Youth unemployment: Territorial trends and regional resilience

Applied Research

Interim Report
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<th>Description</th>
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<tbody>
<tr>
<td>AI</td>
<td>Artificial Intelligence</td>
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<tr>
<td>ALMPs</td>
<td>Active Labour Market Policies</td>
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<tr>
<td>CoR</td>
<td>European Committee of the Regions</td>
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<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>ERDF</td>
<td>European Regional Development Fund</td>
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<tr>
<td>ESC</td>
<td>European Solidarity Corps</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<td>ESPON</td>
<td>European Territorial Observatory Network</td>
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<td>EU</td>
<td>European Union</td>
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<td>EURES</td>
<td>The European Job Mobility Portal</td>
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<td>EPL</td>
<td>Employment Protection Legislation</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GISCO</td>
<td>Geographical information system of the Commission</td>
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<tr>
<td>LEED</td>
<td>Local Economic and Employment Development (OECD)</td>
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<tr>
<td>LFS</td>
<td>Labour Force Survey</td>
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<td>MR</td>
<td>Metropolitan Regions</td>
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<td>NEETs</td>
<td>Young person who is &quot;Not in Education, Employment, or Training&quot;</td>
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<tr>
<td>NUTS</td>
<td>Nomenclature of Territorial Units for Statistics</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PES</td>
<td>Public Employment Service(s)</td>
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<tr>
<td>VET</td>
<td>Vocational Education and Training</td>
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<td>YE</td>
<td>Youth Employment</td>
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<td>YEI</td>
<td>Youth Employment Initiative</td>
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<td>YU</td>
<td>Youth Unemployment</td>
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<td>YG</td>
<td>Youth Guarantee</td>
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<td>YGIP</td>
<td>Youth Guarantee Implementation Plan</td>
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1 Introduction

This Interim Report summarises the state of play for all research activities (covering the tasks and responding to the research questions outlined in the ToR) following submission of the Inception Report on 17 December 2017, and its approval on 13 April 2018. The deadline for the submission of this Report, originally 17 July 2018, was formally re-set to 31 July 2018 by the ESPON EGTC in response to the delay in the data extraction under Task 1 of this project.

Overall progress has been satisfactory on all aspects of the project, though the specific data-related delays have meant that some parts are not as far advanced as was envisaged at the inception stage. However, the planned schedule for the remainder of the implementation period (see chapter 8) shows that the current final dates for completion of the work and submission of the (draft) final report are feasible and promising in terms of the timeliness and quality of the expected deliverables. This report has seven subsequent chapters which showcase the progress achieves so far, as described below.

Chapter 2 briefly discusses the current labour market trends facing young people and in particular how the growth in non-standard forms of working is changing the way in which many young people find their first job. The value of flexible working arrangements is acknowledged but with the caution that this is often at the expense of job quality, which is a growing concern in the EU and is internationally adopted as the eight sustainable development goal. Job quality and labour market trends are some of the factors behind the development of youth unemployment.

In chapter 3, the context of EU policy towards tackling youth unemployment is revisited, in particular how the Youth Employment Initiative was introduced to provide a mechanism for a more locally-focused implementation of the principles of the Youth Guarantee. More broadly it explores the focus and use of EU structural funds and how a new approach to tracking and targeting young people could help target policy more effectively. It goes on to highlight how labour markets and the demand for labour are changing, how this will impact on the nature of work in the future and how it might affect young people seeking employment. This information forms the basis of developing recommendations for a further mobilisation of the Cohesion Policy towards youth unemployment reduction.

The complex set of policies at the centre of tackling youth unemployment are set out in Chapter 4, set against the background of trends in unemployment in general, youth unemployment, NEETs, early school leavers, educational attainment, self-employment and economic factors. The general message is that while most indicators have shown significant improvement since the crisis, this has not been evenly spread across Member States and within their regions. As a consequence, Cohesion Policy is foreseen to be a crucial part of EU policy for future planning, and while there have been recent revisions to its implications, youth unemployment and inactivity remain a policy priority.

Data sourcing is a crucial aspect of the study and has been one of the more labour-intensive aspects of the project. Chapter 5 summarises this process and its outcomes. In particular, the limitations of the key source of data, the Labour Force Survey, are set out, justifying a concentration on indicative national data and on NUTS 3 data where sample size allows. This process is one the expert team has dedicated a great deal of attention to, aiming to acquire the most useful data for the identification of territorial patterns and trends of youth
unemployment, including the active/inactive NEETs, in pre- and post-crisis Europe. The results of this analysis will form the quantitative evidence-base of the research.

The literature review and its findings thus far is reported on in chapter 6 and while there is a limited range of relevant studies touching on regional resilience and unemployment trends, those that have been assessed provide a valuable seam of context for the study. The section discusses how regions are perceived to react to exogenous shocks and is able to group regions into a small number of categories on the basis of this information. From the analysis, an enhanced analytical model is developed comprising additional potential causes in regional differences which will be pursued further in the run-up to the final report.

The ten cases studies have now been agreed and regional experts identified and assigned to the tasks. Chapter 7 provides details of the areas chosen and how the case studies will be carried out in a consistent manner, using some common research tools to ensure comparability of the results. The approach also maintains flexibility so that interviews with key players can be as valuable as possible since the essentially qualitative finding from this task will provide an important input to the development of policy ideas and options in the final report.
2 Youth engagement in the contemporary labour market trends – risks and benefits

2.1. On-going initiatives to fight youth unemployment at regional level

Implementation of the Youth Guarantee (YG) continues as it remains a key impetus in combating youth unemployment at EU and Member State levels. However, this policy is not necessarily closely followed at sub-national level according to the overall reports and audits¹ produced on the initiative, partly because results are measured at the level of individual Member States and standards for its implementation are dictated at EU level. This approach generates a good overview of the results, but it does not permit an analysis of the ways the YG is implemented at regional level, where local authorities, public employment services (PES) and other implementing bodies must find ways to apply such EU initiatives to their particular circumstances. Finding employment, education, apprenticeships and traineeships for a young person within the required four months of their entering unemployment will naturally prove more difficult in some regions than others. In response to this disparity, the Youth Employment Initiative aims to fund regions struggling most with youth unemployment and inactivity. Specifically, the regions benefitting from this are NUTS 2 regions where youth unemployment rates were over 25% in 2012² (Map 1).


² European Commission (2017): Frequently asked questions about the Youth Guarantee.
Available at: http://ec.europa.eu/social/BlobServlet?docId=11423&langId=... (accessed on 25 July 2018)
In the context of the YG, activities funded by the YEI must be directly linked to the delivery of the action for the individual person. Promotion of interregional mobility is one of the main features of the YG programme in several Member States, as the local authorities (and associated bodies) playing a key role in the initiative move to implement its requirements while managing their own capacity for labour market integration and labour mobility among individual young people.

2.2. Labour market trends and contradictory evidence

In this context, PES and regional authorities are endeavouring to adapt as much as possible to labour market trends and new developments such as the gig economy and online working, and integrate them into their

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responsive actions to support young people seeking employment. Labour market analysts are taking the same pragmatic approach and reactions range from the optimistic to the sceptical.

On one hand, disruptions to the labour market caused by the current trends such as growth in less structured working modes, could lead to the loss of more than 5.1 million jobs directly caused by labour market changes in Europe over the period 2015–2020, particularly in administrative work, and a total gain of only 2 million jobs, in several smaller occupational groups4. On the other hand, and particularly for persons working in a region with limited access to work opportunities, the gig economy, platform work and web-based employment can represent an opportunity for initial entry to the labour market and access to less traditional working conditions such as flexible working hours and other working from home benefits. However, there is an inherent problem in these non-standard forms of working in that they may not deliver quality jobs with the associated benefits and social protection. Nevertheless, they can fulfil a useful role in facilitating labour market entry (especially important for young people) and offer a flexibility that some value highly.

Analysis of the actual impact of the non-standard forms of working (such as the gig economy) is made difficult by a lack of data on the workforce engaged in this form of activity, and the lack of a clear and internationally accepted boundary between self-employment and sub-contracting which may be a contributory element in this type of working. In the USA, the Bureau of Labor Statistics released its first in-depth look at non-traditional work since 2005, and identified that 10 per cent of American workers in 2017 were employed in “alternative work arrangements”5. This category includes temporary workers and those engaged in work as drivers for online taxi platforms (such as Uber), further underlining the lack of clear definitions with which the sector operates. This information comes in contrast to the widespread idea that the gig economy is an ever-growing segment of the overall labour market6, with some estimates suggesting it is as high as 34% in 20177. Classifications and impact levels of the gig economy continue to be an interesting topic in the USA as public and private sector data providers seem to publish contradictory information in a field where indicators are not properly defined8.

Meanwhile the McKinsey Global Institute estimates that 20 to 30 percent of the working-age population in the EU engage in independent work as well, a rate it replicates for the USA8. At the same time, in the EU the debate has been more closely linked to labour conditions and workers’ rights. In particular, workers have filed for employment rights claims in Member States against companies relying on gig workers, such as Deliveroo, Hermes, Uber, Addison Lee, City Sprint, Excel and eCourier. Courts have ruled gig economy drivers and couriers should have an element of “employee” status with more rights than independent contractors, leading

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7 Gillespie P (2017) Intuit: Gig economy is 34% of US workforce. CNN, 24 May.
8 Casselman B (2018) Maybe the Gig Economy Isn’t Reshaping Work After All. NYTimes, 7 June.
to multiple pay-outs\textsuperscript{10}. This has raised the question of the compatibility of gig economy practices with the European work standards and also raises the question of whether current standards are not sufficiently adaptable to the changing labour market and employment relationships therein.

\textbf{2.3. Reducing youth unemployment in an under-regulated emerging labour market}

As persons engaging in non-traditional work are often youth, either still engaged in education or just entering the labour market with fewer employment opportunities, the question of long-term sustainability in the gig economy and other non-standard forms of working becomes a topic highly relevant to youth unemployment. If young people can be gainfully employed in this sector without endangering their access to social benefits such as, for example, paid holiday, parental leave and pension, then regional authorities and PES can develop strategies aimed at encouraging this type of non-traditional employment. Particularly for vulnerable youth and youth with additional duties such as carers, safe and adequately compensated non-traditional employment could be considered a viable employment opportunity. However, given the current lack of regulation and overall lack of security in the field, these groups are most in danger of suffering any negative impact of the emerging labour market trends.

Given the difficulties inherent in collecting data in this weakly regulated field\textsuperscript{11}, the overlapping definitions and overwhelming trend towards opinion pieces, combined with the low number of evidence-based studies (as a result of the above-mentioned lack of data)\textsuperscript{12}, this report will refrain from providing a conclusion or more in-depth analysis of the impact of non-standard forms of working on youth unemployment at this stage. However, more qualitative information is likely to emerge from the case studies where local initiatives and impacts can be assessed.


3 State of affairs of the formulation of recommendations for the Cohesion Policy

3.1. The philosophy of the formulation of policy recommendations

The policy recommendations provided in the final stage of this project will mainly target EU Cohesion Policy instruments. As indicated in the inception report, since the Cohesion Policy has the stated goal of reducing the economic, social and territorial disparities within the EU, it appears as a relevant collaborative entity for ESPON, as they are well matched in the aim of enabling policy-making supported by territorial evidence.

The aim is to provide evidence-based recommendations, resulting from the earlier stages of the study:

- Conceptual inputs from the literature (mostly supported by empirical evidences provided for instance by academic investigations or consultancy expertise).
- Statistical observations and multivariate analyses along key dimensions related to youth unemployment and (regional) framework conditions.
- Qualitative information extracted from interviews and case studies.

To summarize, the “philosophy” of the approach leading to policy recommendations can be understood as a “triangulation” of different perspectives:

- Addressing conceptual issues that are so far not sufficiently taken account of by existing instruments (i.e. detecting blind spots).
- Investigating possible domains of policy experimentation, especially for issues that seem not be addressable by the current mechanisms of existing instruments.
- Identifying atypical situations that reveal the limitations of instruments that may appear as elsewhere efficient.
- Expanding the range of promising practices in identifying which further issues could be addressed that were not so far identified as “problems potentially corresponding to already existing solutions”.
- Transferring good practices from the most resilient regions to the most vulnerable ones.

Even if the nature and contents of these policy recommendations cannot be depicted precisely at this stage, it can reasonably be expected that these policy recommendations may address new funding mechanisms, adaptation of funding conditions and revised policy approaches. The next sections attempt to detail the logic behind the formulation of policy recommendations and the indications that can already be found for guiding this reflection.
3.2. What are the lessons to be learned from the precedent and current period that may support the formulation of recommendations for the following periods?

In recent national reports most Member States reported that Structural Funds, in particular the ESF, have been a key tool in preserving employment and containing unemployment, in particular youth unemployment.\(^{13}\) The context of the labour market deteriorated in many countries since the crisis, especially in terms of youth unemployment.

The range of co-financed activities has covered the whole spectrum of active inclusion (except income support). Important efforts were devoted to supporting the modernisation of education systems and strengthening labour markets through reforms. ESF interventions have contributed to social inclusion policies in many fields. Many of them have followed a social investment approach, namely by improving the performance of active inclusion strategies and achieving a more efficient and more effective use of social budgets. Supporting the potential of young people is addressed under the three main ESF investment pillars of human capital (education, training), labour market and social inclusion. In some Member States young people account for 40% or more of all participants in initiatives funded (or part-funded) through ESF.

Due to the theme’s political and economic prominence preparations for 2014-20 period indicated a strong focus on youth employment.\(^{14}\)

The 2014-20 Multiannual Financial Framework introduced a new financial instrument, YEI for those EU regions with a 2012 youth unemployment rate of 25 percent or above. Funding (€6 billion over 2014-20) is integrated into the ESF programming framework. The YEI supports the implementation of the YG, which is a joint commitment by the EU and Member States to ensure that all young people receive a good quality offer of employment, continued education, an apprenticeship or traineeship within four months of becoming unemployed or leaving formal education.\(^{15}\)

The YG focuses on ensuring that PES help young people either to find appropriate work, or to gain the educations, skills and experience required by employers. It resulted from a joint commitment by the EU and Member States to ‘ensure that all young people receive a good quality offer of employment, continued education, an apprenticeship or traineeship within four months of becoming unemployed or leaving formal education’.\(^{16}\)

Finally, it is worthwhile investigating the possibilities offered by thematic reprogramming since it may constitute a powerful tool for refining policy responses at regional level. For instance, analyses showed that

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\(^{15}\) Ibidem.

more than €39.2 billion – or 11% of the total structural funds – was reprogrammed from one thematic area to another by the end of May 2013 to support the most pressing needs and strengthen certain interventions. Of that, more than €32.7 billion concerned the ERDF and Cohesion Fund and nearly €6.5 billion the ESF.  

The 2012 Youth /SME Action Teams constitutes an example of thematic reprogramming benefiting the fight against youth unemployment. In January 2012 the European Council endorsed an initiative for Youth/SME Action Teams in the eight Member States that were worst affected by youth unemployment. As a result, an estimated additional 780,000 young people were likely to benefit from ESF reallocations for youth employment and training programmes. ERDF measures under this initiative could support an additional 54,800 SMEs compared to what was originally planned.

In summary, observations from the previous and current periods may potentially guide the formulation of policy recommendations along different dimensions. These dimensions may address new funding mechanisms, adaptation of funding conditions and revised policy approaches. At this stage of the analysis and from a speculative perspective, five lines of reasoning can be proposed in terms of potential policy recommendations.

- The setting-up of additional financial instruments, to be fully integrated into the ESF programming framework (with the aim to provide targeted support to the EU regions worst affected by youth unemployment).
- The use of “delta-factors”, i.e. allowing targeted thematic reprogramming to provide a flexibility to policy action where and when it is needed.
- A better targeting of specific (sub-)populations (see also sections 3 and 4 in this respect).
- A better targeting of specific (sub-)areas (see also sections 3 and 4 in this respect).
- Rethinking the youth unemployment issue from a middle and long-term perspective in the light of regional technological transformation and regional resiliency (see section 5).

3.3. What can be learned from IQ-Net for policy recommendations?

IQ-Net is a network which aims to bring together regional and national partners from structural funds programmes across the EU. Its objective is to improve the quality of structural funds programme management through the exchange of experience.\textsuperscript{19}

Different observations can be extracted from the fieldwork performed by IQ-Net members, which could guide the formulation of policy recommendation in the frame of the current investigation. Three categories of aims are detailed in the following

Better information and tracking of young people

Many EU Member States encounter difficulties in effectively identifying young people who are early school leavers and in differentiating between young people who are unemployed and actively looking for work on the one hand, and those who are effectively excluded from the labour market on the other. IQ-Net identified a new approach for tracking the progress of young people through school and beyond by providing a core set of measurable indicators that local authorities can use to monitor young people.

Targeting instruments on national/regional needs

The experience of IQ-Net partners suggests the importance of targeting youth employment interventions closely to national, regional and local needs. And this, not only in terms of rates of youth un/employment, but also the types of groups of young people who are unemployed (e.g. with good/poor education), the extent of issues relating to early school leaving and the specific factors underpinning low youth employment. Key approaches are likely to include the following: (i) simulating demand for youth employment; (ii) addressing deficits in education and training; (iii) supporting work experience; etc.

New methods and instruments for reaching excluded young people

A fundamental difficulty in reaching some under-educated and unemployed young people is noted all over Europe. This may particularly affect those with family or social problems, those lacking confidence and motivation, or those with negative experiences of schooling and other formal institutions. However, new solutions were tested which include for instance: (i) opportunities for young people to try out different jobs via work experience; (ii) support for entire school/college classes rather than individuals, in order to avoid individuals facing the stigma of being singled out for support; (iii) mentoring plus non-formal learning that allows young people to learn from their own experiences, to try different activities without sanction and to gain wider social skills; etc.

\textsuperscript{19}IQ-Net was launched in 1996 and is managed by the European Policies Research Centre (EPRC) at the University of Strathclyde in Glasgow. Partner organisations are mainly regional or national Structural Funds managing authorities or programme secretariats. The network involves a structured programme of applied research and debate; network partners meet twice a year, with conferences being hosted by the partners on a rotation basis. Available at: http://www.eprc-strath.eu/iqnet (accessed 25 July 2018)
3.4. The local implementation of the youth guarantee programme as a source of inspiration for policy recommendations

The analyses provided by the OECD (2015)\textsuperscript{20} constitute a useful source of inspiration for the future recommendation of the current project since it targets specifically the local implementation. In other words, it is interesting due to the fact that a qualitative and differentiated approach was followed. Seven EU countries were selected\textsuperscript{21} and the investigation sought to understand the involvement of the local level in their implementation. In each of those countries, two contrasting localities (a remote area versus a large conurbation) were chosen to conduct qualitative research. As a result, several lessons were highlighted. At this stage of the current exercise, three of them seem of primary relevance for potentially guiding the policy recommendation of this study, in particular when it comes to their local implementation.

**Giving local areas flexibility in policy design and delivery** as a first lesson. A key finding that emerges from these analyses is the importance of local areas having the flexibility to tailor national programmes to local level contexts. For example, a “work-first” activation focus may not always deliver the most sustainable results when there are only poor quality jobs with no progression prospects available in the community and/or individuals have significant skills deficits. Effective coordination with partners requires that local level actors have the flexibility to adjust programmes, targets, etc. as needed (as opposed to just coming together to share information about programmes). It is also worth noting that even within local areas, flexibility in programme delivery is important, as there is no “one size fits all” approach to working with youth. Even if a focus on education makes sense for a local area broadly, some young people may find a vocational or apprenticeship route better suited to their aspirations.

**Deepening and broadening local partnerships and ensuring consistent pathways for young people** as a second lesson. The same analyses highlighted that holistic approaches that follow young people from education/training, to finding employment, to sustaining employment are more effective than single shot interventions. A “pathways” approach cannot be delivered by any single organization, and rather requires the coordination of schools, training institutions, public employment services, employers, etc. to ensure that services are aligned and that young people are guided from one stage to the next. Having the data to identify the young people in need of services is a prerequisite for this coordinated approach. Again, strong partnerships are needed to engender the type of trusting relationships required to share this often sensitive data between organizations.

**Establishing the right timing of intervention** as a third lesson. One factor of the success (or failure) of a youth guarantee scheme depends on the timing of its interventions. The European YG has an explicit focus on early intervention and rapid activation of the guarantee once a young person leaves education, training or


\textsuperscript{21} Belgium, Denmark, Germany, Finland, Norway, Poland and Sweden
employment. Local areas are using a variety of methods for early intervention, all of which require new types of partnerships.

Looking one step behind in the future and addressing the regional policy response to youth unemployment from the technological transformation perspective

From medium and long-term perspectives, one of the main dangers in terms of youth unemployment lies in the accelerating pace of technological transformation that strongly affects the economic development of European regions. This phenomenon is also known as the “Third Industrial Revolution” and covers very heterogeneous activities going from Industrial change to the spread of artificial intelligence (AI). If there is no doubt in the academic communities about the fact that leading innovative regions will benefit from this evolution, this is clearly not true for less advanced or lagging behind regions. Moreover, even if the sometime apocalyptic visions of a future economy where almost everyone is unemployed are very unlikely, it seems more than plausible that a significant part of the working population will be negatively affected, under which (non-qualified) young people are likely to form a large part. Therefore, it seems particularly important to make the link between social-oriented and innovation-oriented policy instruments.

In this respect, the fight against youth unemployment must take into account the challenges of technological transformation at international, national and regional levels. Policy responses at regional level can take various forms, depending mainly: i) from the national framework (i.e. degree of autonomy by law as well as ability to devote financial resources) ii) the economic characteristics of the region (in particular in techno-scientific terms); and iii) from the overall economic development strategy of the region.

The starting point or genesis of current regional policy action related to technological transformation can be rooted in the past or extremely recent, emerging just a few years ago (for example perhaps stimulated through the so-called S3 exercises22). The initial philosophy behind such development can also vary greatly. It can be a strong political decision perhaps based on a relatively narrow political consensus. It can be accelerated at political level through prospective activities (even if sometimes provided by advocates of the third industrial revolution). It can also correspond to a willingness – and not a necessity – to better co-ordinate different policies and initiatives already existing at regional, national and European levels. Also, the intrinsic motivation may deeply diverge. For certain regions, technological transformation is seen as a factor reinforcing already strong economic assets and improving their performance (i.e. exportation capacity of high-tech goods and services). For others, policy responses to technological transformation are seen as a large leap towards renewed abilities (“catching the train before it is too late”). For a last category of regions, the main motivation factor is the hope to strengthen their resiliency capacity after external shocks (“reshuffling the cards”). Finally, some regions result from a recent merging of previously existing regional entities decided by the central state.

22 S3 stays for “Smart Specialization Strategies” which were conceived within the reformed Cohesion policy of the European Commission, Smart Specialisation as a place-based approach characterised by the identification of strategic areas for intervention based both on the analysis of the strengths and potential of the economy and on an Entrepreneurial Discovery Process (EDP) with wide stakeholder involvement. S3 are outward-looking and embrace a broad view of innovation including but certainly not limited to technology-driven approaches, supported by effective monitoring mechanisms.

(e.g. most French regions) and are consequently forced to find a way to allow their previous policies to converge, if not to start again from scratch if convergence seems impossible. The common point is that all the policy responses – whatever their origins and purposes may be – need to find a way to articulate their aims with specific instruments. These specific instruments may reveal over time whether they are particularly adapted to their specific techno-economic context or not.

Keeping in mind the issue of policy response to youth unemployment, the following three key challenges must be addressed for the formulation of recommendations at regional level.

First challenge: the ability to grasp the fundamental characteristics of technological transformation and to integrate them into corresponding strategies and activities (and avoiding the ‘old wine into new bottles’ effect).

Second challenge: the ability to distinguish between promising development patterns and realistic expectations (and avoiding the ‘one size fits for all’ effect).

Third challenge: the ability to find the way to mobilize the right resources and actors, even if it is outside the usual legal or cultural reference framework (i.e. outside the region, country or even EU in order to avoid the ‘not invented here (NIH)’ syndrome).
4 Policy implications and state of play on potential policy proposals

4.1 Introduction
At this stage, owing to delays in receiving workable quantitative data from Eurostat, some important elements of the research cannot be progressed and concluded as quickly as planned. Therefore, further preparatory work on policy proposals has been carried out and reported below. The main aspects of policy research and recommendations covered here are as follows:

- Current youth employment (YE) situation in the EU
- Directions and systems of employment policy (especially affecting YE) in the EU – policies in place and needs
- Cohesion Policy instruments most relevant to fighting youth unemployment (YU)
- Proposed approach and format of policy proposals and recommendations.

4.2 Current employment and youth employment situation in the EU
Following the financial crisis of 2008/2009, the economic situation in the EU has been steadily improving, generating employment and YE in particular. However, the recovery has been comparatively slow overall (though with considerable variation between Member States) and much remains to be done to support the labour market situation. The YU rate (2017) is still slightly above the pre-crisis level at 17% for the EU28. The gap between the Member States with the lowest rate of YU (Germany at 7%) and the one with the highest rate (Greece at 44%) is significant and indicative of the difficulties as well as of highly dispersed policy outcomes.

High YU is often linked to difficulties in filling vacancies and this highlights mismatches in labour markets caused by insufficient or inadequate skills, limited mobility and unattractive terms and conditions of employment. The uneven economic recovery and varied outcomes in the labour markets among the Member States, as well as different regions indicate a need for more effective and more territorially-adjusted policy interventions. The recent Joint Employment Report provides a comprehensive and up-to-date overview of the current situation in terms of YU and unemployment in general (visualised in Map 2 with project data), both at the EU and Member States levels, alongside the key employment policy domains, the main points of which are reproduced below.

- **Demand for labour** – In most Member States the unemployment rate YU rates have been recently decreasing (in Spain, Croatia and Cyprus by over 2 percentage points in 2016), down to 7.3 in 2017. Average employment rates in the EU have been constantly rising since 2013 and are now above pre-crisis levels, though in 17 countries, they are still below the 2008 levels. Self-employment has also been on the rise (primary sector excluded). Youth unemployment and long-term unemployment also continued to decline steadily. Yet, the YU rate is still more than double the total unemployment rate.

(16.8% in 2017). Job creation for young people (15-24) is the main contributor to the decrease in youth unemployment. The youth NEET rate has been declining as well, but a critical situation in this respect is noted in Bulgaria, Cyprus, Greece, Croatia, and Romania.

- **Labour supply and skills** – The early school leaving rate has been steadily decreasing but with high variations between the Member States (from below 5 to 20%), and strongly linked to social and education backgrounds of parents, as well as migration. The EU rate of tertiary education attainment has been constantly and significantly rising, higher among women than men, but is still distinctly low in the countries lagging behind. Education relevance for the labour market of those with tertiary education is distinctly higher and employment rates by education levels are varied. Since 2013, VET noted falling numbers of enrolling students. One of the potential shortcomings here can be the lack of VET programmes combining a substantial portion of work-based learning. Access to digital skills is still limited and uneven among the countries. The youth unemployment rate has been declining, down to 16.8% in 2017, almost reaching the low of 2008. However, in some Member States, it remains very high (Italy, Spain, Greece, for example). Despite these positive changes, young people are often faced with non-standard and atypical forms of employment such as temporary jobs, involuntary part-time work and lower wage jobs. NEET rates remain still slightly higher than in 2008. In the EU, NEETs are equally divided between unemployed and inactive, with substantial differences among Member States. Women are underrepresented in the labour market, mainly due to: accessible and quality formal care services, especially for children, and a significant pay gap. The labour market potential of migrants and people with disabilities is as well strongly underutilised.

- **Functioning of labour markets** – Labour market recovery contributed to reductions of long-term employment across the EU. Yet, long-term unemployment remains a challenge for several countries. The labour markets did not record any significant improvement in terms of segmentation between permanent and atypical jobs. Unemployment benefit systems and activation strategies toward the recipients are significantly different across countries, leading to different outcomes. The strictness and ease of these systems is differentiated in terms of availability for work during participation in active labour market programmes (ALMPs), monitoring of job search, sanctions, etc. At the same time, participation in ALMPs and registration with PES is very distinct across Member States.

- **Fairness, poverty and equal opportunities** – Gross disposable household income (GDHI) per capita increased in the majority of EU countries, although unevenly and income inequality persists. The share of people at risk of poverty or social exclusion also decreased but with considerable differences among the Member States; still with particularly high risks for children and people with disabilities. Improving labour markets contributed to the reduction of incidence of households with people in quasi-jobless situations. The in-work at-risk-of-poverty rate did not reverse and remains highly polarized across countries. Access to affordable accommodation and healthcare has been improving since 2008 in a large majority of Member States while the poverty-reducing impact of social transfers has slightly weakened.
4.3 Directions and system of employment policy (youth employment policy) in the EU – policies in place and needs

The current overall EU employment (and social) policy is well-advanced, strategically formulated and fully integrated into the Europe 2020 Strategy for smart, sustainable and inclusive growth. From the policy implementation point of view, the employment policy is expressed by employment guidelines which constitute an intrinsic part of the economic policies integration process of the Member States and of the EU known as
the European Semester. The integrated policies reflect a new approach to economic policy-making built on investment, structural reform and fiscal responsibility.

Therefore, the policy recommendations stemming from this research are planned to be structured on the paradigm of the four EU employment policy domains (demand for labour, labour and skills supply, labour markets functioning, fairness and equal opportunities). Policy proposals and recommendations are thus expected to be concrete, focused, and more of policy incremental and fine-tuning changes.

Figure 1: EU employment policy domains


The European Commission’s recent Joint Employment Report (2018) provides important insights into the current situation, trends and policy responses to YU and unemployment in general, both at the EU and Member States levels. The following policy responses and their impacts are observed:

➢ **Boosting demand for labour** – Most policy measures deployed by the Member States target specific groups facing problems in integration to the labour market (youth, older people, long-term unemployed, refugees, etc.) and provide financial incentives to employers (mostly tax/social security contributions rebates or subsidies). Promoting entrepreneurship and start-ups is also popular, and sometimes included under the YG Scheme. In some countries, several Member States reduced labour costs through reductions in personal income tax and/or increases in tax allowances such as child tax credit, child benefit, etc., especially for low income earners. Similar moves were observed in social security contributions, especially related to young and older workers. Some countries continued reforms related to the wage setting systems, by establishing automatic correction mechanisms, making collective bargaining more effective or setting more predictable frameworks of the minimum wage.

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24 The European Semester

➢ Enhanced labour supply and skills – Early school leaving has been addressed by comprehensive national strategies developed and implemented in coordination with the EC. Dedicated policies of reducing the impact of socioeconomic, ethic and migration status on students’ performance, closing the educational gap of disadvantaged learners and promoting excellence in education are implemented. Policies of transparent information on educational opportunities and outcomes, tailored guidance and financial support have been developed in the tertiary education system, alongside improving higher education relevance to student needs and labour market (part-time, distance studies, involvement of employers in curriculum design, increasing participation in science, technology, engineering and mathematics etc.). Member States make serious efforts to increase digital skills. The Commission promoted better responsiveness of VET to labour market needs by introducing the European Framework for Quality and Effective Apprenticeships in 2017. Informally gained skills will be subject to validation under the formal VET in many countries. National skills strategies have been introduced or in preparation. Improved career guidance services have been introduced, the YEI is under way to expand the outreach of counselling services to those not in education, employment or training (NEETs). Structural reforms are intensively supported by the YG - In 2015, 5.5 million young people (almost half of all NEETs aged 15-24) entered YG schemes and 3.5 million took up employment, apprenticeship, traineeship or continued education. Policies and partnerships for coordination among employment, education and youth policies to better support young people’s transition from education and unemployment to work are implemented. Wage and recruitment subsidies are used to enhance demand for young workers, especially long-term unemployed, low qualified or without any work experience. Policies related to child care and dependent care are being developed. These are especially important to increase labour participation by women.

➢ Better functioning of labour markets – Reforms of labour law towards more dynamic and balanced labour markets continue, although much can be done in terms of alignment and dissemination of effective solutions among the EU Member States. These reforms encompass, among others: reduction of market segmentation, promotion of permanent employment contracts while increasing their flexibility, improving working conditions of self-employed, reducing incidence of temporary workers in the public sector, introducing more flexible working arrangements, etc. PES reforms have continued to improve performance, also by introducing specialized counselling for specific groups of jobseekers such as young people. Various types of incentives and subsidies are used to promote recruitment and activation of the long-term unemployed or unemployed youth, and mobility for work, as well as various training programmes.

➢ Fairness, combating poverty and promoting equal opportunities – Improvements in coverage, design and adequacy of benefits under the social protection systems have been introduced in a number of countries and spheres, e.g. the guaranteed minimum income schemes with better focus on employment activation. Access to housing and other public services such as healthcare has been the 

subject of numerous reform initiatives, especially in support of persons with disabilities. Some pension reforms are promoting later retirement and financial sustainability of the system. These initiatives are however highly differentiated and differently calibrated across countries, preserving or exacerbating some existing disparities in terms of employment and social inclusion.

4.4 Cohesion Policy instruments most relevant to fighting youth unemployment

The EU Cohesion Policy (CP) (essentially regional policy) is the main investment tool in support of territorially balanced development, and more recently in support of job creation, competitiveness, economic growth, improved quality of life and sustainable development. The regional policy works directly for the delivery of the Europe 2020 strategy. The regional development priorities for 2014-2020 are set in the 11 Cohesion Policy thematic objectives supporting growth. The CP thematic objective no. 8 “Employment - Promoting sustainable and quality employment and supporting labour mobility” (funded by the ESF) is the one most relevant to this research project and will be reference in focus. Other linked thematic objectives are: Promoting social inclusion, combating poverty and any discrimination (no.9) and Investing in education, training and lifelong learning (no.10).

It is important to note that for the employment objective, any beneficiary regions and cities, in order to be qualified for financial support (conditionality), must develop strategies to reduce YU and promote non-discrimination.

What is important from the EU regional policy perspective, is the improvement and convergence of countries and regions towards high levels of youth economic activity and employment. According to the European Commission’s 7th Cohesion Report (2017), while YU has been reducing alongside the general unemployment, only few countries reached the low levels of 2008. At the same time significant differences are noted between the less developed, transitioning, and the more developed regions.

Figure 2: Youth unemployment in EU by category of region, 2018-2016

<table>
<thead>
<tr>
<th>Table 2.7 Youth unemployment, those not in employment, education or training (15–24) and participation in education and training (25–64) by category of region, 2008–2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth unemployment rate (% of labour force 15–24)</td>
</tr>
<tr>
<td>2016</td>
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<tr>
<td>change 2008–2016</td>
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<tr>
<td>Not in employment, education or training (% population 15–24)</td>
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<tr>
<td>change 2008–2016</td>
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<tr>
<td>Participation in education and training (% population 25–64)</td>
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<td>change 2008–2016</td>
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After the financial crisis, the disparities in GDP per capita and in employment levels have been shrinking or at least not becoming wider. The regions aspiring to converge to the EU average still need to redirect their economies and labour markets toward higher skills, technology and innovation content. The key remaining problem in many EU regions is the difficulty of people aged under 25 to get a job. In that sense, the EU
employment policy instruments prove only partially effective and take a long time to produce the expected results. The situation is exacerbated by unbalanced population growth and decline in different regions, especially migration toward the main urban centres which themselves face multiple challenges, including low work intensity and high poverty risk among households. Investments in innovation, skills and infrastructure are concentrated in too few regions and considered still insufficient. Government efficiency differs between Member States and low quality of government hinders economic development and reduces the impact of public investment, including that co-financed by cohesion policy. This negatively affects education and skills, labour markets and social protection systems, and directly YU and welfare.

From its start, cohesion policy focused on less developed regions, areas undergoing industrial transition, rural areas and the outermost regions. In the last two programming periods, cohesion policy has covered all regions as the challenges of globalisation, migration, poverty, insufficient innovation, climate change and others, are not restricted to less developed regions. According to “The reflection paper on EU finances”\textsuperscript{26}, the future focus of cohesion policy will be on social inclusion, employment, skills, research and innovation, climate change, energy and environmental transition. In this context, YU will remain one of the important policy areas and will benefit from in-depth research of its causes and consequences, and effective support mechanisms set and analysed from the territorial perspective, as posited by this research exercise.

In particular, policy observations and proposals related to the design and effectiveness of measures on YE under the regional Operational Programmes (supported by the ESF and YEI) and the YG implementation (Youth Guarantee Implementation Plans (YGIPs), will be generated.

\textbf{4.5 Proposed approach and format of policy proposals and recommendations}

As stated in the Inception Report, policy lessons and recommendations will be among the ultimate products of the research, covering two key policy issues:

\begin{itemize}
  \item Regional resilience to YU – territorial differentiation in terms of drivers, conditioning factors and effects of interventions
  \item Cohesion Policy potential directions for mobilization of regional resilience to youth unemployment – recommended new and/or modified instruments of Cohesion Policy.
\end{itemize}

As stated earlier, thanks to the depth and scope of the undertaken research, cohesion policy proposals and recommendations are planned to be concrete, providing mostly incremental and fine-tuning suggestions for the existing directions of employment policy (although not limited to it, to the extent of identified linkages and dependencies between YU and regional economic resilience).

As appropriate, the policy analysis and conclusions will be formulated at the three different policy levels: EU, Member States, and regional level. The lower levels will benefit directly from in-depth (national, regional) quantitative analysis and interpretations as well as lessons taken from the case studies. Aggregated findings and observations will be collected to inform the cohesion policy at the EU level. At the EU level, an additional

policy consideration is emerging as interesting. Based on literature and the initial review of cohesion policy, it is planned that an analysis of the differentiation of the EU regions be carried out in terms of GDP per capita and unemployment indicators (specifically youth and long-term unemployment) to measure and compare their dispersions. While currently the cohesion policy level of support is determined by the differentiation in the level of economic development (using only GDP per capita compared to the EU average), more elements can be considered and in particular those referring to unemployment levels, including those of youth and long-term, which are indicative of structural characteristics and difficulties of regional economies and linked to social cohesion.

To ensure that the formulation of policy proposals and recommendations is based on solid evidence and has practical applications, the following scheme (Figure 3) is proposed:
### 1. Sources (outputs of earlier research tasks)
- Mapping of regional YU patterns
- Typology of youth unemployment regions
- Observations, causes and consequences, sources of influence, lessons learned about YU from different territorial perspectives
- Good practices in combating YU in different types of regions

### 2. Policy analysis
Further literature review, Qualitative analysis, Quasi-Delphi, Categorization of evidences and policy lessons and their effectiveness in combating YU

### 3. Policy implications and recommendations
Review of policies and instruments effectively supporting resilience to YU and not effectively supporting resilience to YU

<table>
<thead>
<tr>
<th>Policy finding / Instrument / Initiative description</th>
<th>Employment policy domain</th>
<th>Employment policy level</th>
<th>Applicability to categories of regions with different YU resilience</th>
<th>Recommendations for Cohesion Policy instruments</th>
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<td>EU Member States</td>
<td>[categories to be defined under task 2 – typology of European regions with respect to coping with YU, established with reference to ESPON typology of regions as applicable]</td>
<td>[including anti-YU measures in OPs, specific measures under YEI/YGIPs]</td>
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<tr>
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<td>Enhancing labour and skills supply</td>
<td>Regions / Localities</td>
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<td>Better functioning of labour markets</td>
<td>Fairness, combating poverty, equal opportunities</td>
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5 Quantitative approach – data collection and analysis

5.1. Introduction

As outlined in the Inception Report, though some data are open source, it remains necessary to request Eurostat to provide a wide range of variables which allow a meaningful statistical exploration of the factors contributing to the different trends in YU observed in the NUTS 2 regions and the main factors which contribute to these trends. From the outset, it is assumed that the geographic unit of analysis - in the context of extracts requested from Eurostat - are the NUTS 2 regions (Map 3). The source from which these data extracts will be provided is the European Labour Force Survey (LFS) unless otherwise stated.

Map 3: Coverage area of the applied research, for reference

5.2. Risk analysis and mitigating measures

There are some risk factors confronting this project when it comes to data collection and analysis. The major factor identified and mitigated during the reporting period is that the unit
of analyses (i.e. YU 15-24 years X NUTS 2 region) may be too small in many cases to generate statistically reliable results.

The mitigating measures undertaken in order to produce very pertinent analyses of region-specific factors underpinning trends in YU, and which were reflected in the data extraction request, are:

- Restrict the number of variables in each data set to a minimum.
- Use variables with larger numbers where possible (e.g. employed rather than unemployed)

Examples of the options are apparent in many of the data extracts suggested in Section 5.6 below.

5.3. A strategy for effective data management and meaningful analyses

Consideration has been given to applying a two-phased approach to the management of the quantitative analyses. For example, it could be argued that in those cases where no significant difference is found between the national YU rate and the rate in specific regions of the country in question, there are unlikely to be region-specific factors underpinning the regional YU rates. In contrast, where significant differences were observed between the national rate of YU and the rate in some of the regions, it is more probable that there are region-specific factors contributing those different unemployment rates.

If this approach was followed, the first phase of the quantitative analyses would involve seeking to identify those instances of significant difference between the national unemployment rate in every country and the unemployment rate in the relevant regions in those countries. Following on from that analyses, a list of regions where the observed difference between their unemployment rate and the national rate was significant, would become the focus of further, more detailed quantitative analyses.

In that scenario, it would still be possible to produce basic LM profiles of each region – including those regions where there was no observed significant difference between the national rate and the regional rate - but in the latter cases, the analysis would not seek to explore the factors giving rise to the regions unemployment rate – it would be assumed that the regional factors were similar to those which applied at national level since the unemployment rates were similar. The national level would become the unit of analyses for all the regions which had a similar unemployment rate; this would reduce the number of regions requiring analyses and radically increase the availability and reliability of data for analyses. It would also provide the analyses at both national and regional levels.
A somewhat crude and simplified example of a country D with three NUTS 2 regions A, B, and C is shown in Figure 4. In this hypothetical case, two out of the three regions exhibit YU rates which are significantly different (either higher or lower) than the national rate. These regions are therefore selected for further in-depth analyses using the type of statistics alluded to in section 4 of this report. As the YU rate in region A is in most respects the YU rate of country D, country D and not region A would become the focus of further in-depth analyses.

When the lists of regions which have higher or lower YU rates than their national averages is compiled, it could very well exhibit patterns which could form the basis of further cluster analyses. For example, it may emerge that predominantly rural regions are associated with a relatively higher YU rate and predominantly industrialised regions with a lower YU rate. In this scenario, these regions could be considered a cluster for the testing of hypotheses regarding the causes of relatively high or low YU rates.

5.4. Identifying the ‘enablers’ of quality youth regional employment

The variables to be selected for the analyses of the factors which underpin the observed regional trends in YU will be based on common-sense views of which hypotheses are likely to be successful, and there are essentially three such hypotheses:

- the recruitment opportunities for young people in the region have an impact
- the education levels of young people in the region have an impact
- the level of engagement by young people with local labour market institutions has an impact

The critical LFS statistics which will be used for the identification of the factors are the level of education attainment (i.e. HATLEVEL), the recruitment possibilities for young people
(STARTTIME < 12 months) and the level of engagement of young people in the region with LM institutions such as their local public employment services (METHODA or perhaps WAYJFOUN if there are sample errors from applying METHODA). The statistic SEEKWORK could also be applied in this case.

The findings which emerge from the analyses of these statistics will be augmented by data from other sources such as the Labour Market Policies (LMP) database. For example, the analyses of education levels can be augmented with data on the school drop-out rates. Also participation in apprenticeship and indeed expenditure and participation on vocational education and training generally are very useful additions to the analyses of the impact of education qualifications. Indeed, the incidence of apprenticeship can itself radically improve YU rates because apprentices are usually regarded statistically as part of the workforce.

Both the incidence of long-term unemployment (DURUNE) and part-time (PT) and temporary contracts (TEMP) will be analysed, and the migration patterns between countries and regions will be explored. The latter is not available directly through an LFS statistics and it is proposed that inter-regional migration trends will be estimated using the differences between five year population figures (three reference years) at ages 10-14 years; 15-19 years; 20-24 years respectively.

5.5. Approach to data analysis

After extensive internal discussion and testing of open-source data, as well as of proposed analysis methods between the team members with different specialisations, from statisticians to economists and mathematicians, the best approach was identified and set out in the data request. This process was necessary to ensuring the quality of the overall analysis and to enabling the project team to produce an interesting and innovative set of results. Cross-tabulation and context reduction analysis will be applied in tandem to maximise the benefit of the work and identify outlying factors for youth unemployment through experimental data analysis.

The approach will include working with aggregates of the top and bottom 40 performers among the European regions, since this will avoid the risk of working with blank cells in the data extraction, for small regions covered. NUTS 2-level data is a small disaggregation already and provides accurate data for an overall population but for sub-populations such as youth. At this level the observations might start to be below the threshold for accuracy that can be used for analysis because of the effect of small cohorts. Too many blank cells would raise the risk of error in the calculations, leading to the exclusion of many NUTS 2 regions. In any case the analysis will intrinsically overweight bigger and more populated regions, so the team is working towards lowering a risk of the data introducing a bias. The separation into reference years (Map 4) will also enable the visualisation of progress curves of individual regions as well as clustering by type across the study timeframe for pre- and post-crisis analysis.
This was, as explained in the Inception Report, also the reasoning behind the choice to rely mostly on NUTS2 data for the analysis, rather than trying to work with NUTS3 data, which will be covered in the case studies on a qualitative level.


5.6. Data request from Eurostat

In order to avoid the risk of receiving incomplete data from Eurostat on the first request, the exact form and content of this request was discussed both internally by the project team and in a teleconference and telephone and email exchanges with the ESPON project team. The minutes of this teleconference and the data extraction request submitted to Eurostat can be found in Annex 1 of this report, and contains a detailed overview of the data to be collected outside of the open-source data used in mapping so far.
5.7. Interim Mapping

In order to illustrate some of the points raised in the report, and to test the mapping of open-source data, a total of 6 maps were included in this document. Additional maps are included in the Annex 3 – Maps produced for the Interim Report.

Additional background information on the maps produced is available in Annex 4 – Map catalogue, and the full datasets with metadata and clarifications are available in Annex 5 – Data used for mapping.
6 Causes and Consequences of youth unemployment

6.1. Introduction

A. Progress made

This part of the report consists of two parts: the causes of YU (task 3.1) and the impact of YU (task 3.2)\(^\text{27}\). The first and main part consists of explaining the differences found between EU regions about the occurrence and development of YU and NEETs. The second part addresses the impacts YU may have.

The emphasis during the implementation phase so far has been on the causes of YU. The main part of Task 3.1 depends on the outcomes of the part of the study on the mapping of differences between regions with regard to the development of YU. During the interim phase, for task 3.1 the focus was on on desk research on the general causes of YU, with the aim of verifying the conceptual framework developed during the inception phase. As the preliminary desk research on consequences (Task 3.2) did not yield significant new insights so far, this part of the work is not further reported on in this interim report.

This section describes the desk research carried out so far, discusses the type of information it yields and its limitations, and outlines further actions to be taken during the ensuing phases. The latter includes how the findings of this work can be linked to those of the data analysis and which findings from this task will feed into it. Similarly, the description of the objectives and format of the case studies to be performed will include issues relating to the cause and consequences of YU in different types of regions that can also serve as input for task 3.

B. Structure of this chapter

A comprehensive and fairly complete overview of the causes of YU have been gathered together and the overview broadly confirms the findings presented in the inception report. However, it did yield some caveats to be made. This section discusses the findings that altered or complemented the information presented in the inception report on the four clusters of causes. These are discussed in section 6.2. Although NEETs are included in YU, the desk research showed that their situation warrants specific attention. This is explained in section 6.3. Many studies on YU present the findings on national level analyses. Section 6.4 presents the few that start from the regional level.

The determining factors of the occurrence and development of YU also play a role in regional economic resilience, which, in itself, can also be seen as influencing YU. Section 6.5. summarises the increased understanding of the role of economic resilience.

The reflections below will feed in to the final analysis and report. Further work carried out in the framework of this study may however require further amendments to the findings. The

\(^{27}\) Young unemployed include NEETs.
final section of this chapter outlines the implications of the interim findings for the subsequent work to be done.

6.2. First impressions on the relative importance of causes

Literature summarising and comparing findings from existing research provide information on the type of factors that matter, but in principle also on their relative importance. Figure 5 presents the causes covered in the main studies analysed so far. Four studies are selected, among which is the very thorough study published by O’Higgins in 2015. Also presented are three studies with primary empirical evidence on the relative importance of causes, including two recent and one older study that together cover a broad spectrum. Annex 6 provides selected text from these studies showing the original findings.
Figure 5: Causes and their indicators found in the main studies covering multiple causes

<table>
<thead>
<tr>
<th>Character of findings</th>
<th>2008</th>
<th>2017**</th>
<th>2016</th>
<th>2015 (a)</th>
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<tr>
<td>Education</td>
<td># years of education, number of young people with vocational training and high scores in the PISA**** study</td>
<td>VET participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal characteristics and conditions of youth</td>
<td></td>
<td>Less mobility due to homeownership, high remittances from abroad, low work intensity of other household members or less possibilities for young people to live outside parental homes</td>
<td></td>
<td></td>
<td></td>
<td>Likelihood of resigning voluntarily, lack of experience, shorter credit history and lack of access to business networks, Youth share in the pool of jobseekers</td>
<td></td>
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<tr>
<td>Governance</td>
<td></td>
<td></td>
<td></td>
<td>Perceived corruption</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

* EPL = Employment Protection Legislation

EMP = empirical findings from authors, LIT = review of research by others

Programme for International Student Assessment
A. Business cycle

The business cycle is included in most of the studies and reflects the obvious importance of this cause and perhaps also the fact that internationally agreed indicators and data are readily available. The studies confirm the paramount and dominant importance of the business cycle for YE and YU and the relationship is clear as well as undisputed for every indicator used: growth and decline of the economy lead to increasing and decreasing YU respectively.

More specifically, young workers mostly play a role of a "buffer" to absorb macroeconomic shocks, through wider fluctuations in their unemployment rates (Caroleo F. E., Ciociano E., Destefanis S., 2015). YU responds more sensitively to the business cycle conditions than adult unemployment. (Gontkovičová B., Mihalčová B., Pružinský M., 2014). In addition, YU in the EU is more pronounced in countries with comparatively poor GDP growth, low share of construction and high public debt (Tomíč I., 2016).

B. Demographic structure

In 2008 Ramon Gomez-Salvador and Nadine Leiner-Killinger showed that if the share of young people in the total population is higher, a higher proportion of them will be unemployed and vice versa. This variable would seem to have lost some of it relevance due the ageing societies that most EU Member States are becoming. At regional level, this variable may still play a more prominent role but it should be noted that research also shows that its influence is outweighed by the impact of the business cycle.

C. Labour market institutions

The evidence on Employment Protection Legislation (EPL) as a determining factor for YU is mixed. Minimum wages and union density seem to have clearer impact, closer to that of the business cycle.

According to Caroleo, Ciociano, and Destefanis, (2017), besides economic activity, union density and the minimum wage are the important causes of youth employability. Their study also included data on educational attainment and expenditure on public education, but these had less important influences on YE. Gôrlich, Stepanok, and Al-Hussami, (2013) however draw attention to the fact that EPL is less for temporary contracts and was even decreased during the recession in many countries. This heavily affects young people as they are far more often hired on such contracts than adults.

The impact of flexible labour markets as a whole is not as clear-cut as is often assumed. O´ Higgins (2015) describes how research shows that while flexible labour markets do seem to exacerbate the effects of an economic downturn on YU, the opposite does not seem to happen during economic recovery.

Niall O´ Higgins (2015) (2015) conducted sophisticated analyses taking account of a variety of factors. Based on this he clustered EU countries in terms of characteristics that mitigated or strengthened the impact of the business cycle on YU. He concluded that making labour markets more flexible will definitely not facilitate the entry of young people into stable employment.
Complex relationships

In the analyses mentioned above O’ Higgins distinguished three types of flexibility: numerical (hard to fire workers), wage, and functional (workforce easily adapts to structural change). On this basis he found three clusters of countries were GDP had different impacts on flexibility:

- Very small impact: the ‘Education-based’ systems comprising Scandinavian and Continental European countries with numerical, wage, as well as high functional flexibility.
- Very high impact: the Anglo-Saxon countries characterised by high numerical and wage flexibility, but only intermediate functional flexibility.
- High impact on atypical employment: in Mediterranean countries with low flexibility on all counts. In these countries ‘atypical employment forms were very responsive to variations in GDP indicating that these forms were used as to adjust to variations in labour demand’.

D. Education

Education-related causes are included in only two of the overview studies. They suggest a positive impact in the sense of lowering YU, but a limited one. Causes related to education include the number of years of education and the number of young people with vocational training. High scores in the OECD international comparative student assessment survey –PISA- have a smaller effect on lowering youth unemployment rates in the 2008 study of Ramon Gomez-Salvador and Nadine Leiner-Killinger. The participation of young people in VET is relevant, but only in countries where the dual apprenticeship system is important, according to Caroleo, Ciociano, and Destefanis, (2017).

E. Personal characteristics and living conditions of young people

Two studies include a focus on causes that have their origin in young people themselves and the circumstances they live in.

Görlich, Stepanok, and Al-Hussami, (2013) explain that young people may be more likely to resign voluntarily, as they may want to explore other options before settling, have fewer people depending on them, and they are at the age where higher education ‘is a more natural and viable option’. On the other hand, the labour market also presents them with higher entry barriers because of their lack of experience, while the option of becoming self-employed is hampered by a shorter credit history and lack of access to business networks.

Tomič (2016) points at some causes that do not play the all-pervasive role that other factors play, but that still may be a factor of importance in countries with comparatively high youth unemployment rates. These include homeownership (lower mobility), high remittances from abroad, household members that work relatively little, and less opportunities for people to live outside parental homes.

F. Governance

This topic was covered in one study only. According to Tomič (2016), countries with high perceived corruption have higher YU rates.
6.3. The specific situation of NEETs

Data analysis is expected to provide new information when it comes to NEETS and the factors which lead to changes in NEET rates at regional level (Map 5). Two studies found so far specifically address the position of NEETs.


On the one hand Bruno, Marelli, and Signorelli (2013) find little or no differences between the impact of GDP on youth in general and on NEETs during the periods 2000-08 and 2009-11. Both studies do find however, that NEET rates are persistent throughout the crisis and, according to Carcillo et al. (2015), continued to be so afterwards.
Further analysis of these and other publications may provide more information on two aspects that emerged during the interim phase:

- The impact of GDP on NEET rates seems dependent on context, with clear differences emerging between Continental regions, the Anglo-Saxon group, the Southern group and new Member State (NMS) regions.
- ALMPs, including those furthering school-to-work-transition (STWT), appear to have been effective in specific regions and under specific conditions.

6.4. The regional dimension

Most of the studies on YU considered so far (EU level and in English) did not contain a regional dimension. However, the few exceptions show two important considerations for the continuation of this study:

- It would be unwise to assume that causes of YU have the same importance at regional as at national level.
- When looking at the region level it is paramount that inter-regional effects are taken into account.

Annekatrin Niebuhr (2003) stresses the ‘the spatial dependence among regional labour markets’. What is of particular relevance is that high and low unemployment regions tend to cluster geographically. The development of regional unemployment is strongly affected by such spatial interaction.

In addition, Overman and Puga (2012) signal an overall polarisation of regional unemployment rates towards extreme values since the mid-1980s. They argue that the polarisation has similar outcomes for neighbouring regions, only partially explained by similar skills levels and industry performance. They point to new economic geography literature that shows that economic integration fosters employment clusters that cross regional and even national borders. This would imply that regional and transnational employment policies, including those related to wage-setting and mobility, are required to deal with ‘neighbour effects.

Capello, Caragliu, and Fratesi (2015) are an example of researchers studying the role of cities in the resilience of regions and hence the prevention and combating of YU.

6.5. Regional economic resilience - initial findings and observations

A number of determining factors on regional resilience feature in various studies. These are exemplified by a recent empirical study by Giannakis and Bruggema, and extensive data analysis and case studies reported in the twelfth Territorial Observation published by ESPON. Some other studies zoom in on the impact of sector structure.

One of the more recent EU-wide empirical studies on the causes of regional resilience was published in the Journal of European Planning Studies (Giannakis E., Bruggeman A., 2017). The authors compared likely socioeconomic causes during the pre-crisis period (2002–2007) to employment
changes during the period 2008–2013. Contributing factors to economic resilience identified by them are the region’s accessibility, its education and its economic development level. A large manufacturing sector turned out to negatively impact on the ability of regions to withstand economic shocks.

According to another study (ESPON, 2014c) the ability of regions to withstand economic shocks or regional resilience, is determined by the form and structure of the economy, labour market flexibility and skills, place-based characteristics and community-based characteristics:

- The most important factor is the form and structure of the economy. This means that the initial strengths and weaknesses of regions, their industrial legacy, the size of the market and access to a larger external market will have a substantial impact on regional resilience. Having a more diverse economic structure in the region and higher levels of innovation performance are also found to be extremely important in this respect.

- Greater labour market flexibility also contributes to economic resilience, as does the skills level. Other population characteristics have not shown unequivocal impacts on resilience in research.

- Amongst the place-based characteristics, a clear difference exists between, on the one hand, urban areas and those which are more accessible, and on the other hand the more remote locations which are less resilient. For other types of regions resilience depended on the wider context rather than simply their physical characteristics.

- Community-based characteristics, notably the quality of governance, seemed to play a role, but evidence is scarce and mainly of a qualitative nature.

Some regions outperformed the national average and other regions in their country in withstanding the crisis (ESPON, 2014). Their example illustrates the conclusions above, but also provides more insight in successful strategies for regions to make use of the assets they have. Using the crisis to restructure and reorient the economy seems a recurring theme. Access to international markets was a crucial positive factor for many of the success examples shown in the research. Examples of such regions and the likely reasons for their relatively strong economic resilience are:

- Baden-Württemberg (Germany): a vast recovery from the crisis was attributed to ‘the supportive link between short-term and mid-term policy strategies’, i.e. keeping workers in firms through private and public initiatives, while structural adjustments were implemented for the longer-term.

- Rethinking business models and implementing productivity-enhancing adjustments also benefitted North Estonia.

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28 Notably mountainous, coastal and island regions.
• The resilience of Pomorskie (Poland) proved itself during the 2006 and 2011 period. Factors contributing to this include: increasing the region's transport accessibility, high level of international economic openness, the use of the inflow of European funds for modernization of the regional economy, entrepreneurial spirit and occupational mobility of people, as well as high qualification levels for relevant sectors.

• Diversity and an export-orientated economy mitigated the impact of the crisis for South West Ireland.

• High quality niche-based production proved to be a successful strategy for Puglia (Italy). Local entrepreneurs listed three key success factors when implementing such a strategy: the flexibility inherent to small firms (ii) cooperation in the local territory and with the local workforce and (iii) a unique product, due to their brand and short supply chains.

• Within the region of Uusimaa (Finland) as a rule, more remote localities have been less resistant to the crisis.

However, it should be noted that external context factors such as joining the Eurozone, and increasing or falling international demand play a supporting or negative role.

The importance of sector structure for resilience is specifically discussed in a number of other studies. Silvia Rocchetta & Andrea Mina (2017) empirically examined the effect of different regional technological profiles on the regional economic resilience for the United Kingdom (UK) using NUTS 3 data. They found that regions with technologically coherent knowledge bases and local economies that innovate in sectors with the strongest growth opportunities, are more resilient to exogenous shocks. Simone Busetti, et. al (2017) examined the impact of the knowledge economy on YU in regions. They argue that less developed and rural areas are often unable to develop and sustain knowledge dissemination and innovation since they lack infrastructure and the highly-skilled human capital needed for this. This leads to out-migration, with young people in particular moving to regions with high income levels, especially since they tend to have higher education levels than their elders. This has a further downward impact on the resilience of sending regions and decreasing cohesion between regions. On the other hand, this shows that the knowledge economy and richer regions offer opportunities to young people that may mitigate the impact of unemployment. In general, sheltered economies are less resilient, with the possible exemption of the extremely sheltered ones (Ugo Fratesi Andrés Rodríguez-Pose, 2016).

6.6. Implications and next steps

A. New causes to be taken into account

In the inception report four clusters of causes for YU were distinguished:

• Policy and implementation, i.e. governance, policy initiatives

• Cultural and historical context

• (Regional) Labour market situation, including sector structure and labour market situation
• Legislative framework, notably labour market legislation and the education system, including VET

The causes included in the analytical framework of the inception report continue to be relevant, but the first review of the literature has highlighted the importance of four more causes:

• Business cycle: this cause was not included in the framework, as it will be extensively discussed under task 2. However, the literature review shows the importance of including this variable when comparing different causes and their impact.

• Demographic structure: this is a variable with in general somewhat lesser impact, but in specific types of regions variables with a relatively high or low share of young people in the population may be a key determinant for YU.

• Spatial factors, such as the heterogeneity or the interaction of regions are important for explaining different developments in unemployment at regional level and for understanding causes and policy implications.

• Personal characteristics, behaviour and living conditions of youth are an important factor not yet covered in our analytical framework.

In the final report a revised analytical model will be presented.

B. NEETs

The literature review has also shown that it is important to distinguish in all tasks between youth in general and NEETs where possible. This requires sensitive analyses, as the differences are not immediately obvious and are likely to depend heavily on the circumstances and characteristics of regions and the national context they are in

C. Regional resilience

The overview of the literature on regional resilience shows that, as expected, the causes of regional resilience heavily overlap with the causes of YU. This underlines the importance of focusing in this study on ‘relative youth unemployment’. Unemployment indicators are part of the definition of economic resilience, but YU is not. The question that will be answered is whether general resilience also protects the young, or whether additional measures are needed for sub-groups such as NEETs.

D. Regional level explanations

The main work to be done in the ensuing phases is to link the causes of YU to regional characteristics. This will involve trying a combination of approaches to achieve this as follows:

• Add the findings of the quantitative analyses performed under task 2 to the general framework. In particular, link the characteristics of poorly/well performing regions to the causes of YU

• Examine literature on specific types of regions (e.g. building on the already agreed typology for task 4 definition with ESPON) in relation to YU, e.g. Islands and (youth) unemployment
• Examine national level studies of YU and assess if they make reference to regional differences. It is proposed to do so for the Member States in which the ten case studies will be conducted. The findings of the case studies and literature review may mutually enrich each other, while use can be made of the country-specific expertise and access to sources of the case study experts.
7 Qualitative research methods: local experts and case studies

7.1 Introduction

Following confirmation of the revised approach to the case studies (Task 4) outlined in the (redrafted) Inception Report and subsequent agreement on the ten case studies themselves, significant progress has been made in engaging local experts to fulfil the work and development of the ‘toolkit’ necessary to ensure a consistency of approach in the execution of the case studies. All the requirements are in place for implementation of the task, aiming for completion in Autumn 2018 (see schedule in Figure 7 below).

7.2 Case studies

Following discussions with ESPON, a shortlist of 15 potential case studies were submitted for consideration drawn from the following five types of region:

- Urban-rural;
- Metropolitan (not including capital);
- Capital city;
- Industrial transition;
- Border.

The aim was to include two cases in each of the five categorise and the final ten selected from the shortlist are shown in Figure 6.

From existing contacts, an expert was assigned to each case study, all of who have extensive experience of employment and labour market research and policy analysis and so are well-placed to derive the maximum benefit from the concise time allocated for completion of each case study (i.e. five working days).

The case study experts will be provided with a ‘toolkit’ comprising a range of information to help them structure their activities and help ensure a consistency in approach across the ten cases. This material consists of the following:

- Concise project summary to inform local stakeholders of the aims and objectives of the work prior to interview;
- Explanation of the stages of the work and what is required in terms of qualitative and quantitative information;
- Generic discussion guide to be used flexibly in stakeholder discussions, helping to focus the discussions and ensure a degree of consistency;
- Information of the structure for reporting the case studies to ICON ready for checking and validation.

These (draft) materials are in Annex 7 of this report.
7.3 Schedule

The revised schedule for completion of the case studies is in Figure 7. It envisages the activities concentrated during September-October 2018 (thereby avoiding the main summer holiday period), with all case study reports validated and finalised by late November/early December 2018. This scheduling is consistent with the overall project requirements and the use of the case study findings in, for example, the development of policy recommendations.
**Figure 6: Case Study List (and regional experts who will collaborate for their implementation)**

<table>
<thead>
<tr>
<th>No</th>
<th>Location</th>
<th>Country</th>
<th>Category</th>
<th>Key Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gabrovo</td>
<td>Bulgaria</td>
<td>Urban-Rural</td>
<td>Integrated approach towards tackling YU. Successful in retaining young highly educated people in the area by offering suitable job opportunities working closely with employers and technical university. Established organization (Youth Foundation) aiming to attract young people to the area.</td>
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<tr>
<td></td>
<td>Betty Loukanova</td>
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<tr>
<td>2</td>
<td>Pamplona</td>
<td>Spain</td>
<td>Urban-Rural</td>
<td>The YU rate (and NEETs rate) is among the lowest in Spain. Has shown resilience to the increase in YU following the crisis. Considered an innovative region in policy.</td>
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<tr>
<td></td>
<td>Elvira Gonzalez Gago</td>
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<tr>
<td>3</td>
<td>Turin</td>
<td>Italy</td>
<td>Metropolitan</td>
<td>Large urban area with strong manufacturing and services base with the mix changing. Focus on tackling YU through various projects including ‘My Generation Work’ offering innovative, collaborative solutions.</td>
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<tr>
<td></td>
<td>Giuseppe Ciccarone</td>
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<tr>
<td>4</td>
<td>Leeds</td>
<td>United Kingdom</td>
<td>Metropolitan</td>
<td>City region embracing old and new sectors with large youth population and ethnic mix. Big reduction in NEETs. Devolved Youth Contract since 2012 has transformed the approach to tackling YU and inactivity and collaboration crucial to reducing YU.</td>
</tr>
<tr>
<td></td>
<td>Kenneth Walsh</td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>Hamburg</td>
<td>Germany</td>
<td>Capital City (State)</td>
<td>Relatively low levels of YU and inactivity have been maintained through a combination of economic success, established structures (e.g. apprenticeships) and interventions coordinating their activities. Since 2012, Hamburg has been a model region in offering specialised support to unemployed young people.</td>
</tr>
<tr>
<td></td>
<td>Lena Thurau</td>
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<tr>
<td>6</td>
<td>Riga</td>
<td>Latvia</td>
<td>Capital City</td>
<td>Dominant capital city with significant changes in service sector particularly that has stimulated labour demand. Successful in limited outflow of youth and through targeted policy enabling them to benefit from the upturn in jobs.</td>
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<tr>
<td></td>
<td>Zaiga Priede</td>
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<tr>
<td></td>
<td>Location</td>
<td>Country</td>
<td>Region</td>
<td>Details</td>
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<tr>
<td>7</td>
<td>Tampere</td>
<td>Finland</td>
<td>Industrial Transition</td>
<td>Resilient economy in a relatively isolated location, helped by high tech industry and large education sector plus pilot project tackling youth unemployment. Promising results from employment programme focused on employment trials. Change in the focus of support for jobseekers with the municipality taking over the provision of services from the national PES.</td>
</tr>
<tr>
<td>8</td>
<td>Gdansk</td>
<td>Poland</td>
<td>Industrial Transition</td>
<td>Region showing strong resilience to YU partly through economic resilience and targeted measures some that youth do not fail to benefit from the buoyancy. The Gdansk Labour Office was nominated as the 2017 national Leader in Activation of Young Persons.</td>
</tr>
<tr>
<td>9</td>
<td>Twente</td>
<td>Netherlands</td>
<td>Border</td>
<td>Important border region of the Netherlands adjacent to Germany with a predominantly agricultural and services-based economy. Rising YU post-recession has been successfully tackled through locally focused policies and collaborations.</td>
</tr>
<tr>
<td>10</td>
<td>Donegal</td>
<td>Ireland</td>
<td>Border</td>
<td>County town in the Borders, Midlands and Western NUTS3 region that has seen significant improvement in YU through the application of national policy. Border town with UK (Northern Ireland) with limited industry and heavy reliance on tourism.</td>
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<tr>
<td>No</td>
<td>Activity</td>
<td>Mar</td>
<td>Apr</td>
<td>May</td>
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<td>--------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>1</td>
<td>Identify longlist of possible case studies through expert country contacts, Eurocities, etc.</td>
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<tr>
<td>2</td>
<td>Make initial contact with case studies to confirm suitability and willingness to cooperate and form shortlist</td>
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<tr>
<td>3</td>
<td>Identify and engage local experts who will be responsible for gathering information, conducting discussions, etc. under guidance from ICON</td>
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<td>4</td>
<td>Fully brief local experts on the conduct of case studies including use of discussion guides, contextual data requirements, etc.</td>
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<tr>
<td>5</td>
<td>Local experts carry out discussions (interviews/focus groups, etc. as appropriate) and gather contextual data</td>
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<tr>
<td>6</td>
<td>Local experts provide summary information (including data and interview notes) according a prescribed format provided by ICON.</td>
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<tr>
<td>7</td>
<td>ICON assesses case study reports and holds debriefing session (via Skype) with local experts.</td>
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<tr>
<td>8</td>
<td>ICON writes up cases study reports to the agreed format and sends them to local experts for clarification (if needed) and validation.</td>
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<tr>
<td>9</td>
<td>ICON receives clarified (if required) and validated case study reports from local experts and completes overall review for inclusion in main project report.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>ICON provides update on progress with case studies for Interim Report</td>
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</tbody>
</table>
7.4 Qualitative research methods: local experts and case studies

The qualitative analysis will be conducted employing the team of experts to study more nuanced aspects of regional youth unemployment, using quantitative data available and collected, related research literature, discussions with key players locally, and the judgement of the expert on the basis of the information collected. It can be expected that on the basis of the qualitative analysis, the results of the cluster analysis can be further refined.

Qualitative evidence and analysis will help mapping the regional clusters/types of youth unemployment across Europe by looking into the specific developments and composite elements of youth unemployment.

**Approach to the case studies**

The ten case studies of good practice in tackling YU at a local level form an important part of the research activity and will inform the development of recommendations on future policy options. During the inception phase, the possibility of identifying case studies from existing sources has been investigated to enable a shortlist of 15-20 cases to be presented as possible ones to take forward. However, as explained below, the sources do not provide sufficient information in the level of detail required to draw up such a list and so an alternative strategy is set out in this interim report.

The aim of the revised approach is to help ensure that maximum value is derived from the ten case studies as they are a crucial part of the more detailed qualitative information essential to complement the quantitative information. It should be stressed that the delay in proffering a shortlist of possible case studies will not compromise the overall timing or integrity of the study.

**7.5 Production of case study fiches**

Each case study will be written up in as consistent a style as possible (some variation may be inevitable where information sources vary). The precise format of the case study fiche will be agreed with ESPON after fieldwork from the first case study has been completed, where there will be an opportunity to change the layout and level of detail therein. At this stage, it is envisaged that each case study fiche will run to between 5-10 pages with a layout approximating the following headings:

- Introduction;
- Background and context of area;
- Reasons for resilience to youth unemployment;
- Current policies and structures in tackling youth unemployment;
- Divergence from national and regional policy;
- Strengths and weaknesses of key policy approaches;
- Transferability of local experience;
- The future prospects for youth unemployment and how they will be addressed;
- Conclusions.
- Annex:
  - Sources of information;
  - Additional statistical material;
  - Key agencies and contacts.

The fiches will contain a mix of quantitative and qualitative information with the emphasis on why the area has demonstrated a resilience to YU, what has worked in tackling YU and inactivity, how it has worked in context, and how transferable the approach (or elements of it) might be to other regions.
8 Overview and further steps

The above chapters of the report provide an update on the progress of the tasks in the project and a look into some of the key activities and emerging findings. There is still much work to be done in the remaining nine months of the project implementation period, in accordance with the project plan and the high ambitions of this research work. Figure 8 below summarises the schedule for completion of each task, and presents a visual indication of the project goals: to finish key tasks such as the data collection and manipulation, secondary research and case studies by the end of December 2018, in time to be fully presented in the draft final report. An important aspect of the research work is its parallel progress on the individual tasks involved, as this permits the expert team to build on the findings of each project task while answering to research questions and developing their approaches in increments based on every new piece of evidence collected.

This approach to project planning will also allow the labour market statisticians and economists in the team to fully engage with the thorough analysis necessary in order to develop an accurate and elaborated evidence base for the applied research report. Territorial patterns and trends of youth unemployment and NEETs will be identified in European regions by testing the data through multivariate analysis and context analysis in order to find outliers and similarities which do not stand out to the naked eye, to be explored further in the research work. These occurrences will of course also be showcased in complex mappings of youth unemployment and NEETS across the covered regions.

In parallel to this activity, desk research is ongoing and aiming to source out more potential causes and effects of youth unemployment among its many contextual factors. This work will benefit greatly from the results of the quantitative data analysis and triangulation between data sources, as it will build upon the evidence base of the data manipulation results and the qualitative results of the case studies. General and specific key factors leading to the development of youth unemployment in European regions, as well as the general and specific consequences of youth unemployment, are being identified continuously by the dedicated expert team undertaking desk research. These will be tested against data before publication and run against the methodology presented in chapter 6, to ensure only verified information is presented in the reports.

Influencing factors such as the level of mobility, governance structures and policy initiatives will be treated as context factors in order to measure their impact on a region and calculate the regional resilience with and without these elements. The case studies planned out in chapter 7 of this report will identify good practices in the respective regions, and showcase these solutions to tackle youth unemployment with their full context as a qualitative evidence base for the same. Transferability of these good practices will be analysed based on the results of both the qualitative and quantitative research conducted.
Policy recommendations for potential input from the EU Cohesion Policy with regard to providing support long-term structural reforms to promote youth employment and enhance the implementation of the Youth Guarantee, the Youth Employment Initiative and the EURES initiative to strengthen the resilience in European regions against youth unemployment and inactivity will also build directly upon this territorial evidence and mapping, and be designed with supporting documentation as presented in chapters 3 and 4 of the report.
### Basic project activities

<table>
<thead>
<tr>
<th>Task 1</th>
<th>Research framework and data collection</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Data receipt and data corrections</td>
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<td>Data harmonisation</td>
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<td>Data analysis and interpretation, merge with research results</td>
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<tr>
<td>Task 2</td>
<td>Mapping and analysis of youth unemployment and NEETs</td>
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<td></td>
<td>Collected data is used for mapping territorial patterns</td>
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<td></td>
<td>Comparative analysis of regional data</td>
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<td></td>
<td>Indicators compared and contrasted by region</td>
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<td></td>
<td>Visual representation of the mapping</td>
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<tr>
<td>Task 3</td>
<td>Identification and analysis of key factors behind the youth unemployment trends</td>
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<tr>
<td></td>
<td>Analysis of the quantitative and qualitative data collected as part of the research</td>
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<tr>
<td></td>
<td>Identification of factors which lead to youth unemployment and consequences of it, by region</td>
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<td>Thorough analysis of current status and drafting of policy recommendations</td>
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<tr>
<td>Task 4</td>
<td>Case studies of good practices in combating youth unemployment</td>
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<td></td>
<td>Recruitment of non-key regional experts</td>
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<td>Design of information pack for the case studies</td>
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<td>Site visits to access information and perform interviews (in a maximum of five regions)</td>
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<td>Drafting of case studies with all relevant evidence, including identification of good practices</td>
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<tr>
<td>Task 5</td>
<td>Proposals for potential support by EU Cohesion Policy</td>
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<td>Analysis of any recent policy shifts as related to the Cohesion Policy</td>
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<tr>
<td></td>
<td>Analysis of the research results for Tasks 2, 3 and 4</td>
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<tr>
<td></td>
<td>Recommendations on the Cohesion Policy’s mobilisation for supporting territorial resilience to youth unemployment</td>
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</tbody>
</table>

### MEETINGS AND DELIVERIES

- Draft Final and Final Delivery
- Meetings and pre-established teleconferences with the ESPON PST

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**Figure 8: Project planning**
List of Annexes

1. Data extraction request for Eurostat
2. Minutes of the teleconference discussing the data extraction request
3. Maps produced for this Interim Report
4. Map catalog
5. Data used for mapping
6. Selected quotations from literature used for relative importance of causes in multi cause literature
7. Information for experts carrying out the case studies
ESPON 2020 – More information

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