

**INCREASING THE EMPLOYABILITY OF DISADVANTAGED YOUTH: RESPONDING TO THE
IMPACT OF THE FINANCIAL AND ECONOMIC CRISIS**

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Demand for labour has fallen: large-scale job losses in some sectors; rising unemployment and underemployment; downward pressure on wages; SMEs have been hit hard; informal economy has expanded; reverse migration has increased. There is a real risk of losing youth to long-term un (der) employment if they do not stay attached to the labour market, in education or training. This note looks at ways enhance their employment potential, so that young women and men can more readily enter (or re enter) the labour market as countries rebound. The youth employment issues are no different during an economic crisis, but they affect more young women and men and confront different groups of youth. Therefore the challenges are much greater and the solutions more complex.

What's at stake: the impact on youth

Youth entered this financial and economic crisis already **in a vulnerable state in the labour market**, stemming from lack of skills, work experience, job search abilities and the financial resources to find employment. Youth make up 25 per cent of the global working-age population; yet their share in total unemployment is 40 per cent. Youth are almost three times more likely to be unemployed as adults. Many of the young people with jobs work for long hours, on short-term and/or informal contracts, with low pay and little or no social protection.

Disadvantaged youth¹ are at higher risk of marginalisation and social exclusion than other young people. Recent figures demonstrate that the 15-24 year old cohort faces higher risk of working poverty than adults. Coping with a job loss in a recession and the likely protracted period of unemployment is difficult to handle for all workers. For most youth, the substantial effects of early unemployment on subsequent labour market and social outcomes have been found to be temporary, i.e. they diminish with time. But for disadvantaged youth lacking basic education, a failure in their first experience on the labour market is often difficult to make up and potentially exposes them to long-lasting effects.

The financial and economic **crisis poses even greater challenges to young people around the world**. There has been a significant rise in unemployment during 2009 and 2010; the number of unemployed youth increased by 8.5 million between 2008 and 2009, the largest year-on-year increase in at least a decade, and by more than 10 million since 2007. First-time jobseekers are likely to find themselves at a substantial disadvantage when competing for increasingly scarce employment opportunities with a rising pool of more experienced (and recently unemployed) jobseekers. Those youth already in the labour market with temporary jobs are facing a bleak short-term outlook, being among the first to lose their jobs. Low-skilled youth, who faced multiple barriers in finding work before the crisis, are now at high risk of long-term inactivity and exclusion. In many developed countries, college graduates, senior citizens and dislocated workers of all ages are taking low-wage jobs, leaving few for disadvantaged youth.

While governments push forward with the necessary structural reforms, they are also struggling to devise suitable short-term measures to cushion the impacts of the crisis on youth. The **short-term priority should be targeting youth most at risk of losing contact with the labour market** and tackling the key labour market issues that were affecting the transition from school to work for many young people even before the crisis.

¹ Disadvantage refers not just to economic factors, such as income poverty, or lack of experience in and poor understanding of the formal job market but also social (gender, racial, ethnic migrant) and geographical isolation with poor access to quality education and job opportunities.

... the risks

Significant periods of youth un(der) employment are associated with an increased risk of un(der) employment in adulthood, economic exclusion and labour market withdrawal. One of the best predictors of an individual's future risk of unemployment is his/her past history of unemployment. Even during the previous period of economic growth, most countries failed to create enough decent and productive jobs for young people. Today, it is clear that **the negative effects of the crisis will be long-lasting and that the challenges young people will face are many**: education drop-outs, deterioration of livelihoods due to financial constraints, unsafe working conditions with low wages, growing inequalities and decreasing labour force participation.

With little financial security, young workers have less freedom to wait out a downturn and so they frequently **take whatever job is available**, even if it pays less than a job that matches their skill level. The resulting loss of human capital is one of the principle contributors to the long-run negative effect recessions have on the wages of young workers. This is a serious drain on labour market potential—lower earnings, lower output, lower productivity, and the displacement of less-educated workers.

Many older workers choose to **delay retirement** and either continue to work or go back to work because they can no longer afford to retire, reducing employment opportunities **on job market entrants** even further.

The quality of life for the next generation and society will depend on how today's young people manage their transition to economic independence in countries hit by economic recession. The current generation of young people is better educated than previous generations, which is a strong base for countries to build on and presents an unprecedented opportunity for many developing countries to make significant progress in achieving growth and reducing poverty.

...the costs

The costs of youth unemployment and underemployment are high – individually, socially and economically. The social and economic costs are not only measured in terms of income; they include loss of output, erosion of skills, reduced levels of activity, and increased social divisions. Lost productivity magnifies over the course of the lifecycle, representing a significant loss of human capital. Unemployment erodes the stability of communities and threatened social cohesion, as youth become dependent on social support and disenfranchised in terms of their participation in communities. Prolonged unemployment can result in subsistence living, loss of personal autonomy, frustration, anger and/or low self-esteem. The short-run financial costs to countries and communities of programmes to prevent or curtail youth unemployment must be compared against this entire gamut of long-run economic and social costs.

The economic cost of youth unemployment in the UK, for example, has been put at £4.7 billion per year, or £90 million every week, according to a study by the Prince's Trust. Each young person not in employment, education or training (NEET) is thought to cost the public £97,000 on average over their lifetime in resource and public finance costs, according to research for the Department for Children, Schools and Families. Three in 10 men and 1 in 12 women who had been NEET between the ages of 16 and 18 are involved in crime before they are 30 - three times the general population rate. However, well-targeted programmes are not only rewarding in terms of individual employment and income outcomes, they also provide high social returns.

...and benefits

Higher investments in education and training, and consequent higher attainment levels, increase productivity and generate wealth. Education and training impact economic growth, in terms of individual productivity, innovation and abilities to adapt to innovation. It increases the human capital inherent in the labour force, which increases labour productivity; increases the innovative power of an economy, and the new knowledge on new technologies, products and processes promotes growth; and facilitates the diffusion and transmission of knowledge which is needed to understand and process new information and to implement new technologies which also leads to economic growth (Ederer 2006).

Key messages

1. There is a real possibility of losing youth to long-term unemployment and/or precarious work if they do not **stay in the labour market, education or training**. Their employment potential needs to be enhanced so that when countries rebound from the crisis, young women and men can more readily (re) enter the labour market. Furthering education, training (or retraining), apprenticeships and internships are common methods.
2. **Do not lose sight of quality**. In order to break the cycle of unemployment, it is not only necessary to find ways of moving young people into jobs, but it is also crucial to find new ways to move vulnerable young people into secure forms of employment. Progression from unemployment to precarious employment tends to result in further unemployment spells and additional cost to the government in the form of benefits, additional training or subsidized employment. Many of the new policies to address unemployment and inactivity of youth tend to reinforce short-term employment, as perhaps the only alternative. These can be stepping stones if they are continuously more rewarding both financially and experience-wise. But certain initiatives targeting young people actually provide financial incentives for employment agencies to place unemployed people into jobs without any concern for quality, reinforcing precariousness and the resulting financial ramifications.
3. **Training alone is not enough**. Innovative approaches to skills acquisition combined with employment- and income-generating opportunities, literacy and remedial education, vocational and job-readiness training, job search assistance, career guidance and counselling, and other support services are more likely to succeed. In this regard, the role of Public Employment Services needs to be stepped up. Recognizing and addressing the specific needs of young women and the heterogeneity amongst and between youth will maximize impact.

Some Strategies

Delay exit from formal education

The OECD demonstrates a significant disparity in terms of youth employment in its member countries depending on whether a young person has obtained a secondary school qualification. The employment rate for young persons aged between 15 and 29 who left school with an upper secondary education qualification is significantly higher than the rate for young persons who left school with no qualifications. So it is important to **prevent early school dropout**.

Approximately 71 million adolescents were not in school in 2007 (54 per cent were girls) either because they had not completed primary school or could not make the transition to lower secondary school. In some countries this is due to lack of **recognition that lower secondary schooling is encompassed in compulsory education for all**, an issue that must be addressed. But for many adolescents the education system is not sufficiently flexible to adapt to their needs, the quality of their basic education is insufficient to allow an easy transition or families simply cannot afford it.

Recognising the warning signs allows for early intervention to identify and provide support. Comprehensive and timely information as well as further support requires better cooperation between employment services and the education system to identify and reach youth at risk of disengagement. Financial barriers, particularly during the economic downturn, will hinder young people's possibilities, thus financial support is needed to encourage continued education, especially for low-income youth.

Adolescents at risk of dropping out should be better integrated into the formal education system. Policies that **support expansion of quality primary and secondary schooling are essential**. To mitigate the negative effects of poverty on education requires the scaling up of social protection measures to **help poor households manage the risks without compromising on education**. For example, conditional (based on educational behaviour) or unconditional transfer of cash or food could also promote school enrolment among adolescents.

Cash transfers can both mitigate the short-term impact of an income crisis and attenuate its long-term negative effects. They are more likely to succeed when they are integrated into a broader social protection strategy rather than implemented as temporary fixes. The institutional and financial capacities available for implementation are critical; means-based programmes require time, financial resources and an institutional framework. Latin American countries with well-established cash transfer programmes have extended the reach to poor youth by lowering the eligibility criteria, enhancing their opportunities to continue in the education system (for example Brazil, Costa Rica, Honduras and Mexico).

To expand the reach of formal education, programmes are building distance learning strategies that rely on a relatively basic model that integrates print-based materials, remote study and access centres, and incorporation of face-to-face components for imparting skills. The acquisition and adaptation of print-based learning materials from other regions is a cost-effective strategy for expediting implementation in the region. With relatively small levels of additional investment in technology, a basic study centre can become a cost-effective mechanism for providing access to information and telecommunication technologies. A new but growing literature on school-to-work transitions provides some evidence that **school-to-work programmes for school leavers (i.e. job shadowing, mentoring, school enterprise, technical preparation, internships and apprenticeships) boost labour market attachment, skill formation, wages, and earnings.**

...Second chance

Providing a second chance at formal education can facilitate the acquisition of the basic knowledge and competencies for those who dropped out too early or never attended school. Programmes that engage youth throughout adolescence appear to be the most effective. **Practical curricula, flexible schedules, and less formal instruction methods are likely to attract and retain young people.** The Mexican National Institute for Adult Education offers a flexible system of modules, covering health, civic

responsibility, and vocational skills. In Colombia, the Tutorial Learning System allows students and their facilitators in rural areas to choose a schedule and a pace that accommodates their work responsibilities.

Although school attendance and literacy have gone up and the gender gap is closing in most countries, an estimated 125 million young people lack the basic reading, writing and numeracy skills needed in everyday life. **Many of these are emerging from education without these basic skills.** It is difficult for these young people to obtain technical skills needed to compete in the labour market. In addition, they are unlikely to have the knowledge or skills to pursue sustainable livelihoods, to fully understand the elements of a healthy lifestyle or to negotiate business and legal systems (UNESCO 2010).

Low learning achievement stems from many factors. **Schools in many developing countries are in a poor state and teachers are in short supply.** By 2015, the poorest countries need to recruit some 1.9 million additional primary school teachers, including 1.2 million in sub-Saharan Africa, to create a good learning environment for all children. More equitable teacher deployment is also vital: all too often, the poorest regions and most disadvantaged schools have the fewest and least-qualified teachers. Several countries, including Brazil and Mexico, have introduced programmes targeting schools serving disadvantaged communities. Governments can also raise standards by using constant monitoring and early-grade reading assessments.

To increase the cost effectiveness of second-chance initiatives, programmes need to target the poor, particularly girls. Increasing the share of young women with secondary education by one percentage point can boost the annual per capita income growth by 0.3 per cent on average, according to a 100-country study by the World Bank. An extra year of schooling beyond the average boosts girls' eventual wages by 10-20 per cent.

Research indicates multiple social, health and economic benefits of educating girls and young women. These range from delayed marriage, reduced rates of domestic violence and infant mortality to healthy behaviour and lowered HIV risk. Providing second chance education in combination with early childhood development programmes could promote participation among adolescent mothers and also serve the development needs of their children.

Strengthen the link between education and training systems and the world of work

Investing in its skills base during this global recession will help ensure that when the economy recovers the country has a skilled workforce ready to fill the job vacancies. A range of initiatives are being developed and implemented.

The **diverse range of learning needs of young people requires an equally diverse range of training provision:** registered training organizations who are recognized by government to issue qualifications including publicly owned and managed institutes; private, for-profit providers; dual sector institutions which deliver both higher education and TVET courses; community based organizations; schools which offer training as a strategy to assist students to pursue employment post school; and employers which conduct their own in-house training and are able to issue qualifications for their workers.

...Technical Vocational Education and Training (TVET)

TVET has the potential to provide both the training and experience that appeal to many youth and employers. **TVET needs to be coordinated, regulated, with high quality delivery systems that address geographical, gender and economic diversity and meet the needs of industry.** In many countries there is a need to acknowledge and address poor public perception; weak monitoring and evaluation mechanisms, and inadequate financing, poor management and ill-adapted organizational structures.

Recognizing that TVET provides an entry-level pathway from school into a skilled job, countries are focusing on TVET as an important policy agenda with adjustments to ensure that its focus is relevant and appropriate to the newly emerging economic circumstances. TVET systems are also addressing the needs of youth who are already working and take up training to improve their career or improve their job prospects in case of or as a result of layoffs.

Some countries are increasing funding of vocational and technical schools, thus opening up places for additional youth, e.g. Chile, China, Colombia, Egypt, Germany, Malaysia, New Zealand, Republic of Korea, Thailand and Turkey. Colombia is doubling the training places in some of the technical levels at the National Training Service (SENA), offering 250, 000 new places to unemployed youth and young people living in extreme poverty in urban areas.

The Australian Government's responses to the global recession center on infrastructure investment and providing support to workers and job seekers who are most likely to be disproportionately impacted by an economic downturn.

In China, "skilled workers' schools" a comprehensive vocational training base, offers long and short-term training courses. By the end of 2008, there were about 3,075 skilled workers' schools (including 50 technician schools, 485 senior skilled workers' schools) nationwide, with nearly 400 million registered students. After studying and practical training, nearly 95 per cent of students find jobs.

Viet Nam is diversifying its vocational training to include: full-time and regular training; mobile training; training in enterprises; and traditional occupational villages. It is also expanding its reach to particular target groups such as farmers who have lost their land and ethnic minorities.

...Apprenticeship/on-the-job training schemes

Combining training with hands on experience allows youth to gain the skills and experience that facilitate their entry to the labour market. Structures and systems of apprenticeship vary within and between developed and developing countries.

In many countries formal TVET is an option for a small minority of young people. **Apprenticeships in the informal economy** offer many more young people an opportunity to learn a trade and enter the world of work. In many developing countries, informal (traditional) apprenticeship is the largest provider of skills for the – mostly informal – labour market, far surpassing the output of formal education and training institutions. Its design and organization vary between societies. In most cases, skills are transferred through the observation and replication of tasks carried out by an experienced worker. In many traditional apprenticeships, training is limited to the practical skills of a trade. If not properly monitored, there is a danger that apprenticeships degenerate into exploitation or child labour.

The strengths of informal apprenticeships include: providing skills training at a suitable level of technology, using the equipment currently in use in the trade and being involved in real production processes; covering all skills relevant for a trade including vocational skills and to a small extent organizational, management and business skills, including costing, marketing, and supplier and customer relations; and allowing apprentices the opportunity to build up social and economic networks that will facilitate the establishment and running of their own enterprise, when the apprenticeship is complete.

Flexible arrangements for payments of fees allow access of poorer youth to informal apprenticeships.

Yet the quality of training varies as it depends fully on the skills of the one who trains, the master craftsman; the skills taught often ignore business development advice, customer orientation and occupational safety and health issues; there is no certification process, which means that skills of graduate apprentices are only recognized locally; training is based on traditional technologies and does not readily allow for the introduction of new product designs and production techniques; lack of written contracts, relevant legislation and monitoring mean that in some cases, the apprentices are exploited as cheap labour; apprenticeships may be available in a small number of trades; and they benefit young men more than young women.

The drawbacks of informal apprenticeships are widely recognized, yet for many informal economy workers this may prove to be the first and often the only available option. Efforts are underway in some countries to improve the system and reach more youth, which could also prove timely in those countries where the informal economy has been impacted by the crisis²:

- Complement learning at the workplace with more structured institutional learning;
- Upgrade the skills of master crafts persons e.g. by introducing modern technology;
- Involve business associations and labour organizations, especially those representing the informal economy;
- Introduce standardized contracts and certification;
- Include literacy/numeracy training and livelihoods skills;
- Strengthen community involvement, especially to open more occupations for young women.

The role of informal apprenticeships in enhancing the employability of youth can increase their employment prospects. West African countries such as Benin, Togo, Senegal and Mali are restructuring TVET systems to incorporate traditional apprenticeships, including certification mechanisms. They are developing dual apprenticeships systems, where the craft enterprises which take on apprentices share the responsibility for training. In parallel, some regulatory instruments have been developed, in order to

² The extent to which the crisis has impacted and/or will impact on the informal economy is not clear. Research shows that informal enterprises and informal wage workers are affected by the crisis in many of the same ways as formal firms and formal wage workers. Informal workers suffer directly and indirectly from shrinking consumption and declining demand crucial to their livelihoods. Informal wage workers are often the first to be laid off – before those with formal contracts. Informal enterprises and informal wage workers face increased competition as more people lose formal jobs and enter the informal economy and/or as more and more jobs are informalised. The evidence strongly suggests that the global recession is pushing informal workers and their families further into impoverishment (Horn, 2009).

implement the overall policy objectives and the specific arrangements for apprenticeship, such as the types of apprenticeship contracts, and the rules governing vocational qualifications.

In several developed countries, **formal apprenticeship and on-the-job training schemes** have been strengthened. Incentives are being offered to employers to take apprentices and retain them during the downturn. Companies are encouraged to recruit under contracts combining training with work experience; convert work placements to permanent employment contracts; or offer disadvantaged youth additional training and job opportunities, leading to a qualification. Some governments, for instance in Australia, Canada, Denmark and France, have introduced bonuses for employers who take on apprentices to insure that they complete their training.

Australia, for example, has increased funding for pre-apprenticeship training and has expanded job training through the Productivity Places Programme, which will deliver 711,000 qualification commencements over five years, delivered in an industry-driven system. France has set out to offer apprenticeships and other training schemes to half a million young people in 2010.

Canada's Apprenticeship Incentive Grant scheme is designed to encourage more apprentices to complete their training in a designated Red Seal trade. The Interprovincial Standards Red Seal programme represents a national standard of training excellence in the trades and is highly valued by employers. The programme covers 50 skilled trades, representing approximately 88 per cent of registered apprentices in Canada and a substantial portion of the trades' workforce.

The French plan, for example, includes a one-year exemption on social security charges for firms recruiting young apprentices by mid-2010. Small businesses, where a large proportion of the apprenticeships take place, will receive an additional subsidy. Australia has instituted a bonus payment for employers for successfully completed apprenticeships or traineeships. Also, firms employing new trainees and apprentices will receive preferential treatment in bids for new government-funded infrastructure projects. The incentives must be sufficient to entice both firms and young people.

...internships/traineeships

Internships allow graduates opportunities to hone their skills while the job market recovers. Extension of training schemes and internship programmes for young graduates are underway in China, Finland, Malaysia, the Netherlands, Pakistan, Portugal and Singapore. The Government of Netherlands, for example, guarantees a traineeship for all school-leavers unemployed longer than three months, and has increased financial compensation to employers.

Targeted interventions

Basic education and training, combined with labour market information and employment services play a key role in influencing a young person's employability. Ideally, these requirements are met through national and local institutions. In the case of **young people who drop out of school or training, or those trapped in low-skilled, poor prospect jobs, targeted initiatives are often introduced to address these labour market needs.**

Active labour market training programmes (ALMPs) increasingly target disadvantaged young people by offering a package of services including literacy and remedial education, vocational and job-readiness training, job search assistance, career guidance and counselling, and other support services. The implementation of these programmes involves public employment services (PES), local authorities and

other partners, including private employment agencies and training providers, frequently working under contract to the public sector. Programme design and delivery vary according to country and local context, and many programmes link training with work experience. **During a crisis the role of employment services is paramount**; there is need to strengthen PES to increase job matching services and implement labour market programmes.³

Programmes need to target both urban and rural areas. To date, ALMPs have had an urban bias despite the pressing needs in rural areas. Adolescents in rural areas need access to second chance education and livelihoods and skills training (particularly for agriculture and services). Expanded ALMPs are also needed in urban areas, where the majority of unemployed youth live.

Age **discrimination** is perhaps the most observable form of discrimination which young people face. This is often compounded by discrimination based on other criteria – such as gender, ethnicity, socio-economic status, disability, and migrant or refugee status, which in turn are frequently linked to educational level and skill qualifications. Discriminatory practices tend to be addressed through affirmative action measures. Programmes that recognize the heterogeneity amongst and between young men and women and target the interventions to the particular needs are more successful. An integrated approach, involving all stakeholders, helps to ensure that the methodology is transferred into national policies.

Programmes aimed at disadvantaged youth increasingly integrate a set of components to address the multiple obstacles faced by these youth. Programmes tend to combine skills development –including second-chance programmes and job training in the classroom or at work- , life skills, job search assistance and job placement. Multiple-service programmes tend to be more successful: programmes combining in-classroom and workplace training increase the likelihood of positive labour market impacts by 30 per cent; but programmes combining in-classroom and workplace training and other services increase the likelihood of positive impacts by 53 per cent (Fares and Puerto, 2009).

Importantly, ALMPs should not be seen as replacements for effective programmes and services provided by national vocational education and training institutions and the employment services as part of their ongoing activities.

...some interesting examples⁴

In the context of the economic crisis, various countries have introduced or expanded a package of training, job search assistance and job placement, such as in Argentina, Germany, Greece, Hungary, the Netherlands, Peru, the United Kingdom and the United States. Peru, for example, has extended the coverage of its *Projoven* training programme for disadvantaged youth, the United Kingdom has established the Flexible New Deal for disadvantaged youth involving public-private partnerships, and the United States has increased funding for Job Corps, a residential programme for disconnected youth. Some countries are adopting a mutual obligations approach in income support schemes. Australia, for

³ For more information on this see “Public Employment Services Responses to the Global Economic Crisis” ILO 2009 at http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_117382.pdf

⁴ For more information see Youth employment in the global economic downturn: Skills development as anti-crisis measure, Mariela Buonomo Zabaleta, YEP/ILO 2010, which synthesizes many initiatives.

<https://papyrus.ilo.org/YE/YouthEmployment>

example, has introduced a new requirement that young unemployed be in full-time school or training to receive benefits. In the Netherlands, young people applying for social assistance shall be offered an option of work, training or a combination of both in order to receive the cash benefit.

The main active labour market programme for young people in the United Kingdom introduced the Flexible New Deal. In operation since October 2009, it provides job search and career advice, training, subsidized employment and voluntary work to young people 18-24 years old claiming unemployment benefits continuously for six months. Flexible New Deal, building on lessons learned from previous evaluations, offers more personalised approach for disadvantaged youth, involving partnerships with public, private and voluntary sector providers.

The American Recovery and Reinvestment Act lead to increased funding for existing programmes which have been successful for disadvantaged youth such as Job Corps, a residential programme focusing on education, employability and social development. Earlier evaluations found positive effects on participants' employability and earnings, and high social rates of return through a reduction in crime and incarceration rates. However, the positive impact on earnings persisted only for older youth while it disappeared for teenagers after four years. In effect, the programme was found to be cost-effective for 20-24-year olds. Programmes under the Workforce Investment Act (WIA) include early intervention to tackle disengagement; a strong mentoring component; comprehensive services dealing with education and job placement as well as personal support, health, child care and housing issues; a focus on empowering youth; and regular follow-up after programme exit. WIA Youth funds have not benefited out of school youth as much as those in school.

There is a generation of youth multi-service programmes in Latin America, combining education, demand-driven job training and internships. Initiated in Chile at the beginning of the 1990s, a model of *Jóvenes* programmes has been replicated with some variants in Argentina, Colombia, Dominican Republic, Haiti, Panama, Paraguay, Peru, Uruguay and Venezuela. The Chile *Joven* programme was created as a response to the long-term negative effects of the economic downturn of the previous decade. Subsequent programmes in other Latin American countries were designed to address constraints faced by low income, poorly educated youth in entering the labour market.

Generally, effects on employment across the Latin American programmes are positive; the largest impact is on improving engagement in formal employment or in employment offering non-wage benefits. The benefits vary amongst youth groups; the largest effects on earnings, employment and likelihood of being in formal employment in the Chilean programme are for those under the age of 21; significantly positive effects on employment and earnings for women were found in Peru's Projovent, Panama's ProCaJoven and Colombia's Jóvenes en Acción.

Things to consider: impact, cost

What is evident from the successful youth initiatives is that **training alone is not the answer**. To address exclusion also means to make support services available to young people where and when they need them, including: social work; school counselling; other community-based services (integration of different outreach services, referral system). The "where" and "when" is the most difficult hurdle to solve, given the variety of dimensions where social exclusion can have its cause and/or effect on young people (school, family, community, etc.) and the timing when they can occur (for instance during the

transition from primary to secondary education, from childhood to adolescence, from living with the family to living independently, etc).

Starting right is key. Youth need to complete at least the basic education cycle, which is essential for further skills training.

One cannot underestimate the limitations of implementing ALMPs which focus on skills first then job later, especially for disadvantaged youth, as evidence on the this approach is discouraging. Rising unemployment makes it more difficult to insure both quality and quantity. What are needed is **diverse training opportunities, combined with core work skills, job search assistance, counseling and information plus particular stipends and financial incentives for employers (e.g. wage subsidies) and competition in the provision of training services** (which reduces costs and promotes sustainability).

Recent reviews of active labour market programmes for youth vary in their conclusions. **Industrialized countries show disappointing results.** Programmes for youth appear to be either unsuccessful compared with programmes which do not focus on youth, although youth could take part in the programmes (Card et al., 2009), or there is no clear pattern of what active labour market policies work for youth (Kluve, 2006). The findings of the World Bank inventory of *interventions to support young workers* demonstrates that the probability that **programmes will help young people in the labor market is greater in developing and transition countries than in industrialized ones.** The analysis concludes that interventions oriented towards disadvantaged youth are as good, if not better, than programmes with no particular orientation. As stated earlier, programmes which are based on the premise that youth as homogeneous, fail to address the specific hurdles that certain groups of young women and men face. **ALMPs must directly target the disadvantages in order to be more successful.**

Although the debate on active labour market policies and programmes highlights both economic and social goals, most evaluations focus on short-term results such as labour market insertion and earnings, ignoring medium and long term impact such as social benefits and the associated economic returns. This is a serious shortcoming. **Intergenerational poverty, social and economic costs of unemployment and the societal stigma attached make these investments in youth essential.** Well-targeted programmes are not only rewarding in terms of individual employment and income outcomes, they also provide high social returns.

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