

Evaluation of the Youth Service Package and the Relevant Programmes and Measures Funded from the Republic of Serbia Budget and Targeted at Youth - Summary



SOCIAL INCLUSION AND
POVERTY REDUCTION
UNIT



Fondacija za razvoj ekonomske nauke
Foundation for the Advancement of Economics

Evaluation of the Youth Service Package and the Relevant Programmes and Measures Funded from the Republic of Serbia Budget and Targeted at Youth - Summary

Publisher:

Social Inclusion and Poverty Reduction Unit
Government of the Republic of Serbia

Editor:

Ivan Sekulović

Authors:

Dragana Marjanović, Aleksandra Nojković, Galjina Ognjanov, Lara Lebedinski and Dragan Aleksić

Design and prepress:

Dalibor Jovanović



Government
of the Republic of
Serbia



SOCIAL INCLUSION AND
POVERTY REDUCTION
UNIT



Fondacija za razvoj ekonomske nauke
Foundation for the Advancement of Economics



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
**Swiss Agency for Development
and Cooperation SDC**

SUPPORT: The development of this publication was financially supported by the Swiss Agency for Development and Cooperation as part of the "Support to the Implementation of the Employment and Social Reform Programme in Serbia focusing on Youth Employment and Employability Policies - main phase".

NOTE: This publication does not represent official views of the Government of the Republic of Serbia. Responsibility for the contents and information in the publication lies entirely on the authors. Further, the text does not use gender-sensitive language, as it is still not recognised by the official registration and legislation.

1. Context and Problem under Consideration

The sustained deterioration of youth's position after 2008 was manifested in employment decline, unemployment growth and decreasing labour market participation. A clear indicator of the unenviable position of young people aged 15-29 was their unemployment rate, whose value peaked at 42.3% in 2012. Although the labour market situation has somewhat improved since then when it comes to youth, the youth (15-24) unemployment rate has remained high – in 2015, it was still significantly more than twice the general unemployment rate (15-64), at 43.2% compared to 18.2%.

It is precisely the high unemployment, accompanied by the unfavourable values of other labour market indicators, that has led economic and labour market policy-makers to take concrete action to improve the position of this vulnerable group. One such action was the introduction of the *youth package* as an initial step towards the *Youth Guarantee*¹, a scheme widely present in European Union countries.

The provision of adequate support to youth and improvement of their labour market position is certainly hampered by the fact that economic and investment activity, as the key drivers of job creation, are at an insufficient level; that the general labour market indicators are unfavourable; that the total number of people in need of employment support is very high; and that the allocations for the implementation of active labour market measures are insufficient. Although the National Employment Strategy 2011-2020 specifies that the ratio of these funds to the GDP should have been 0.4% in 2014 and as high as 0.5% of the GDP in 2015, this was not achieved. The budgetary allocations ranged between 0.03% and 0.18% of the GDP, which was far below the planned level, implying a lower coverage of beneficiaries and thus also a lower impact of the employment policy. Yet, the very fact that financial resources are limited points to the need for better planning and design of measures to ensure greater impact, as well as targeting those unemployed individuals whose labour market position shall be improved by participation in active labour market measures. The evaluation presented herein has been commissioned with this need in mind.

The Youth Service Package was delivered between 2013 and 2015, and is also foreseen in the National Employment Action Plan (NEAP) 2016 and the Employment and Social Reform Programme (ESRP). *The Youth Service Package* has not been evaluated to date. The Ministry of Labour, Employment, Veteran and Social Affairs (MoLEVSA), the Ministry of Youth and Sport (MoYS) and the Social Inclusion and Poverty Reduction Unit (SIPRU) have launched the evaluation of this package, as well as the net effect evaluation of the measures and programmes funded from the Republic of Serbia budget and aimed specifically at youth employment, with the goal of taking action towards improving and enhancing the selected programmes and measures on the basis of the findings. In addition to the *Youth Service Package*, the analysis includes the net impact of the *Professional Practice* and *Acquisition of Practical Knowledge* measures, implemented by the

¹<http://ec.europa.eu/social/main.jsp?catId=1079>

The Youth Guarantee is aimed primarily at reducing youth unemployment, as well as preventing their detachment from the labour market. It comprises an offer of employment, continued education, apprenticeship or training within a set period of time, usually limited to four months. Depending on the country in which it is implemented, the Youth Guarantee includes measures falling within the category of education and training (continued education, labour market training etc.), employment and job search support (employment subsidies, active job search, etc.) and other active labour market measures (public works, self-employment support, etc.). Ideally, the Youth Guarantee is implemented in three phases: (1) services supporting low-intensity employment, (2) personalised services, and (3) intensive work with youth, including referral to active labour market measures.

National Employment Service (NES), as well as the evaluation of other relevant targeted programmes and measures aimed at youth employment and funded from the national budget, but implemented by other institutions, and supported by the Ministry of Youth and Sport (e.g. youth office services or civil society organisations' programmes contributing to youth employment and employability enhancement)².

The evaluation was performed under the first phase of the *Youth Employment Initiative*, implemented by the Social Inclusion and Poverty Reduction Unit in cooperation with the Ministry of Education, Science and Technological Development (MoESTD), MoLEVSA and MoYS. The project is supported by the Swiss Agency for Development and Cooperation as support to ESRP implementation with focus on youth employment and employability.

2. Evaluation Framework

The analysis was guided by the three key questions, which at the same time serve as the framework for presenting the findings in this summary:

- 1) *What has been the coverage of the Youth Service Package since 2013 and what does it comprise, and how has the introduction of the Package improved the services delivered by the NES to its young clients?*
- 2) *What is the net impact of the two active labour market measures targeting youth from 2013 – Professional Practice and Acquisition of Practical Knowledge, and why is employers' interest in the latter measure relatively low?*
- 3) *What are the coverage and the results of the measures aimed at youth employment and employability enhancement supported by the Ministry of Youth and Sport in 2014 and 2015?*

The answers to these questions and the detailed findings resulting from the research have enabled the formulation of recommendations for improving active youth employment policy in Serbia and may provide significant guidance in defining the NEAP 2017, as well as the Action Plan for the Implementation of the National Youth Strategy 2018-2020.

² The programmes and projects funded by the MoYS in pursuit of the National Youth Strategy goals, through calls for applications open to associations (in conformity with the Law on Youth and implementing bylaws) and local government units which have youth offices.

3. Key Findings and Implications for Policy-Makers

As stated above, the findings and recommendations are presented under three headings.

1. Evaluation of the Youth Service Package

The overall design of the Youth Service Package comprises a set of steps to be taken by the NES in respect of each young individual registered as unemployed, with the goal of preventing the competencies (knowledge and skills) relevant to competitive performance in the labour market from becoming outdated and the individual concerned from slipping into long-term unemployment. The specific actions taken by the NES include: (1) employability assessment of individuals registered as unemployed, (2) setting an individual employment plan (IEP) and the measures most conducive to youth activation and employability enhancement, and (3) jobmatching or participation in the active labour market measures that may contribute to employment (vocational guidance and career counselling, professional practice, employment and entrepreneurship development programmes, functional primary education programmes, acquisition of practical knowledge, etc.). **The basic idea of the Youth Service Package rests on intensifying cooperation between the NES counsellors and unemployed youth.**

The adverse developments in the business environment (decline in economic activity, drop of aggregate demand, drop of investment activity, etc.), as well as the relative inefficiency in the implementation of internal procedures, were obviously an insurmountable obstacle, as a result of which the Service Package introduced cannot be assessed as successful. Firstly, **a negative trend was recorded with regard to youth participation in active labour market measures (ALMMs): their share in the total number of people targeted by these measures declined from 51% (before Package introduction) to 41% in 2015**, which was contrary to the planned result. Secondly, **the decline of the share of youth in training and further education programmes (from 26.5% in 2011 to 9% in 2015)** was another failure of the Package. Thirdly, **the intensity of cooperation with youth, as measured by the nine available indicators, not only failed to increase, but also recorded a relative decrease compared to the intensity of cooperation with other groups.**

The only step in the right direction was made with regard to reducing the number of days needed to conclude an IEP with a young person after he/she registered with the NES as unemployed. Although it was indeed one of the key planned targets, the fact that the average number of days needed was almost halved after Package introduction offers little consolation, as this was the target that could be achieved most easily and cheaply compared to others. The thesis that the Package implementation was relatively unsuccessful was further substantiated by the fact that, on the basis of analysis of labour market indicators since the onset of the economic crisis in 2008, the NEAP 2015 recorded the most pronounced deterioration of the labour market position of three unemployed groups: youth, the elderly, and people with no/low qualifications. Still, a certain improvement in the position of most vulnerable groups, except youth, has been recorded since 2013.

Despite the fact that the ratio of the funds planned for these purposes did not exceed 0.2% of the GDP (although up to 0.5% is planned by the National Strategy), the record low of only 0.03% of

the GDP was noted in 2014; **this cannot account for the decline in the relative share of youth in all ALMMs, especially not in the “soft”, i.e. low-cost measures.**

With regard to the implementation of activities within the Youth Service Package, the opinions of the respondents – NES counsellors and young unemployed beneficiaries – were highly consistent. The application procedure was assessed as quick and simple, making appointments for individual interviews was efficient, and their duration was generally acceptable for both sides. Yet, it must be stressed that the observation of counsellors’ work revealed that **the performance of individual interviews was lacking, both in terms of a considerable number of no-shows by the unemployed and in terms of scheduling appointments for the unemployed. The problem was that some unemployed individuals, although they did not declare this, in fact expected no cooperation on the part of the NES as they were temporarily unable to work, which inevitably left less time for working with those youth who were indeed active jobseekers and genuinely needed counsellors’ support.**

The unemployed youth interviewed during the research had clearly had no experience of in-depth counselling and intensive job search support; consequently, their expectations of the NES boiled down to referral to employers. On the other hand, although it was commendable that the NES counsellors demonstrated their awareness of the goal of IEPs, it must be stressed that a direct insight into the IEP development process revealed that **relatively few NES counsellors conducted individual interviews in a manner that ensured the collection of all relevant information essential for a realistic employability assessment. In addition, recommendations for referral to measures were often given in an approximate manner, rather than on the basis of an assessment that the participation in a specific measure would increase a young person's likelihood of finding employment.** It was also concerning that employment counsellors **did not sufficiently recognise active job search support as their primary task**, either in practice or in interviews with the evaluator.

What NES counsellors saw as the Youth Service Package was, in fact, the set of steps they were required to follow even without the Package: Either NES counsellors were insufficiently aware of the aspects that distinguished the Youth Service Package from their obligations towards unemployed youth before 2013, or they simply neglected them and did not consider them in their assessments.

In a situation where it is not possible to invest significant funds in measures targeting youth, ***the essence of the Package consists in the intensification of individual work and counselling, as well as prioritising their referral to employers and existing measures.***

All the observed indicators (except time to IEP development), as well as counsellors’ statements and the findings obtained by observing individual interviews and IEP development, indicated that there was no improvement in the treatment of and services delivered to unemployed youth compared to those delivered to unemployed adults since 2013. In fact, some indicators pointed to the contrary – that, in relative terms, work with older, rather than younger NES clients had been intensified since Package introduction. It should be emphasised that the assessment of intensified work with other, older unemployed groups was not a result of targeted action – introduction of a package for them, as the groups for which packages were in place were excluded from the analysis. If the observed lack of understanding of the essence of the

package on the part of counsellors is considered in conjunction with these data, the inevitable conclusion is that the Youth Service Package has still not been truly implemented in practice.

Although other existing packages (for redundant workers and for persons with disabilities) have not been evaluated, the question of NES capacity to simultaneously deliver three packages in a high-quality manner must be raised, given that this package, the first to be introduced, is, in fact, not being delivered. In view of the above, the recommendation is that the NES should focus on one target group and on the delivery of the pertinent package. Once this package is implemented in a satisfactory manner and smooth work of NES counsellors is achieved, the possible introduction of an additional package may be considered. Still, it should be borne in mind that defining many unemployed groups as priorities inevitably “dilutes” the intensity of working with them, and the likelihood of achieving effects will be increased if the focus is on fewer groups.

To improve the Youth Service Package, a set of specific recommendations that can be implemented even in a situation of limited budget funds for active labour market measures, has been defined.

Primarily, it is necessary to clarify to NES counsellors the concept of the Youth Service Package and what it entails. It is essential to draw more attention to the fact that youth should be a priority, both in terms of attention to counselling and individual employment plan development, and in terms of offering jobs and concrete active labour market measures. The substance of the Youth Service Package must be equally clear and consistently implemented across NES branch offices. Naturally, Package implementation would be facilitated and its effects augmented if the budget for support to unemployed youth were increased.

Although the policy-makers’ intent to ensure individual work with all by IEP development for each unemployed person, with the goal of finding employment as efficiently as possible, was good, this approach must be reconsidered when the number of registered unemployed is so high in practice (in some cases, over 2,000 unemployed people per counsellor). **The attempt to deliver the maximum level of service and counselling to all, irrespective of their actual needs, results in the risk that those who need help most will be underserved.** Although the recommendations below are largely applicable to NES counsellors’ work with all unemployed groups, the Youth Service Package can serve as a convenient framework for the initial implementation of work improvement, thus enabling it to be tested on youth.

This analysis reaffirms the earlier recommendations to redesign the branch office workflow and train registration clerks in profiling the unemployed with regard to their needs. Making fewer appointments for individual interviews, based on realistic assessment of active jobseekers, would significantly reduce the number of the unemployed to be handled by each counsellor. This would not only leave more time for working with active jobseekers, but also provide the essential psychological space for a counsellor to truly commit to his/her clients in depth.

NES counsellors are also in need of training. Great difference in work was noticeable between the counsellors who had attended training and those who had not, as well as the **inconsistent application of internal procedures. In addition, it is essential that counsellors become familiar with the basics of career guidance and counselling.** This will be highly beneficial in providing support to NES clients when they face the challenge of specifying a set of occupations they are interested in pursuing, as well as in making choices about attending labour market training.

The fact that the funds for active labour market measures are very limited means that the accountability of NES counsellors in counselling and selecting the unemployed for participation in measures must be higher. Each unemployed person in judiciously referred to an inadequate measure means inefficient spending and a missed opportunity for another unemployed person who would benefit from that very measure. Counsellors, therefore, must dedicate much more attention to this step and **take account of the individual characteristics and needs of each individual they work with**, rather than view their clients through the lens of quota fulfilment. This, naturally, implies adjusting the system for branch office performance appraisal and evaluation by the NES Head Office, **as well as improved planning of measures and budgets to ensure that counsellors have timely information about the measures available to unemployed youth**. Further, the consequences of the limited funding for active measures could be somewhat alleviated by the NES liaising with the MoYS. This Ministry supports civil society organisations/local government units in implementing projects aimed at enhancing youth employability and improving the conditions for their employment – a liaison between these two institutions would offer the NES an opportunity to become involved in the project participant selection process, thus enabling a larger number of its hard-to-employ young clients to participate in measures to promote their employment, even when no funds are available for active measures.

Support to youth would be further improved if the needs that exceed the strict boundaries of employment-related problems, which are identified during individual interviews, were addressed by referrals to relevant institutions. This entails **intensifying cross-sectoral cooperation and cooperation among local-level service providers**, and in particular familiarity with the work and domains of other service providers, especially those in the education, social and health sectors. In a similar vein, it would be necessary for the NES to become more **involved in the young social assistance recipients' activation process** by intensifying cooperation with centres for social work. It is clear that this principle of intensified work and counselling would have to be retained even at a time when the capacities of the Republic of Serbia budget become sufficient to uphold the policy-makers' important intent to make every effort to assist youth by "early intervention" – to avoid long-term unemployment and deterioration of skills and knowledge through more generous budget allocations for ALMMs specifically targeting youth. **Yet, the primary task of employment counsellors – job search support – is, in fact, the least costly NES service**, and experience shows that, relative to its cost, it is the most efficient measure provided by public employment services.

In that respect, in order to provide youth with intensified services in line with the current financial capacities of the NES and to ensure that only those youth who truly need "costly" measures are referred to them, it is recommended that certain changes be made in working with unemployed youth within the Youth Service Package. A recommendation for a model for working with youth within the Youth Service Package is presented in the box below.

Box 1: Model for working with unemployed youth within the *Youth Service Package*

Step 1. Profiling young clients

When registering unemployed youth, the registration clerk (in cooperation with the counsellor on duty, if needed) profiles the client from the aspect of his/her expectations of the NES. If the young person concerned is registering only as a formality and does not want NES support in finding a job, nor is he/she interested in participation in measures offered by the NES owing to objective circumstances (seasonal jobs, studies, etc.), he/she signs a statement to that effect. No appointment for an individual interview is made for such client until his/her status and/or circumstances change and he/she becomes an active jobseeker.

A young person who is assessed as an active jobseeker and wishes to receive NES support is referred to a counsellor, in line with the current practice, and an appointment for an individual interview is made as a matter of priority. Not more than a week should elapse between the registration of the young person concerned and the individual interview.

If, at this stage, it is found that there are no real obstacles to the unemployed young person embarking on active job search, and he/she still demonstrates no motivation for it as a result of discouragement, such person should be immediately referred to an individual interview with a counsellor to support his/her activation and avoid the risk of a no-show for an appointment. If necessary, the counsellor should also refer such unmotivated unemployed young person to a psychologist for counselling.

Step 2. Active job search phase

During the first three months after registering with the NES as unemployed, the young client has the obligation to seek a job actively, in close cooperation with his/her employment counsellor. This entails frequent meetings, on a weekly basis, on which occasion the young person is encouraged to apply for advertised vacancies, contact employers on his/her own initiative, etc. If deemed beneficial for the unemployed young person, he/she can participate in the Active Job Search 1 (AJS1) measure and the Job Club in this period; however, this can by no means be a substitute for the counsellor's task in this period – motivation, activation and support to the unemployed person to find a job through his/her own efforts, including jobmatching services in response to vacancies advertised by employers through the NES. This applies both to first-time registered youth and to those who were struck off the register in the past. Also, if a person uninterested in cooperation with the NES is referred to a counsellor by mistake, this cooperation step will be used for further client profiling. In this phase, the counsellor may notice that a young client needs additional professional assistance in building self-respect, self-confidence and motivation in order to join the labour market – in that case, he/she must be referred to counselling with a branch office psychologist.

Step 3. Individual employment plan and referral to active labour market measures

Only if the client does not become employed in the three months' intensive active job search period described above, the counsellor will review the client's strengths through an in-depth interview and identify the exact barriers he/she faces in the labour market. This procedure is facilitated by the fact that the counsellor has worked with clients intensively for three months and has become aware of their strengths and weaknesses; it is, thus, much easier to assess what measure will best address the specific problem of each unemployed young person. Although the funds for active labour market measures are quite modest, in line with the Youth Service Package principle of providing early intervention, it is essential to prioritise youth and measures suited to them. Naturally, the higher the funds and the wider the range of services, the easier it is to assist each individual; with careful selection and jobmatching, including basic career guidance, it is possible to achieve considerably better results with the existing resources.

It goes without saying that intensive work with a counsellor during job search should be continuous, and continue after the young person exits the measure.

Step 4. Package monitoring and evaluation

All the activities undertaken must be registered to enable regular monitoring of Package implementation (the set of indicators created as part of this evaluation may serve as a good basis), and periodic impact evaluations must be undertaken. Considering that this Youth Service Package model introduces some novelties in the approach to working with the unemployed, it can be viewed as the piloting of a new approach, to be applied to all client groups in the future – if the effects prove to be satisfactory.

Naturally, even without additional investment in active labour market measures, ALMM effects on youth will be augmented if the existing measures are redesigned taking into consideration the increasing number of findings resulting from evaluations and impact assessments of the measures implemented by the NES for years – including those presented in the next heading of this report: the net impact evaluation of the *Acquisition of Practical Knowledge* and *Professional Practice* measures.

In addition, the introduction of new measures targeting youth should be considered. One of these could be the *Trial Period* measure, which would enable an employer to “try” a young worker for a few weeks, without cost, and assure itself that lack of experience does not necessarily mean inefficiency. This is a relatively low-cost measure – the NES would pay two weeks' “wages” to the trial worker, and may be very effective in encouraging the employer to offer an opportunity to the young worker.

This measure could be especially useful as a “next step” after a young person has completed a labour market training course. For instance, experience shows that, when it comes to youth, a combination of several carefully chosen and sequenced measures both on the demand side and on

the supply side yields significantly better results than individual measures. In that respect, focusing on a single unemployed group and targeted attention to them through counselling and a set of measures, as intended by the Youth Service Package, can indeed produce good results in the future.

2. Net impact of the *Professional Practice and Acquisition of Practical Knowledge* measures

The findings of a net impact analysis of active labour market measures targeting youth without significant work experience or without qualifications, conducted by the NES in 2013, are presented below. Two programmes were covered by the analysis: *Professional Practice* and *Acquisition of Practical Knowledge*. The key research question was whether participation in these programmes increased the likelihood of participants finding and retaining gainful employment. During May 2016, a *one-on-one* survey was conducted. The survey covered two main groups: programme participants and non-participants. Through telephone interviews, responses were collected from 160 participants in the *Professional Practice* programme and 19 participants in the *Acquisition of Practical Knowledge* programme.

As regards the *Professional Practice* programme, 160 participants were surveyed, and adequate counterparts in the control group were provided for 85 of them. A comparison of the socio-demographic characteristics revealed that the respondents in these two groups were **equal** in terms of age, gender structure, marital status, educational attainment level, household structure (size, number of children, employed, unemployed and retired household members), dwelling size and ownership, and place of residence (proportion of urban population). Statistically significant **differences were found in only a few characteristics**: programme participants, on average, had less work experience (overall, as well as after 2013), were somewhat more active in seeking employment and had lower wages in their last job.

Also, the statistical tests conducted **did not point to significant gross effects of participation** in the programme on the **key labour market outcomes**: programme participants were equally likely to be employed, unemployed or inactive. In addition, there was no significant effect on wage levels, or on subjective well-being assessment. More reliable conclusions are facilitated by an **econometric analysis**, conducted by a **direct comparison of net effects** after carefully matching programme participants. The findings confirmed that participation in the **programme did not have a statistically significant net effect on the key labour market outcomes**: it did not increase an individual's likelihood of becoming employed or having been employed at any moment in the past two and a half years, nor did it reduce the likelihood of being unemployed or inactive, or affect the likelihood of earning higher wages. In addition, participation in the programme **did not improve young people's feeling of subjective well-being either**, except in terms of higher optimism in assessing one's employment prospects compared to the time before participation in the programme.

Following the same procedure, the effects of the *Acquisition of Practical Knowledge* programme are analysed below. The analysis is based on the responses of 19 programme participants and 14 control group members.

A preliminary analysis showed that **there were no significant differences** between the two groups' members in terms of the basic socio-demographic characteristics: age, marital status, educational attainment level, household structure (size, presence and number of children, employed,

unemployed and retired household members), dwelling size and ownership, place of residence (proportion of urban population), work experience (before and after participation in the programme, i.e. after 2013). Measuring **the gross effect achieved** only revealed that the economic inactivity rate was **significantly lower** for programme participants, as well as that **there was a statistically significant difference in average wage** (in this case, in favour of the control group).

The programme participant matching process described above is applied in the text below to draw **more reliable conclusions about the net effects** on the participants produced by the *Acquisition of Practical Knowledge* programme.

The key findings are that **participation in the programme statistically significantly increased** the likelihood of an individual becoming employed and **reduced** the inactivity rate. **A statistically significant effect** on the unemployment rate and employment likelihood at any time in the past two and a half years, or on the average wage of programme participants **was not confirmed**. Moreover, participation in the programme **had a significant effect** on better subjective assessment of the prospects of finding a job (this applied to all participants in the programme, as well as to the views of those unemployed or inactive at the time), while the effects on other indicators of subjective well-being were not statistically significant.

Summarising the results of the research conducted gives rise to the conclusion that the *Professional Practice* programme did not achieve the expected effect, i.e. that the participants' labour market position did not improve. A somewhat different effect was observed with respect to the *Acquisition of Practical Knowledge* programme; specifically, a statistically significant positive effect of the programme on **key labour market outcomes** was measured, namely **employment increase and inactivity decrease**. Despite the caution required owing to the small sample and the low final number of matched respondents, it was observed that this programme, targeting less educated youth, was more successful than the one targeting educated young people, and that educated youth did not constitute a markedly vulnerable group in the labour market in the first place.

Furthermore, survey results were compared to the administrative data using the *Professional Practice* programme as an example – **significant differences and the importance of conducting surveys for the purpose of reliable measurement of programme effects were highlighted**.

As for drawing conclusions about the *Acquisition of Practical Knowledge* programme and elaborating recommendations for further improvement, the issue of the relationship between the NES and employers inevitably arises. More specifically, **the NES must put additional efforts into enhancing its cooperation with employers, as well as its image among employers, as they represent potential partners**.

Therefore, it is crucial to conduct a market analysis and promote the programme among selected employers in a targeted manner. It is also necessary to conduct an analysis of the visits to employers made by employment counsellors as part of their duties. Improving work with employers and expanding the network of partner employers would also have a positive impact on the implementation of other measures, as well as jobmatching services.

With regard to the design of the measure, it must be stressed that, in its essence (as denoted by its title), the *Acquisition of Practical Knowledge* measure aims to train the unemployed without qualifications in simple occupations, as well as to increase their chances of employment after the

expiry of the measure, i.e. the contractual obligation. **In that regard, removing the obligation of hiring participants should be considered.**

In order for such redesign to produce the desired effects, several **prerequisites** must be fulfilled.

Firstly, **the occupations in which participants are trained must be in demand in the labour market.**

Secondly, to prevent abuse, and in line with the idea that each unemployed young person registered with the NES should primarily be encouraged to seek work intensively for three months before being referred to a measure, another requirement should be introduced: **youth referred to the measure must be registered as unemployed for at least three months. During this time, they should seek employment intensively, in line with the recommendation on the development of the Youth Service Package model.** This entails enhanced counselling work of NES counsellors with their young clients, as discussed above.

Thirdly, beside the fulfilment of formal requirements, **employers should be selected also based on their capacity to deliver training in a high-quality manner, taking into account their spatial and human resource capacities, i.e. the number of staff to train young participants in the capacity of mentors.** The possibilities of developing cooperation between the NES and the Institute for Improvement of Education³ should be considered. Under the Law on Adult Education, these two institutions should keep records of employers that meet the requirements for practical instruction, and the database could serve as a good basis for the selection of employers to deliver such training.

Yet, given that it has been ascertained that the measure, as currently designed, produces good effects on the employment of young clients, the first step, before undertaking an overall redesign of the measure, should be a large-scale **campaign aimed at targeted promotion of the measure among both selected employers and the unemployed who meet the eligibility requirements for the measure.**

When it comes to the *Professional Practice* programme, it is essential to consider primarily **the issue of relevance of designing active labour market measures targeting highly-educated youth, seeing that their labour market position is far more advantageous compared to youth with lower educational attainment levels.** Within the existing design of this programme, it would be essential to **focus more attention to secondary school graduates** who are in a more vulnerable position in the labour market, and who account for a very small percentage of the *Professional Practice* programme participants.

As far as youth with higher education attainment are concerned, the programme should be reserved **for the long-term unemployed** (although it must be emphasised that the evaluation did not ascertain any effect on this youth group either) **or for those faced with a specific barrier in the labour market** (low demand for occupations in which they are trained, being Roma or persons with disabilities, rural background, social vulnerability, etc.).

³ Cooperation between the NES and the IIE is also pursued through the development of the Annual Adult Education Plan (a dedicated working group formed by the MoESTD), adopted by the Government at the MoESTD proposal.

The findings of this evaluation are not surprising: international experiences point to mixed results of internships, traineeships, work experience programmes⁴. The most commonly identified factor that differentiates successful programmes from unsuccessful ones is the integration of vocational training in such programmes. Therefore, **programmes where, as part of gaining work experience, youth are also systematically trained in the occupation in which they are pursuing an internship/traineeship produce better effects.**

In the process of redesigning the *Professional Practice* programme in Serbia, the question how **internship/traineeship standards in Serbia can be aligned with the Quality Framework for Traineeships of the Council of the EU**⁵. It is necessary to establish several key elements, including **a written agreement defining the educational elements of a traineeship and setting the contents to be mastered during the traineeship, as well as the conditions for traineeship delivery, the presence of a mentor** etc.

To reduce the burden on the state budget and ensure a more committed approach to trainees and a more earnest assessment of their capacities to organise traineeships, the idea of companies' participation in funding the measure should be considered, while taking into account the fact that it will inevitably result in lower interest among employers. Also, internationally, the duration of such programmes is usually shorter than foreseen in the NES open calls –from several weeks to six months. Hence, the recommendation is to **reduce traineeship duration to a maximum of six months.**

In addition, there are examples of countries where the level of compensation paid to trainees is tied to the financial social assistance amount (e.g. in Portugal, this sum is multiplied by a factor of 1.5⁶) **Reducing the amount of compensation would not only reduce the total cost of the measure, but also have a positive impact on the selection of young participants.**

3. MoYS-supported measures geared towards youth employability enhancement

Enhancing youth employability and improving the conditions for their employment was set as the key strategic aim of the Ministry of Youth and Sport from 2014. Hence, the Ministry organised different activities and funded projects to develop services and mechanisms for youth employability and employment promotion through cross-sectoral cooperation, with a view to stimulating different forms of youth employment, self-employment and entrepreneurship. The evaluation covered the programmes implemented in 2014 and 2015. In this two-year period, the Ministry implemented projects in cooperation with 59 organisations – 51 associations and 8 local youth offices, under several project clusters:

1. labour market training,
2. training in occupations in short supply,
3. active job search training,
4. internships and traineeships,
5. entrepreneurship training,

⁴ See e.g. Sattar S. (2010). *Evidence Scan of Work Experience Programs*, Mathematica Policy Research.

⁵ https://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lssa/141424.pdf

⁶ <https://www.iefp.pt/estagios>

6. agricultural entrepreneurship training,
7. training for innovative products (student companies).

The MoYS decision in 2015 to intensify considerably the youth employability enhancement activities relative to 2014 in order to improve their relative position as far as possible can be assessed as a good move – owing to this, the allocations for these projects were more than trebled. The increase in the earmarked budget funds enabled more civil society organisations to apply for funding, thus indirectly facilitating support to more youth, as well as an increase in the number of project clusters aimed at employability enhancement. **From the aspect of project clusters, the largest-scale training programme in both observed years was labour market training courses,** which were also ranked first in terms of the number of young participants employed after training completion (51% of the total employed in 2014 and 36% of the total employed in 2015), followed by the internship/traineeship programme, which accounted for 32% and about 23% of the total number of those employed in 2014 and 2015, respectively. By aggregating the available data for both observed years, measured by the cost-benefit analysis criteria, the following programme clusters were highlighted as efficient: (1) active job search training, (2) agricultural entrepreneurship training and (3) labour market training. Per average amount of funds needed in order for an individual to become employed, they created 1.6, 1.4 and 1.1 jobs, respectively.

However, it must be emphasised that this is a rough assessment only, since **more detailed data that would facilitate a more profound evaluation of the net effects of implemented measures are not available.** In the process of rough assessment, we encountered several problems that may have a weighty impact on the quality of the thus obtained results, as well as the assessed efficiency of both individual programmes and programme clusters. Firstly, the key datum even for a rough assessment, and especially for any form of in-depth evaluation, is **the number of programme participants employed six months⁷, one year or even two years after programme conclusion.** This information **was not available.** The employment figure stated in the research was indeed the number of participants employed; however, the figure pertained to a specific point in time, which was not necessarily the same for each of the projects implemented; this violates the basic assumptions that need to be fulfilled if a high-quality assessment is to be made. Secondly, an analysis of the available documentation indicates that there was almost no demographic information on the participants – sex, educational attainment, age, length of time to employment.

This very information is critical to evaluation for at least two reasons: firstly, without this information, it is not possible to conduct an analysis within the youth cohort of the share of disadvantaged groups present within the youth population and the effects produced by the measures implemented; secondly and perhaps more importantly, without this information, it is not possible to assess the intensity of two theoretically well-known adverse effects accompanying employability and employment programmes for all groups, including youth – the deadweight loss effect and the substitution effect.

It is for this reason that we are not able to assess whether and to what extent the budget funds were allocated for the most vulnerable youth groups and, on a related point, whether those same funds

⁷ Associations/youth offices are required to report to the MoYS on the effects on project participants' employment six months after project conclusion.

were spent in a rational manner. It may be said that, in focus groups of young beneficiaries of these measures, it became evident that **the participants in these measures were motivated and active to an above-average extent, and in many cases also held university degrees**. Although it is not possible to derive a measure of these programmes' net impact that would indicate whether the participants who found jobs after participating in MoYS programmes would have found the same jobs even without involvement in these programmes, there is a well-founded concern that these programmes included the “creaming” effect, i.e. the selection of those unemployed persons that were the most readily employable.

If the abovementioned difficulties are temporarily disregarded, it may be observed that certain aggregate indicators imply that the projects, primarily those implemented in 2015, cannot be given an overall positive evaluation. For instance, the most obvious indicator is the ratio of the increase in the number of the employed to the increase in the funding spent by the MoYS on project implementation, relative to 2014. **While the amount of funding was more than trebled, the number of those employed was only doubled, which implies that the funds were not spent in the most advantageous manner.**

Since a cost-benefit analysis represents a measure to assess the aggregate efficiency solely on the basis of the number of people employed and the funds spent, it is impossible to ascertain precisely the concrete cause of the implemented projects' relative inefficiency. As each of the implemented projects is different from others, a mere comparison of their final outcomes cannot ascertain why one was more efficient than the other. The only way that the different characters of the projects can be reduced to a common denominator and subsequently evaluated is process evaluation – an evaluation that analyses the progress of project implementation. It checks the quality of project implementation, the implementation and duration of project activities, the coverage of beneficiaries and the consistency of the results achieved with the planned objectives. However, the following two factors emerge as potential inefficiency factors of the programmes implemented in 2015: Firstly, **the inordinate diversification of projects in 2015** compared to 2014 certainly contributed to a less than expected level of the achieved growth in the number of newly employed youth. On a related note, an additional cause of inefficiency may be **the implementation of a range of other non-standard programmes⁸ in 2015, which, by their very nature, are not aimed at direct job creation or youth employment within a short time.**

On the other hand, the key conclusion that emerges as a result of four focus group discussions with young project participants is that the projects **implemented by civil society organisations/local governments under the MoYS programme were assessed as significant support to unemployed youth in active job search, employability enhancement and employment.**

The experience of participating in projects through civil society organisations/local governments was very positive. Notwithstanding minor objections to the modality of delivering certain training courses,

⁸ Under this programme, the MoYS also supports projects that are simultaneously aimed at exerting a positive influence on youth activism and mobility, as well as enhancing the capacities of youth policy stakeholders and contributing to the development of associations as youth policy stakeholders, promoting cooperation with municipalities and competent public services, networking among registered and informal youth associations, individuals and local authorities, with a view to further independent activities. Investment in these projects is more than desirable and may yield outstanding results in the long term; however, these results cannot be captured, at least not by our rough assessment method – which is, at the same time, the only method possible on the basis of the available data.

the general view of all beneficiaries was that their expectations were met, and even exceeded. The latter view had a pronounced impact on **the declared high level of satisfaction with the projects from which the respondents benefited**. Without exception, the beneficiaries would recommend every young person to take opportunities of this type, primarily because it could contribute to gaining additional knowledge and practical skills, work experience, enhancing self-confidence and confidence in one's qualities in active job search. **Yet, a concerning indication is that these programmes often involved the young people with the highest motivation and educational attainment levels, who did not need support of this type to find employment.**

The primary recommendation addressed to the Ministry of Youth and Sport is to **introduce a more efficient system for overseeing, reporting and monitoring the organisations entrusted with project implementation, as well as project participants**. It is essential to insist that project implementers provide the foreseen data on project participants' demographic characteristics, in order to enable the assessment whether the projects involve the most vulnerable youth, as well as to provide the data on those employed/self-employed six months after the expiry of the measure, which is their obligation.

The Ministry should also set clear criteria and priorities for youth participation in programmes in order to ensure the funds invested are spent in the most meaningful manner. The funding earmarked for measures or projects aimed at youth employability enhancement and employment **must be directed towards the youth in the most difficult situation in the labour market, since they are in most need, and findings also indicate that net effect is missing when it comes to highly educated youth.**

In that respect as well, a closer liaison between the MoYS and the NES may be considered, as **NES involvement in the participant selection process and evaluation of implemented measures could be of assistance in improving the effectiveness of the implemented measures.**

On the other hand, this somewhat more relaxed approach to spending has a positive aspect as well: it enables more freedom in planning and implementing activities – it is thus **easier to “try out” innovative solutions⁹ whose implementation would be considerably more difficult** in an inert and rigid system such as the NES. Hence, the good experiences and innovative solutions (after their effects are verified by an effect evaluation) should be highlighted and their national implementation through the NES considered.

In any case, it is essential to more efficiently **link and coordinate the MoYS-funded programmes with the NES regular activities**. In a situation where many young people have few opportunities to participate in active labour market measures, any support is welcome.

If the decision-makers at the NES and MoYS identified the activities **regularly performed by the NES with the aim of supporting youth employment, which could be outsourced to civil society organisations and/or youth offices, it would represent an excellent example of institutional cooperation, and would also increase the coverage of youth services**. This

⁹ A similar approach was taken by the SIPRU under the open call titled “Support to Innovative Approaches for Increasing Youth Employment and Employability” in 2015.

approach is increasingly present in the EU countries, given that it has been identified as the only model conducive to reducing costs and intensifying services simultaneously¹⁰.

¹⁰ See *Partnerships Among Employment Services*, research conducted by European Job Mobility Laboratory, available at: ec.europa.eu/social/BlobServlet?docId=7122&langId=en