This initiative comes under the third focus of the plan, which is to provide incentives to promote the recruitment of job seekers. Algeria has favored wage subsidies and tax exemptions to employers, especially for the hiring of first-time job seekers. Three types of subsidized employment for first-time job seekers are proposed under the DAIP program (Dispositif d'Aide à l'Insertion Professionnelle) depending on their level of education: the CID (Contrat d'Insertion des Diplômes) for general and professional tertiary-level graduates, the CIP (Contrat d'Insertion Professionnelle) for youth who have completed secondary education or equivalent vocational level, and the CFI (Contrat Formation-Insertion) for youth with no education. Under each contract, the state contributes to the salary of the worker for a period of two to three years, and an amount that depends on the contract. In addition, under the CTA employers receive social security tax exemptions and further contribution from the state to the salary for three years for any job created after the end of the scheme or for any young job seekers.

## Argentina: “Jóvenes con Más y Mejor Trabajo” & “Escuela de Oficios”

In Argentina, the government has initiated the program “Jóvenes con Más y Mejor Trabajo” (or “Youth with More and Better Jobs”) which aims to increase the employability of young people with fewer opportunities. The basic objectives of this program are:

- To generate skills needed by industries and regions locally;
- To implement actions aimed at social and labor inclusion of workers affected by unemployment and job insecurity, such as developing their skills and abilities to improve their employability; and
- To promote social dialogue as a basis for public action through the integration of the provinces, municipalities, communes, governing boards and the relevant stakeholders.

For more information, see [http://www.trabajo.gba.gov.ar/informacion/Publicaciones%20P%C3%A1gina/Evaluacion\\_programa\\_jovenes.pdf](http://www.trabajo.gba.gov.ar/informacion/Publicaciones%20P%C3%A1gina/Evaluacion_programa_jovenes.pdf)

Another well-received national initiative is the “Escuela de Oficios”, which is a widespread training program for acquiring and developing skills in different certificated jobs such as electrician and blacksmith. This helps youth to obtain a recognized certification that validates their skills and increases their employability.

## Australia: Part-time Work in Modern Awards

From July 2009, most Australian workplaces are governed by a new system created by the “Fair Work Act” 2009. The “Fair Work Ombudsman” helps employees, employers, contractors and the community to understand and comply with the new system. One of the key changes under the new “Fair Work” system is the modernization of awards operating in Australia. The Australian Industrial Relations Commission (AIRC) consolidated most of the existing awards into industry or occupation-based categories to reduce the confusion surrounding proper minimum employment entitlements.

As of January 2010, Modern Awards cover most Australian employers and employees and contain the minimum terms and conditions for employees in particular industries and occupations. There are ten minimum conditions of employment that are applicable to all employees covered by the federal system. Of these ten, the most effective one, according to enterprises, is the ability of the employees to request flexible working arrangements. In particular, many youth have exercised this clause effectively to request part-time working arrangements so as to be able either to gain some work experience or earn money, while pursuing full-time education. The Modern Awards allow for such flexible arrangements to be formulated with ease between enterprises and employees, which is of mutual benefit to both parties.

## Belgium: Youth Guarantee

From January 2014, the different regional authorities launched the implementation of the European Youth Guarantee by introducing new measures to provide every youth under 25 a quality offer of employment, continued education, an apprenticeship or traineeship within four months of leaving formal education or becoming unemployed.

For many years and particularly since the beginning of the economic crisis, the Belgian authorities have engaged in structural changes to provide higher quality training and to facilitate the integration of the youth workforce into the labor market, with a dedicated focus on the less qualified population and youth who left school without qualifications. The regions worked notably in strengthening the relationship between education policies, training and employment. The objectives are to provide a better matching of skills to labor market needs, and early intervention, allowing the opportunity for young people to experience the enterprise environment (development of apprenticeship education and training, strengthening of vocational training, promotion of technical and scientific skills, to name a few).

The federal government supports the Youth Guarantee mainly through the unemployment benefit system. A specific system for school-leavers who become job-seekers, the integration allowance (inschakelingsuitkering), is a strong encouragement for this group to register themselves with the regional public employment services. The federal monitoring within this system and within the broader unemployment benefit system contributes to ensuring their active job search. Moreover, the federal measures to reduce labor costs for young workers, notably low skilled workers, encourage their hiring by employers. Additional federal measures for long-term youth unemployed facilitate the work of the regional public employment services for this target group, allowing them to focus on the youth guarantee beneficiaries.

In 2013, on the basis of a Federal initiative, regional authorities adopted the required legislation for the implementation of adapted and tailored-made “Transition traineeships” schemes at the regional level. This has led to the creation of at least 10,000 workplace integration traineeships for young school leavers with, at most, a secondary school certificate.



## Brazil: Learning Law

The Law N.10.097/2000, also known as the Learning Law, changed the article 429 of the Labor Code to create mandatory quotas for hiring young people between the ages of 14 and 24 years old, with the exemption of people with disabilities for which there is no age limit. This is a special labor contract for a fixed period of up to two years.

According to the RAIS (Annual Social Information), in the year of 2009, 155,163 apprentices were hired; 192,959 in 2010; 250,904 in 2011; 294,221 in 2012 and 327,054 in 2013. In 2014, according to CAGED (General Register of Employed and Unemployed), there were 414,173 apprentices hired.

The Learning Law is useful in providing youth with hands-on working experience so as to facilitate their transition from school to work.

## Canada: Apprenticeship Training Tax Credit

In Canada, the Apprenticeship Training Tax Credit is a refundable tax credit for companies and businesses employing apprentices in certain skilled trades during the first three years of an apprenticeship program. The employer can claim up to CAD5000 each year to a total of CAD15000 per apprentice.

There are also Apprenticeships Scholarships and Employer Signing Bonuses. Ontario offers CAD1000 scholarships to young people who have dropped out of school but return to upgrade their skills in order to become registered as an apprentice. A CAD2000 support per apprentice signing bonus is also available for the employer who supports at-risk youth and provides training.

## China: Benefits and Incentive Policies for Youth

In China, several forms of incentive programs are implemented targeting youth: for example, tax reduction and micro credit for youth and individual entrepreneurs, public employment support to provide information about the job market, and internet recruiting (in an effort to reach out to more youth). Such programs, especially those relevant to improving entrepreneurs' access to credit, encourage the formation of public entrepreneurs.

In particular, tax deductions and exemptions have been a key component of the government motivated entrepreneurship promotion policies to incentivize enterprises to create employment. According to enterprises, this has proven to be particularly effective in the initial stages of entrepreneurship.

Another well-received policy is the micro-credit guarantee policy that assists people in starting their own business. Starting from 2002, micro-credit guarantee policies were amended to expand the number of beneficiaries and to make such loans more accessible. In particular, the new amendment enlarged the scope of beneficiary groups to help youth, especially college graduates, to start new businesses.

## Denmark: Youth Guarantee

Denmark has implemented the EU Youth Guarantee through a range of initiatives aimed at helping young people obtain an education as part of an active labor market policy.

The overall objective for the Danish youth scheme is to:

- Get young people without an education into education
- Get young people with an education into employment
- Give young people without an education and without the preconditions to begin and complete an ordinary education the needed upgrading of skills to obtain an ordinary education.

The Danish labor market is regulated in strong cooperation with social partners and recent reforms have established new initiatives such as Youth Units and others to improve integrated cooperation between all relevant labor market actors and public initiatives. The youth unemployment initiatives are part of the general Danish active labor market approach and reforms, but also include various initiatives targeted at youth and specific groups of youth with higher risks of unemployment.

Education is a special focus of the Danish policy concerning unemployed people below 30 years of age. In 2013, more than 50,000 persons below 30 years received cash benefit (kontanthjælp). Approximately 90 percent of this group did not have an education. With the cash benefit reform from January 2014, young people have clear expectations and support from start to finish in education, which can give them access to the labor market.

## France: Employment Guarantee Programs

In France, employment guarantee programs were implemented in 2005 to reserve jobs for youth and to prepare them to take up these positions by integrating them in the labor market and allowing them to experience working in companies via apprenticeship programs.

In addition, students can be hired as apprentices at an early stage of their education. This system incorporates education with hands-on experience to bridge the gap between acquiring educational qualifications and working. However, there were legislative barriers that made the recruitment of minor apprentices cumbersome, resulting in newly modified legislation. Mouvement des Entreprises de France (MEDEF) has proposed to the government to simplify the recruitment process for a minor apprentice. The previous recruitment process included various stringent constraints that have discouraged many companies, particularly in the public works sector, from continuing to invest in apprenticeships.

With MEDEF's recommendation, these constraints have been removed, allowing minor apprentices to receive new comprehensive quality training within companies. This marks the first step towards a more elaborate structural reform process that will be under way.

For more information, see <http://www.medef.com/medef-tv/social-emploi/emploi/jeunes.html>

## Germany: SCHULEWIRTSCHAFT

SCHULEWIRTSCHAFT (School economy) is for successful cooperation and mutual support between schools and businesses. The network of schools and business with more than 22,000 volunteers is delivered in many forms, and combines broad knowledge and experience which has a lasting effect. Volunteer contributors create prospects locally for the life and work of young people, thereby improving their successful transition from school to the working world. Employers note that this initiative is successful as it allows for equal partnership between schools and businesses and promotes mutual understanding between the two parties, which is the basis for future networking.

Companies from this network contribute to this program by offering company visits and internships to students. They also contribute to various school activities that can help to build the young future talent. For instance, they have supported activities that promote youth talent in STEM professions in the form of simulation games or innovation camps. They also support the school in its leadership development and in the design of its internship programs.

For more information, see [http://www.arbeitgeber.de/www/arbeitgeber.nsf/id/DE\\_Bundesarbeitsgemeinschaft\\_SCHULEWIRTSCHAFT](http://www.arbeitgeber.de/www/arbeitgeber.nsf/id/DE_Bundesarbeitsgemeinschaft_SCHULEWIRTSCHAFT)

## India: National Policy on Skill Development

The National Policy on Skill Development was launched in 2009 and has been revised and launched as Policy on Skill Development and Entrepreneurship, 2015.

The National Policy has identified various challenges in skills development in India. Its measures tackle these challenges by:

- Increasing capacity and capability of the existing system to ensure equitable access to all;
- Promoting life-long learning, maintaining quality and relevance, particularly of the emerging knowledge economy;
- Creating effective convergence between school education, various skill development efforts of government and between government and private sector initiatives;
- Capacity-building of institutions for planning, quality assurance and involvement of stake holders;
- Creating institutional mechanisms for research development quality assurance, examinations and certification, affiliations and accreditation; and
- Increasing the participation of stakeholders, mobilizing adequate investment for financing skill development, attaining sustainability by strengthening physical and intellectual resources.

In 2014, the Ministry of Skills Development and Entrepreneurship was set up specifically to work towards skilling India. The Ministry has launched the Skills Campaign in 2015 which will work towards skilling with speed, scale and standard across the country.

## Indonesia: Indonesia National Apprenticeship Network

As the continuation and commitment of APINDO in promoting apprenticeships in Indonesia, Indonesia National Apprenticeship Network (INAN) strengthens apprenticeship initiatives in working industry through the leadership of champions of companies and will eventually synergize with other apprenticeship forums.

The role of INAN is to raise awareness and understanding of apprenticeships in Indonesia, to facilitate knowledge sharing of apprenticeship experiences and practices and to contribute to the improvement of the apprenticeship regulatory framework by reducing the gap between knowledge generated in the educational system and the skills demanded by employers.

INAN will work in cooperation with the GAN to promote good practices in apprenticeship with the aim of achieving the international benchmark in Indonesia.

For more information, see [http://global-apprenticeships.org/fileadmin/user\\_upload/GAN/Programmes\\_Best\\_Practices/EN/Pedoman\\_Pengusahan\\_-\\_Pemagangan\\_-\\_Apprenticeship\\_Guideline\\_-\\_English.pdf](http://global-apprenticeships.org/fileadmin/user_upload/GAN/Programmes_Best_Practices/EN/Pedoman_Pengusahan_-_Pemagangan_-_Apprenticeship_Guideline_-_English.pdf)

## Jamaica: Lifelong Learning Program

The Jamaican Foundation for Lifelong Learning is an agency of the Ministry of Education charged with the execution of adult and youth learning and lifelong learning interventions from basic literacy to the secondary level. The aim of this program is to establish a culture of lifelong learning that will empower individuals and contribute to national development.

An offspring of this foundation is the Workplace Literacy Program that is designed to enhance national productivity and development through work-based adult literacy skills training. In particular, the program caters to the low-skilled labor force so as to improve their level of functional literacy in their workplaces.

## Japan: Structural Reform (Third Arrow of Abenomics)

The Japanese economy is in the process of undergoing a major overhaul in its labor market. In particular, the labor reform bill has been passed by the lower house of the Diet on 19 June 2015 and awaits the upper house's approval. The bill aims to reduce the current restrictions on Japanese companies when it comes to hiring temporary and contract-based workers. The reform would further reduce the role of "regular" workers and should help reduce employee cost and augment labor productivity for countries operating in Japan. Companies would also be able to choose, after three years, whether they would like to convert temporary positions to full-time or to maintain the position as temporary. It is expected that the employment of youth will improve as companies will have the flexibility to increase their hiring.

For more information, see  
<https://www.keidanren.or.jp/en/policy/2015/054.html>

## Korea: Youth Employment Initiatives

As highly educated youth prefer to work for large corporations and public enterprises, SMEs often suffer from labor shortages while youth, on the other hand, face job shortages. To facilitate job creation for youth in SMEs, Korea has come up with the SMEs' Internship Program to provide unemployed youth with internship opportunities in SMEs to enhance their employability. This program seeks to resolve the mismatch between enterprises and jobseekers and provide the jobseekers with hands-on work experience to enhance their employability.

For more information, see [http://www.work.go.kr/intern/busi/emp\\_busiInfo.do](http://www.work.go.kr/intern/busi/emp_busiInfo.do)

Korea also has a work-based learning system that creates various types of flexible working arrangements for youth during certain periods, notably vacation periods. The youth can utilize these time selective jobs to continue their study while working, which helps build their work experience and can facilitate a smooth transition from school to work. In addition, enterprises can manage their workforce in a flexible manner so as to respond better to changing customer demands.

For more information, see <http://www.moel.go.kr/policyinfo/woman/view.jsp?cate=5&sec=3> and <http://www.bizhrd.net/dual/dualMain.do?cmd=main>

## Mexico: CONOCER

In 2008, a reform for "A New CONOCER for Mexico" was launched with the key strategic objective of promoting, coordinating and regulating the National Competences System for Mexico and turning it into a critical instrument for improving Mexico's competitiveness, educational development and social progress. The reform of CONOCER includes three major components:

1. Empowerment of sector competence committees for the definition of the Mexican human capital agenda for competitiveness;
2. Construction of new mechanisms and instruments to ensure knowledge transfer for all workers and employers in Mexico and to improve education and align education and training to the workplace; and
3. Redesign the assessment and certification structure.

In addition, the new tripartite board of CONOCER, consisting of the ministries of education, labor and economy, representatives of three major employers' confederations and the general secretaries of the three major trade union confederations in the country, assures the aspect of social dialogue in working towards new structures for qualification frameworks in Mexico.

For more information, see <http://www.conocer.gob.mx/>

## New Zealand: Better Public Services

Success in education is essential to the government's goal of building a productive and competitive economy. It also helps New Zealanders develop the skills needed to reach their full potential and contribute to the economy and society.

In this context, the government has set a target of 85 percent of 18 year-olds achieving NCEA Level 2 or an equivalent qualification in 2017.

To achieve this target, the following measures are being implemented:

- School and student participation in the Achievement, Retention and Transition program in 2014 increased to 212 schools, and over 4,700 students. 2014 data show at least 2,744 students achieved NCEA Level 2.
- Funding was continued in Budget 2015 for the Achievement 2013-2017 program to increase NCEA Level 2 achievement and student progression into further study, train or work.
- Secondary-tertiary programs increase funded places to 5,250 in 2015.
- Increased Trades academy funding for an extra 1,200 students over the next four years.
- 9,900 Youth Guarantee Fees Free places are available in 2015, providing full-time study for foundation level qualifications for 16 to 19 year-olds.
- Working with schools and tertiary providers to build transitions pathways from Levels 2 and 3 to Level 4 and more, and into employment, to support industry skill needs in line with Business Growth Agenda.
- Maintaining and extending the Vocational Pathways from Levels 1 and 2 to Level 3 and higher.
- Promotion of best practice around secondary-tertiary partnerships, utilizing Vocational Pathways to guide student decisions, and responding to industry skill needs.
- Facilitating 44 community-led Youth Guarantee Partnerships to better use local education resources for students and build capability within the education sector.

For more information, see <http://www.ssc.govt.nz/bps-boosting-skills-employment>

## Russia: Apprenticeships

In the Russian Federation employers offering apprenticeships are entitled to partial reimbursement of the labor costs associated with both trainees and the trainer.

The Federal Law "On education in the Russian Federation", adopted in late 2012, introduces new mechanisms for employers and their associations to influence the content and results of professional education and training. Such mechanisms include professional standards which must now be referred to in establishing federal state standards for education; and professional and public accreditation of professional education programs of organizations that perform educational activity.

Initiatives by employers' associations to set up an independent quality assessment system for professional education, including developing and implementing professional standards, creating a network of assessment and qualification certification centers, and conducting professional and public accreditation of educational programs, has been reflected in regulatory documents, including in the above-mentioned law on education, in amendments to the labor code, in Presidential Decrees as well as decrees and orders of the Russian government.

## South Africa: Youth Employment Initiatives

In January 2014, the government introduced the Youth Employment Tax Incentive Bill, with the aim of encouraging employers to hire more inexperienced youth and create a space for learning and acquiring workplace experience. The incentive has been performing well, with many employers participating actively in the scheme and about 18,000 young people being employed.

The Youth Employment Incentive Act and the Expanded Public Works Program are two key drivers of youth employment. While the incentive encourages employers to hire more young people, the Expanded Public Works Program provides youth with the workplace experience.

The Employment Services Act has been approved by the Parliament and is awaiting promulgation. The act seeks to:

- Provide for public employment services;
- Provide for the establishment of schemes to promote the employment of young work seekers and other vulnerable persons;
- Provide for schemes to assist employees in distressed companies to retain employment;
- Facilitate the employment of foreign nationals in a manner that is consistent with the objects of this Act and the Immigration Act 2002;
- Provide for the registration and regulation of private employment agencies;
- Provide for the establishment of the Employment Services Board;
- Provide for the establishment of Productivity South Africa;
- Provide for the establishment of Supported Employment Enterprises;
- Provide for transitional provisions; and
- Provide for matters connected therewith.

Training grants are also put in place to encourage employers to support training initiatives for both qualification and non-qualification purpose. The idea is, in addition, to encourage the workplace component through workplace integrated learning. There remain some challenges regarding mandatory grants for employers and the effectiveness of the Skills Development Act – SETA Grant Regulations. Discussions are ongoing within the government and the relevant skills structures to get the SETAs right.



## Spain: Strategy for Entrepreneurship and Youth Employment 2013/2016

The Strategy for Entrepreneurship and Youth Employment 2013-2016 falls within the government's objective to promote measures to reduce unemployment among young people, either through opportunities in the job market or through self-employment and entrepreneurship.

The strategy, which is the result of a process of dialogue and participation with the social partners, takes up the recommendations made by the European Commission with regard to jobs for young people and forms part of the National Plan of Reform adopted by the Government.

It is also in line with the objectives of the European Youth Guarantee and adopts many of the specific recommendations and lines of action aimed to do the following:

- To improve the employability of young people;
- To increase the quality and stability of youth employment;
- To promote equal opportunities; and
- To promote entrepreneurship

To this effect, 100 measures of the strategy have been drawn up to correct the various imbalances that have been identified, with the priority on the integration of young people in the labor market, promotion of entrepreneurship and improved employability.

For more information, see [http://www.empleo.gob.es/ficheros/garantiajuvenil/documentos/EEEJ\\_Resumen\\_Ejecutivo\\_INGLES.pdf](http://www.empleo.gob.es/ficheros/garantiajuvenil/documentos/EEEJ_Resumen_Ejecutivo_INGLES.pdf)

## Switzerland: Dual Education System

In Switzerland, the majority of adolescents commence vocational education and training (VET) after lower-secondary education. There are VET programs for over 230 different professions.

The Swiss system with its dual-track VET programs (apprenticeships) differs from most foreign systems of vocational and professional education and training. VET is predominantly based on a dual system: practical training (apprenticeship) on three to four days at a training company is supplemented by theoretical classes (vocational and general educational subjects) during one to two days at the VET school. In addition, the VET students attend inter-company courses, in which they enhance vocational practical skills.

## Turkey: National Employment Strategy and Action Plan

A National Employment Strategy and Action Plan has been drafted through tripartite social dialogue and put into effect in 2014. The main policy pillars of the strategy are:

- Strengthening the link between education and employment;
- Ensuring security and flexibility in the labor market;
- Increasing the employment of groups that require special policies; and
- Strengthening the link between employment and social protection.

The first and third pillars of the strategy cover some concrete measures to improve youth employment such as career planning, job and vocational counseling and entrepreneurship and training.

Employment incentives have been put into effect by the Turkish government, which provide social security contribution support for the employers who employ well-trained workforce in 2008.

The Public Employment Services Authority (İSKUR) has been implementing the "Apprenticeships Program" since 2009. On April 2015, the Turkish Prime Minister announced a new economic incentives package aimed at increasing investment and employment, composed of tax breaks and government subsidies. The implementation of the measures began in early April and businesses have till the end of 2016 to sign up for the incentives, which are among the most comprehensive to date.

According to the package, all employment-related expenses of the private-sector firms hiring employees within the scope of "job training programs" will be covered for a period of at least 6 months by the İSKUR.

Not only will the salaries of employees hired by the firms abiding by the rules and procedures of "job training programs" be covered for at least six months, but also the social security contributions corresponding to the employers' share will be compensated for a period up to 42 months by the government, if those amounts of contributions are related to extra job creation.

İSKUR also provides job and vocational counseling, entrepreneurship training and public works.

Within the scope of the incentive package, GAN Turkey signed a protocol with İSKUR in order to prioritize GAN Turkey member companies' applications to "job training programs". A significant increase in applications to this program is expected.

Together with the regional incentive mechanisms in accordance with the development levels, there are employment incentives for especially women, youth, persons holding occupational certificates, persons receiving unemployment benefits and the disabled. Within the scope of these incentives, the employers' share of the insurance is covered by the State. On the other hand, the Small and Medium Enterprises Development Organization (KOSGEB) grants an interest free loan following the completion of the courses. The support rate for women is higher than men.

## United Kingdom: Employer Ownership of Skills Pilot

The fundamental rationale for employer ownership is the premise that employers and employees will be more willing to invest in skills development if they are given more freedom and leverage over the use of government funding. The flagship expression of this vision was the announcement of the first round of the Employer Ownership Pilot by the Department for Business, Innovation and Skills (BIS) and the UK Commission for Employment and Skills in 2012, followed by a second round in 2013.

The key success of this program has been the ability to provide specialist training that has met the needs of employers and is led by employers. As a result, choices of provision have been widened, providing significant increases in the relevance of training, improved value for money and more flexible, targeted provision. Many of the successes have been adaptive in nature, that is, they have resulted from innovations which made changes to existing training provision within the same sector. Changes in behavior among employers in regards to training have also been a positive success for the program. In particular, SME employers have provided training they would not have otherwise done. The collaborative model used within this program assisted in behavior change because it allowed the level of risk to be reduced or removed in regards to costs, time and resources; primarily from allowing sufficient volume of learners to be generated across several SMEs.

For more information, see [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/412685/BIS-15-178-evaluation-of-the-employer-ownership-of-skills-pilot-round-1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412685/BIS-15-178-evaluation-of-the-employer-ownership-of-skills-pilot-round-1.pdf)

## United States: Investing in Apprenticeships

In December 2014, the U.S. Department of Labor announced a \$100 million grant competition — the largest federal investment in apprenticeships ever made. The project is a partnership with the School District of Philadelphia and Communities in Schools that offers a two-year Computer Support Specialist registered apprenticeship program to local high school graduates.

The grant expands registered apprenticeships from the traditional skilled trades to new high-tech, high-demand industries like health care, information technology, and advanced manufacturing. These grants will also require clear employer commitments and strong public-private partnerships to ensure these apprenticeships are sustainable over the long run. Apprenticeships are a great talent development strategy for employers, many of whom say having apprentices not only builds loyalty to a company, but also increases production and reduces accidents on the job. In fact, more than 90 per cent of employers who hire apprentices recommend the model to other employers. Finally, this initiative will promote career pathways and require strategies that ensure that these expanded opportunities are available for all, including populations that are currently underserved in apprenticeship. These grants are a major step toward President Obama's goal of doubling the number of apprenticeships in the next five years.

## IOE-BIAC: GAN

The Global Apprenticeships Network (GAN) was established in 2013 in response to the global youth unemployment crisis and the need for business to develop skills for the future. It is an international coalition of committed companies, international organizations and employers' federations dedicated to creating job opportunities for youth and a skills base that matches labor demand. GAN National Networks (GNNs) are the in-country platforms, which allow the GAN to achieve concrete results. The GNNs' essential role is to quantify commitments and root the GAN concepts within the national context – catering to the distinct economic, cultural and institutional needs present at the national and local level.

In total, the GAN has participated in 30 major international events, collected a dozen best practices, produced five toolkits, and launched three GNNs. **Commitments** for work-readiness programs e.g. apprenticeships, internships and learnerships, by member companies have been impressive and are showcased in the diagram below and in more detail in the Catalogue of Best Practices by Member Companies and Partners: <http://global-apprenticeships.org/what-do-we-offer/resource-center/catalogue-of-best-practices/>

At the **international level**, the **GAN Secretariat** serves as an international think tank involved in oversight, strategic direction and planning, overall comparative policy and legislation, and participation in global events and forums. One of the GAN Ambassadors is CEO of UBS AG and GAN Board Member, Mr. Sergio Ermotti, who himself started his career as an apprentice in financial services. Mr. Ermotti exemplifies the benefits of on-the-job training and lifelong learning.

At the **national level**, the GNNs **advocate** for work-readiness programs/apprenticeships, and elevate its social status in the countries where they operate. Advocacy plays an important role for the GNNs as in most countries apprenticeships are stigmatized and there is lack of knowledge of their benefits as an alternative to a traditional career path. However, many countries are starting to adopt or revive apprenticeships based on models of countries with strong apprenticeship systems and low youth unemployment rates e.g. Switzerland, Germany and Austria. **Multi-stakeholder dialogue** with governments, parents, training institutes and youth are encouraged to change the perception of apprenticeships and to influence policies that create more opportunities for youth. Part of the **GNN's work plan and activities** include establishing "Apprenticeships Days," developing toolkits, hosting workshops and running advocacy campaigns.



Three GNNs - Turkey, Indonesia, and Spain - have been successfully launched with about 30 requests for more in the near future. Through the GNNs, led by employers' federations, a coalition of over 70 companies have committed, sparking the impetus for a global movement towards promoting work-readiness programs for youth.

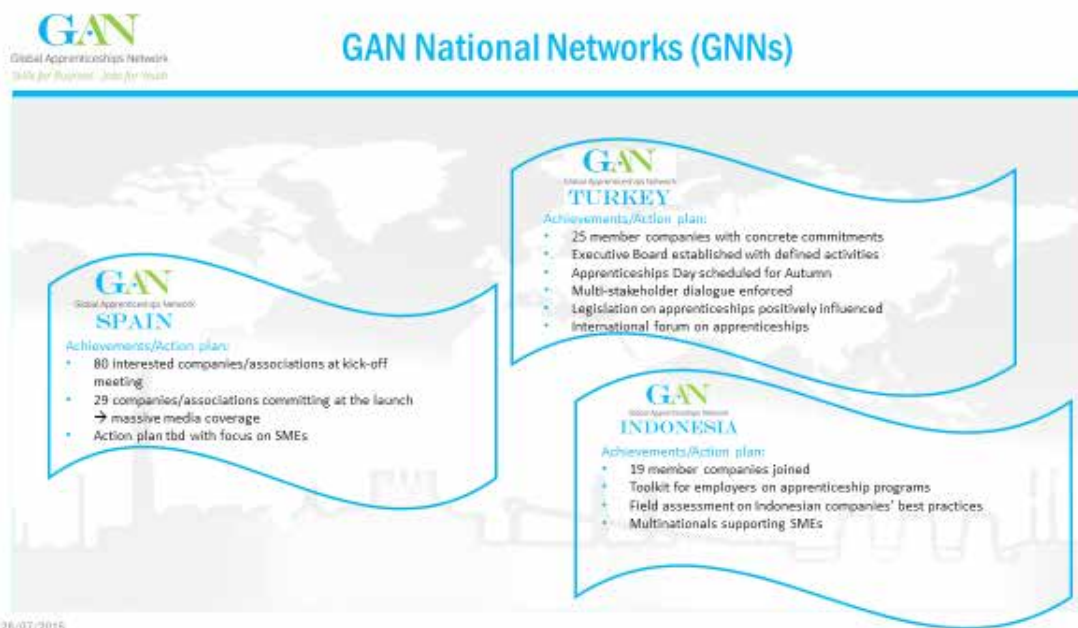
In **Turkey**, 25 large-scale companies in diverse sectors, including Hilton Worldwide, Samsung Electronics, UBS, Koç Holding, Mercedes Benz, and Coca-Cola, **shared best-practices** and committed to the GAN principles. As the first GNN launched, it has already had a **positive impact on legislation**, with the government adopting an economic incentive package to encourage companies hiring apprentices. In addition, the Turkish GNN has set up award ceremonies and is planning its first "Apprenticeships Day" to be held in second half of 2015.

In **Indonesia**, the first Asian GNN was established by GAN member, Astra International, along with the Indonesia Employers' Federation (APINDO), with 19 companies committing to the GAN. At its launch,

two documents were shared – a "Background paper for the launch of the Indonesian National Apprenticeships Network" prepared by the ILO and, a "Field Assessment – Apprenticeship in Indonesia: Report on visits to companies in Balikpapan and Greater Jakarta". Subsequently, a work plan was developed for the Indonesian GNN based on a survey gathering the **best practices of member companies** in implementing apprenticeship programs and **recommendations** taking legislation into account.

And in **Spain**, 29 companies committed to the GAN, with the presence and support of the Director-General of the ILO, Secretary of State and Secretary-General of the Spanish Confederation of Employers' Organizations (CEOE). The Spanish GNN's particular interest is on the work being done with **small and medium-sized enterprises (SMEs)** as much of future job growth in Spain is highly dependent on this sector. See diagram below.

For more information, see <http://global-apprenticeships.org/>







**Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

**IOE**

The International Organisation of Employers (IOE) is the largest network of the private sector in the world, with more than 150 business and employer organisation members. As the global voice of business, the IOE seeks to influence the environment for doing business, including by advocating for regulatory frameworks at the international level that favour entrepreneurship, private sector development, and sustainable job creation. In social and labour policy debate taking place in the International Labour Organization, across the UN and multilateral system, and in the G20 and other processes, the IOE is the recognized voice of business.

The IOE supports national business organisations in guiding corporate members in matters of international labour standards, labour migration, sustainable enterprises, business and human rights, informal to formal economy transitions, climate change, supply chains, jobless growth, the post-2015 Development Agenda, industrial relations and diversity in the world of work.

The IOE was created in 1920 and is based in Geneva. For more information, please visit [www.ioe-emp.org](http://www.ioe-emp.org) | Follow @ioebusiness on Twitter

**BIAC**

Founded in 1962 as an independent organisation, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognised representative of the OECD business community. BIAC's members are the major private sector organisations in the OECD member countries and beyond. Find more on the BIAC website — [www.biac.org](http://www.biac.org)