

STUDY

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School to work transition in the Resilience and Recovery Facility framework

Youth oriented active labour market
policies under Pillar 6



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Supporting EU economic governance scrutiny



Economic Governance Support Unit (EGOV)
Directorate-General for Internal Policies
PE 699.552 - October 2022

EN

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Abstract

This report examines youth-oriented active labour market policies under Pillar 6 of the Resilience and Recovery Facility instrument. The report focuses on school to work transition trends for the past 10 years and in the aftermath of COVID-19. It examines the Recovery and Resilience Plans' main features in this domain, and the Southern EU countries' approach to active labour market policies for young people.

We draw policy recommendations aiming at horizontal and vertical collaboration in the implementation of these policies or youth participation in the implementation of active labour market policies. We also specify recommendations for Southern EU countries aiming at greater coverage of vulnerable groups of young people or more thoughtful consideration of subnational disparities when implementing this type of policy measure.

This document was provided by the Economic Governance Support Unit at the request of the ECON Committee.

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Original: EN

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Manuscript completed in October 2022

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ACKNOWLEDGEMENTS

EGOV would like to acknowledge and warmly thank the useful and insightful comments provided by Aoife KENNEDY and Regina KONLE-SEIDL from Policy Department A to this paper.

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ALMP	Active Labour Market Policies
EC	European Commission
EU	European Union
ISCED	International Standard Classification of Education
LABREF	Labour Market Reforms Database
NEET	Not in Employment, nor in Education or Training
NGO	Non-Governmental Organization
NUTS	Nomenclature of Territorial Units for Statistics
SDG	Sustainable Development Goals
STEM	Science, Technology, Engineering and Mathematics
STWT	School To Work Transition
RRF	Recovery and Resilience Facility
RRP	Recovery and Resilience Plans

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EXECUTIVE SUMMARY

Background

School to work transition generally describes the track from the role of student to the role of worker. This pathway from school to work is expected to lead young adults to decent jobs and an independent life. Such a process is deeply influenced by structural factors, such as the socioeconomic environment or the access to institutional support. For the past two decades, school to work transition has been in the youth policy spotlight, as it has become longer and more complex, leading to greater risks of young people's marginalization and precariousness. Traditionally, the challenges emerging from school to work transitions have been addressed through youth-oriented active labour market policies. These policies focus on labour market training schemes and a wide range of job support strategies, including job search assistance and monitoring, wage subsidies, public sector work programmes, or self-employment support. These are mostly public policies, funded through public funds.

A health emergency, such as the COVID-19 pandemic, added more uncertainty to young people's prospects of finding an independent way of life. Their education plans were delayed, and employment prospects became narrower in the first months after the pandemic breakout. Policymakers anticipated significant and more permanent negative impacts coming out of the pandemic for younger generations. To address these concerns, an unprecedented package of reforms and investment was put in place – the Next Generation EU – and its central policy, the Recovery and Resilience Facility instrument. This extensive policy instrument includes an axis focusing on youth, specifically Pillar 6 – policies for the next generation, children and youth, such as education and skills. Several of the reforms and investment under Pillar 6 are active labour market policies addressing specific features of the school to work transition.

Aim

We intend to conduct a cross-national examination of how the Resilience and Recovery Facility addresses younger generations' needs regarding the school to work transition. We seek to fulfil this overarching goal by understanding how school to work transition evolved in the European Union before and during the COVID-19 crisis, based on a series of education and employment quantitative indicators. We have also contextualized youth-oriented active labour market policies in the Pillar 6 of the Resilience and Recovery Facility. Next came the conducting of an in-depth qualitative analysis of the active labour market policies in the Resilience and Recovery Plans of Southern European countries. These factors combined to enable us to highlight the most relevant policy implications.

Key findings

We have reached four main sets of findings.

Firstly, school to work transition trends have evolved very positively for the past decade (2012-2021), both in the European Union and in the different countries included in our analysis. These positive trends were slightly interrupted by the COVID-19 crisis. However, this inversion was time-limited, with most of the countries showing, for instance, lower rates of young people Not in Employment, nor in Education or Training in March 2022 compared to March 2020.

Secondly, school to work transition indicators are worse in Southern and Eastern countries, compared to Northern and Central European countries. Moreover, Southern European countries show the greatest subnational disparities. Importantly, these disparities in Southern European countries remain in the aftermath of COVID-19.

Thirdly, resilience and recovery plans show a much greater rate of investment in general, vocational, and higher education measures compared to youth employment support. Interestingly, since 2012, the

design and implementation of active labour market policies have more often addressed youth employment support at the national level. Higher investment presented by states in their resilience and recovery plans on educational active labour market policies follows a consistent drop of early school leaving from education and training between 2012 to 2021. Thus, a stronger investment on educational measures across most of the resilience and recovery plans seems to balance the greater importance given to active labour market policies dedicated to youth employment support at the State level, over the past decade.

Fourthly, our scoped analysis of Southern European countries' resilience and recovery plans shows that the resilience and recovery facility encompasses a reformist impetus across the member states, relying on significant legislative packages. Nevertheless, many of the youth-oriented active labour market policies are universal, lacking a focus on specific, vulnerable groups. Moreover, school to work transition is addressed mostly from the education intake side, instead of being balanced by more reforms and investment in youth employment support measures. More importantly, despite the considerable regional disparities across school to work transition indicators in Southern European countries, active labour market policies implementation is seldom territorialized.

Policy recommendations

General recommendations

A very strong investment in general, vocational, and higher education across most of the recovery and resilience plans must come with a thoughtful consideration of nuances and collateral effects. Over-education needs to be prevented by providing the right balance between getting a degree and equipping young people with specific, highly-demanded skills (e.g., digital skills). In addition, the educational offer must consider territorial disparities, such as job demand in less affluent regions for intermediate professionals with solid vocational education.

More efficient implementation of youth-oriented active labour market policies included in the resilience and recovery plans depends on strong vertical and horizontal collaboration between stakeholders. Granting regional governing bodies/services more authority to improve on-the-ground capacity or more autonomy to deliver and monitor the proposed programmes is needed to overcome vertical coordination caveats, especially between national and regional stakeholders. The establishment of collaborative local/regional networks involving several public and private stakeholders trained in integrated governance pillars will reduce redundancies in programme implementation and a much needed efficient use of resources.

Youth-oriented active labour market policies within the Recovery and Resilience Facility instrument must also seek to more clearly include young people as protagonists of active labour market policy implementation. This can be achieved by including them in policy delivery and assessment, as well as by increasing the opportunities for youth-led innovations in the national plans implementation.

Specific recommendations

The implementation of active labour market policies for young people under Pillar 6 must increase the number of targeted measures, meaning those aiming specifically at youth and vulnerable groups of young people. This can be achieved by developing comprehensive reforms under Pillar 6 in tandem with reforms relevant for other Recovery and Resilience Facility pillars. This is especially important in Eastern and Southern EU countries, balancing top-down with bottom-up strategies for the deliverance of these policies; or further regulating reforms and investment at the national level to clearly target vulnerable young people.

More dedicated attention to new indicators of school to work transitions must be streamed into active labour market measures (e.g., job security). In this respect, it is highly recommendable to spread the

evaluation scoreboard scope for youth-oriented active labour market policies under Pillar 6. This will ensure a better fit for current definitions of school to work transition and decent jobs.

A greater territorialisation of youth-oriented active labour market policies under Pillar 6 is greatly needed. This may be achieved through a specific recommendation issued by the European Commission to consider these policies as a main instrument in reducing regional disparities in the school to work transition through the Recovery and Resilience Facility instrument. Strengthening the links between active labour market policy reforms and investment and cohesion policies or increasing regional capacity to deliver them also entails addressing the considerable territorial gaps in this domain.

1. CONTEXTUALISATION

Wars, hunger, and pandemics are historical turning points with tremendous societal and personal costs. The COVID-19 pandemic reminded us of how much these crises can change countries and people's daily lives. Suddenly, governments announced strict lockdowns, borders were closed, and airports, schools, or shops were shut down. Fear and uncertainty took over societies. How deadly is the pandemic? When will we find a treatment? How long will it take to get back to the "good old days"? Answers to these and other questions were wondered about in digital calls and videoconferences, while everyone was closed in their own bubble.

There was a sense, however, that something more profound could come out of the COVID-19 crisis. Human beings under extreme circumstances, such as pandemics, are overwhelmed by contradictory feelings. While they are taken by a sudden loss of control, they also become more aware of themselves and their needs. They also realise how the surrounding systems – political, economic, or social – are connected and operate (Solnit 2020). As people adapt to disaster, they may start to have new perceptions about themselves, their communities, and the institutions around them, leading to new expectations. Would the anticipated change be for better or worse? In April or May 2020, nobody could tell.

The sense that something deeper was changing was more remarkable among younger generations. Young people's lives are fluid. As they approach adulthood, they become more open to new experiences, social relationships, and roles, while developing wisdom-related knowledge or greater maturity (Arnett 2014). However, becoming an adult is also a process deeply shaped by the socioeconomic environment with significant impacts on the so-called School To Work Transition (STWT) (Masdonati et al., 2021). COVID-19 seemed like a major obstacle on the path to an independent life. With schools closed, education took place remotely. Temporary and part-time jobs were not available anymore, because shops all around were closed. Plans for leaving home or travelling were put on hold. If something deeper was changing, it was changing for the worse. The pathway from being a student to becoming a full-time worker seemed to be going backwards. It seemed to be returning to the period during the 2008 economic crisis, when the levels of marginalization and precariousness were peaking (Eurofound 2014; Walther 2006). After a few weeks into the pandemic, young people's prospects were gloomy, to say the least.

Policymakers started to respond to the effects of COVID-19 at both national and EU levels. As the crisis deepened, a sense of opportunity began to grow. As part of the policy response, an unprecedented package of reforms and investment was put in place – the Resilience and Recovery Facility (RRF) mechanism. The vision was to take the EU to another level. Resilience was the keyword, connecting the past and the future of European societies.

Now that we seem to be slowly getting out of the COVID-19 crisis, other challenges have tempered the enthusiasm around the policy response. Still, one might ask how much change the RRF mechanism can bring for younger generations. With this report, we seek to examine how this instrument addressed younger generations' needs in the STWT through a series of policies under Pillar 6. These correspond to what is usually labelled as Active Labour Market Policies (ALMP). The document starts by laying down the definitions of STWT and ALMP. We move on to understand how STWT has evolved before and during the COVID-19 crisis, based on a series of quantitative indicators. Then, we contextualise youth-oriented ALMP in the RRF Pillar 6. Next, we move on to a content analysis of ALMP of the Resilience and Recovery Plans (RRP) of European Southern countries. Finally, we draw the most relevant policy implications stemming from the analysis.

2. YOUNG PEOPLE AND THE ROAD TO DECENT JOBS

2.1. STWT: a concise definition

STWT generally describes the movement from the role of student to the role of worker (Masdonati et al. 2021). This movement overlaps with the passage from adolescence to adulthood and is fully achieved only when a young person reaches their first fixed-term and satisfactory employment (Masdonati et al. 2021; Matsumoto and Elder 2010; Saks 2018).

In recent years, reaching fixed-term and satisfactory employment has increasingly been outlined in terms of having a decent job. Overall, decent jobs are those that grant access to full and just employment conditions, such as fair pay for productive work, equal opportunities, safety in the workplace, or social protection (International Labour Organization 2010). However, decent jobs do not comprise financial or legal dispositions only. They also encompass a subjective dimension by allowing workers to be involved in meaningful productive tasks that may lead to positive work attitudes (e.g., participation in organizational decision-making) and a sense of belongingness to an occupational group (Masdonati et al., 2021). This combination of objective and subjective dimensions to better define decent jobs encompasses, therefore, a more nuanced analytical approach, considering different types of indicators to measure successful school to work transitions – something we will address in more detail in point 2.4..

STWT is, thus, more than a rite of passage or a mere change of social roles. It also comprises access to quality jobs, a fundamental condition to fulfil individual needs and potential. This vision is brought forward by the RRF and is in line with the United Nations SDG (Goal #8 – Decent Work and Economic Growth).

2.2. STWT relevance in policy agendas

STWT has been in the spotlight of policy-making for quite some time, both worldwide and in the EU. Five reasons justify the growing attention given to STWT issues.

STWT has become longer. Young people are taking more time to establish their professional identities and define their career pathways, especially in developed countries (Pastore et al. 2021). While this trend reflects positive societal shifts, such as higher rates of tertiary education enrolment, longer STWT also poses new challenges with policy-making implications. Greater shares of people in their late twenties and early thirties still struggle to find decent and rewarding jobs. Consequently, younger generations take longer to become fully independent, financially overburdening older generations for longer periods, especially in Southern European countries (Carcillo et al. 2015; Pastore et al. 2021).

STWT trajectories are increasingly shaped by uncertainty. Linear STWT is far from being a standard. The pathway to a satisfactory, decent job (if any) is shaped not only by delays (Pastore et al. 2021), but also by individualisation, fragmentation and non-linear pathways (Simões et al. 2022). STWT individualisation means that young people increasingly prepare for their transition to the job market outside the framework of institutional support, such as that provided by public employment services. Fragmentation describes how the pathways from school to work are more and more uncertain, involving multiple combinations of part-time jobs, precariousness, unemployment spells, and unreported work (Almeida and Simões, 2020; Brzinsky-Fay 2007). Non-linear STWT pathways mean that younger generations can have facilitated access to more flexible hiring modalities (e.g., part-time jobs) that can be associated with tertiary education, as well as to work experiences in different professional areas. However, STWT marked by delays, individualisation, fragmentation and non-linear pathways sustains stronger risks of young people being outside the labour market for longer periods or of being stuck in precariousness (Carmo and D’Avelar 2020).

STWT is more challenging for vulnerable groups. Young people aged under-24 have three times more chances of being unemployed compared to those aged 24 or over (ILO 2020). STWT is, however, disproportionately more complex for subsets of young people, such as those coming from low-income

households, young women, or ethnic minorities (Mascherini 2019). STWT barriers faced by these groups are often tangible, such as the lack of financial resources to access tertiary education or limited access to on-the-ground public employment services, especially in rural and peripheral areas. Non-tangible barriers to STWT are, nonetheless, widespread among members of these groups, further shaping or limiting their professional aspirations or hampering key career decisions, such as moving within or outside the country. Lower cultural capital (e.g., lower parental educational attainment) or social dispositions (e.g., standing beliefs that women should be dedicated to family care duties) are just a few examples of the significant number of barriers that these groups must deal with when moving into the labour market (Simões et al. 2022).

STWT is expected to become even more complex. The dual transition (digital and green) is shifting the world economy and labour force supply and demand. The digital transition is accelerating the replacement of humans with Artificial Intelligence robots and software in routine, mechanical tasks. In the coming years, thousands of low technological intensity jobs are going to disappear, with a subsequent decline in the need for low and intermediate-qualified professionals. This trend will contrast with the rising demand for a highly specialised workforce, particularly in developed countries (ILO 2020). Moreover, the economic activities related to the green transition (e.g., agri-food industries, blue economy, ecotourism) will also require new professional profiles, from newcomers in the farming business to entrepreneurs in businesses related to nature (EIP-AGRI Agriculture & Innovation 2016). The dual transition will, thus, transform the socioeconomic paradigm and the required skills to find decent jobs. Still, there is promise ahead for young people, as very recent projections show that redirecting public investment towards the digital and green economies, together with the care sector, could result in the net creation of 139 million additional jobs by 2030. More than 30 million of these would be taken by young people (aged 15–29 years) (ILO 2022).

STWT has been misrepresented. STWT has been massively portrayed in social discourses, including in traditional media as an individual endeavour that young people must overcome to achieve an independent life. Successful STWT certainly depends on personal factors such as agency – a combination of capacity to set goals (intention), plan their pursuit and fulfilment (foresight) and allow personal behaviour to be driven by goal-pursuit (action-regulation) (Schoon and Heckhausen 2019). It is indeed important to learn about personal stories and how STWT comes to affect real people. However, STWT is massively influenced by policies, and on-the-ground institutions. The role of these structural factors in shaping access to the labour market must continue, therefore, to be at the forefront of public debates (Bello and Cuzzocrea 2018).

2.3. ALMP: delimitation and types

Usually, States address STWT by implementing youth-oriented ALMP. ALMP essentially originated in Northern Europe in the 1950s, reflecting governments' efforts to facilitate work market integration of groups that tended to struggle to find a job, including young people (Bonoli and Liechti 2018; Speckesser et al. 2019). Currently, ALMP are framed as policies aiming to increase the share of the active labour force, prevent negative consequences of unemployment, and organize institutional support and on-the-ground employment services dedicated to the (re)integration of people in the work market (Speckesser et al. 2019).

ALMP may come in the form of universal policy packages - aiming at the whole population and all age groups searching for labour market integration or reintegration - or as targeted policy measures, such as those specifically designed for young people. Youth-oriented ALMP may also be classified as universal when aiming at all young people or targeted when aiming at delimited subsets of youths. Depending on their goals, youth-oriented ALMP may be further refined using additional criteria, such as ALMP type (e.g. training), the demographic characteristics of programme participants (e.g.

immigrants) or their labour force status (Fredriksson 2021). More rarely, youth-oriented ALMP adopt geolocation as a defining criterion for implementation¹.

ALMP generally encompass training/learning initiatives or different types of incentives for job-finding. More refined classifications of ALMP have, however, been issued (Caliendo and Schmidl 2016; Speckesser et al. 2019)². Overall, there are five main types of ALMP:

Labour market training. This includes widespread interventions to promote individual (re)integration in the workforce. The training type (e.g., classroom-based vs on-the-job training), duration (from a few days to several months) focus (e.g., skills extension vs new skills development) and scope (e.g. first job preparation vs fast reintegration) can be very heterogeneous.

Job search assistance and monitoring. These are the activities conducted by caseworkers of public employment services or private providers to facilitate labour market (re)integration. The activities can include the provision of vacancy information, short-term training, or coaching programmes assisting youth in their job application process.

Wage subsidies. ALMP measures encompassing subsidized wages or income support schemes to provide financial incentives for employers to hire people who struggle to be (re)integrated into the labour market. These incentives are put in place to compensate employers for indirect costs of hiring (e.g., training investment, wages exceeding the expected initial (low) productivity).

Public sector work programmes. These are state-funded programmes focusing on creating temporary employment in the public sector for people harder to include in the job market. They also offer a meaningful work experience, targeting the production of socially valuable goods or services.

Self-employment support. These ALMP are start-up subsidies, self-employment assistance, and support to boost entrepreneurship among the unemployed.

2.4. ALMP: levels of assessment

Since the 1950s, ALMP, including youth-oriented ALMP have been disseminated across Europe for two main reasons. First, ALMP are powerful tools addressing workforce demand needs for knowledge, skills, and training. They also focus on personal needs for (re)integration in the labour market, making them attractive for EU governments across the political spectrum (Tosun et al. 2017). Secondly, ALMP have a positive impact on the aggregate economy, contributing to improving salaries, reducing unemployment, increasing participation in the labour market, and promoting economic growth and equity over the medium term (Focacci 2020).

Despite its benign intents and overall positive outcomes, ALMP design is complex and requires continuous assessment. To meaningfully assess RRP ALMP measures, we opted for combining four analysis levels.

The balance between universalistic ALMP and targeted ALMP. Governments seek the right mix between implementing universalistic ALMP and targeted ALMP. Targeted ALMP are important to dodge the so-called “Mathew’s effect”, meaning the negative access bias to public services by vulnerable groups (Bonoli and Liechti 2018). Targeted ALMP and youth-oriented targeted ALMP are, therefore, more promising for young people in general, as well as for specific subsets of young people to overcome barriers in accessing public service deliverance. This does not, however, eliminate subtle, but important, selection issues. For instance, labour market programmes with limited vacancies may

¹The Youth Guarantee framework was one of the first EU policy instruments which openly adopted regional disparities as a guiding criterion for policy implementation. Indeed, this financial instrument was made available to member states with regions in which the NEETs rate exceeded 25%.

² The presented ALMP types correspond to Caliendo and Schmidl’s (2016) typology, except for self-employment support described by Speckesser et al. (2019).

drive case workers to give preference to individuals who are relatively close to the labour market, a practice known as ‘creaming’ (Bonoli and Liechti 2018).

ALMP effectiveness. There is evidence that decision-makers prefer designing and implementing labour market training initiatives rather than other ALMP types. For instance, a great deal of investment made under pivotal EU initiatives, such as the European Social Fund (ESF) or the Youth Guarantee (YG) have focused on educational ALMP, especially on training (Pastore 2015). Considering this trend, we are left wondering how different types of ALMP compare with each other in terms of effectiveness.

Labour market training is not necessarily more efficient in improving STWT compared to employment ALMP (Caliendo and Schmidl 2016). Purely school-based training has positive or neutral effects on employment, but is detrimental to future education intake. In turn, programmes combining school- and firm-based training show worse employment outcomes, but lead to better educational results. These mixed findings are shaped by different training modalities and also by other factors, such as training goals or previous educational level. In this respect, it is important to point out that low-skilled, disadvantaged youths are those benefitting more from educational ALMP (Focacci 2020).

There are other reports showing that ALMP aiming at job creation and support, such as job search and assistance programmes (Caliendo and Schmidl 2016) or wage subsidies (Speckesser et al. 2019) can contribute to the reduction of youth unemployment. Job search and assistance programmes help young people to find a job faster and to enter more stable, higher quality jobs. Wage subsidies are particularly useful to promote social integration of the most vulnerable young people, namely inactive ones, by increasing wages (Caliendo & Schmidl 2016) or improving their job experience and skills (Speckesser et al. 2019). Wage subsidy effectiveness is affected, however, by the so-called “deadweight effect”, arising from employers hiring a youth using a public incentive, when they would have hired that same person, without the incentive (Caliendo & Schmidl 2016).

Public sector work programmes constitute the most ineffective ALMP type, as they consistently deliver zero to negative effects in reducing youth unemployment in the long-term and, therefore, in easing STWT. Low remuneration and the young people’s perception that they are not performing a “real job” largely explain why this type of ALMP is detrimental to STWT (Caliendo and Schmidl 2016).

Self-employment ALMP effectiveness is not straightforward. Overall, identifying the personal motivation for self-employment seems to be one of the most important determinants of successful self-employment programmes. Searching for an autonomous professional career, with all it implies (e.g., dealing with risks), is the motivational setting leading to better self-employment programme results. Self-employment initiatives are not, however, effective across countries. In some, such as Cyprus, Greece and Italy, self-employment programmes contribute to reducing youth unemployment. In contrast, countries like Germany and Sweden have had opposite results, where other ALMP seem more appropriate for the same goal (Remeikienė et al. 2020).

Thus, a balanced combination of educational and employment ALMP, as well as the consideration of the goals for implementing a given ALMP seems the most appropriate approach to decision-making in this field.

It is important to mention that institutional and policy-making factors may also hamper ALMP success. These factors vary across the EU countries. In Southern countries, such as Italy, the lack of coordination between the different actors (governments, companies, unions) is detrimental to ALMP effective implementation (Kazepov and Ranci 2017). In Eastern EU countries, lower ALMP effectiveness is linked to weaker networking between service providers in fields such as training and lack of staff (e.g., caseworkers in public employment services) (Focacci 2020). Elsewhere (e.g., Germany), popular support, meaning the support from voters, translates into a preference for job market insiders (those already employed) thwarting the effective implementation of ALMP that would benefit outsiders, such as youth (Rueda 2006).

ALMP expected outcomes. ALMP outcomes are often assessed in terms of employment take-up. Therefore, employment and unemployment rates associated with ALMP are selected by policymakers and policy evaluators as the main outcomes pursued by ALMPs. This perspective fails, however, to capture STWT definition as a trajectory towards decent jobs. Other indicators, such as take-up of secondary and tertiary education (Caliendo and Schmidl 2016), job quality and stability (Caliendo and Schmidl 2016; Focacci 2020) should be on the radar of ALMP design and assessment packages. The International Labour Organization (ILO) (2018) has proposed a classification of different STWT outcomes useful to assess ALMP results. This classification is organized in four dimensions. The first one, youth employment opportunities, encompasses the more classical indicators of employment creation, status in employment and creation of new businesses. The second dimension is labelled employment quality, conveying outcomes of adequate earnings, working time, social security and social dialogue. A third dimension corresponds to employment skills, including basic skills (e.g., literacy, numeracy), technical skills (e.g., participation in apprenticeships) and core skills (e.g., levels of self-esteem). Finally, a fourth dimension reflects employment access, covering outcomes such as labour force participation or labour demand. ILO (2018) also recommends that these outcomes are desegregated by age, gender and geolocation (e.g., rural/urban). Other job-related outcomes can further add to a more sophisticated analysis of ALMP expected outcomes, such as well-being (Rose 2019).

ALMP and territorialisation. STWT across Europe has its own geography, one that speaks of deep regional disparities. These disparities are evident no matter what the adopted criteria is – clusters of countries, cross-national, or sub-national levels. The STWT regimes' approach³ (Walther 2006) shows that in Scandinavian countries gathered under the label of universalistic regime, younger generations fare much better in finding jobs. This means both job take-up and decent jobs, compared for instance to those from the Southern part of the continent (e.g., Spain, Italy), clustered under the so-called sub-protective regime. On the other hand, cross-national comparisons pinpoint subtle, but significant, differences in STWT between countries with similar institutional and cultural frameworks. For instance, despite being part of the universalistic STWT regime, Sweden has opted in recent years for a stronger decentralization and marketization of education compared to Denmark, leading to distinct impacts on youth (un)employment in these two countries (Helms Jørgensen et al. 2019). More importantly, cross-national comparisons show that EU Southern and Eastern countries perform worse compared to North and Western counterparts in STWT indicators, such as youth unemployment or NEET rates (Simões et al. 2022). Nonetheless, a more nuanced understanding of STWT requires growing attention dedicated to the sub-national (regional) level. Several reports are, in fact, bringing forward important within-country disparities between regions in crucial STWT indicators, such as youth unemployment (e.g. Cefalo et al. 2020; Cefalo and Scandurra 2021) or NEET rates (Simões et al. 2022).

³ A STWT regime comprises a set of institutions and rules that govern and supervise the passage of young people from school to adulthood at the State level (Pastore and Zimmermann 2019). Walther (2006) identifies four regimes: universalistic regimes (encompassing Scandinavian countries), liberal regimes (Ireland and the United Kingdom), employment-centred regimes (corresponding to Central European countries, such as Germany) and sub-protective regimes (corresponding to Southern European countries). In the universalistic regime, employment policies involve low risks. Education systems are comprehensive, reducing streaming to a minimum and providing flexible training opportunities, and welfare is secured by the State, envisioning transition as a period of personal development that requires protection. In the employment-centred regimes, employment systems are still largely managed by States. Education systems are selective, with streaming policies being extensively applied early in educational paths. Social protection is provided by both the States and families. In the liberal regimes, the employment market is open, meaning that youths are exposed to considerable risks (unemployment, precariousness, low skilled jobs). While the education system is not selective, training is flexible, but shows low standards. The STWT in these countries leans towards young people's early independence. In the sub-protective regimes, the employment sector is closed and has high levels of informality. Moreover, active labour market policies show low efficiency. Education is non-selective, but training struggles with low coverage problems. Welfare is provided mostly by families, resulting from an unclear vision of the youth status in society and of the role of the States in that matter.

Box 1: STWT and ALMP: Key ideas

1. STWT is the process of transition from school to work towards finding decent jobs.
2. In recent decades, STWT has become longer, more fragmented, and non-linear.
3. STWT is more complex for young people coming from poorer households, women, or ethnic minorities.
4. The policy response to STWT has been organised around youth-oriented ALMP. ALMP can focus on labour-market training or on different types of job finding support (e.g., job search assistance and monitoring).
5. Youth-oriented ALMP design and implementation analysis must consider the breadth of policy packages (universalistic vs targeted measures) and their effectiveness. It must also propose several expected outcomes and consider territorial nuances.

3. STWT TRENDS IN THE EU: EVOLUTION BEFORE AND DURING THE COVID-19 CRISIS

In the previous chapter, we summarised the reasons for the centrality of STWT in policy agendas. We also discussed how and why youth-oriented ALMP constitute the main instrument to address the societal challenges associated with younger generations' transition from school to work. Additionally, we proposed four levels of analysis to better assess the design and implementation of ALMP for young people.

In this chapter, we depict the main STWT trends in the EU and across the countries included in our analysis. Our approach focuses on how different STWT indicators have evolved between 2012 and 2021, the latest year with available data, before examining how COVID-19 has changed these trends in the 2020-2022 period. We also consider how these STWT indicators are nuanced by geographic location or gender.

3.1. STWT trends: 2012 to 2021

STWT analysis has been often limited to employment take-up indicators, as we have explained. To ensure a more comprehensive overview of STWT evolution, in Table 1 we describe four major STWT educational and employment indicators for the European Union (EU) and the EU countries⁴ in the period 2012-2021. Two of those indicators are education related – Early School Leaving from Education and Training (ESLET) and Tertiary Education Attainment (TEA). A third one covers both formal education and workforce enrolment – Young people Not in Employment nor in Education and Training (NEET). The fourth indicator focuses exclusively on unemployment issues – Youth Unemployment (YU). Figure 1 depicts the absolute change expressed in percentual points (pp) for each of these indicators, by country, between 2012 and 2021.

Early School Leaving from Education and Training corresponds to the share of the population aged 18 to 24 with, at most, lower secondary education (ISCED-4) and who were not involved in any education or training. This is a pivotal indicator for analysing STWT. Secondary education attainment is a

⁴ The following analyses cover the countries that have presented their RRP and which have data available in the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data was screened on 12.07.22.

requirement to progress to tertiary education, but it is also a major building block to ensure that countries increase their share of intermediate professionals in the workforce (Buchanan et al. 2017). The importance of reducing Early School Leaving from Education and Training is stressed by strategic EU documents, such as the communication from the EC (2020) on Achieving the Education Area. According to that key document, the share of people aged 20-24 years old with at least an upper secondary qualification should reach 90% in 2025 in the EU.

According to Table 1, Early School Leaving from Education and Training reached 9.7% in 2021. In 2021, Romania presented the highest rate (15.3%), while Greece depicted the lowest (2.4%) in this indicator. Eight of the countries still presented Early School Leaving from Education and Training rates above the EU average rate: Bulgaria, Cyprus, Czechia, France, Ireland, Italy, Malta, and Romania. According to Figure 1.a, this indicator declined in the EU area (-2.9 pp) between 2012 and 2021. Only 4 of the 22 countries included in the analyses registered an increase of these rates (Austria, Croatia, Slovenia, and Sweden). Portugal showed the biggest drop for this period. Early School Leaving from Education and Training in that country has come down from 20.5% in 2012 to 5.9% in 2021 (-14.6 pp). Thus, for the overall EU and for most of the EU member countries, the EC's goal set for 2025 has already been met.

A second relevant educational indicator for assessing STWT trends is Tertiary Education Attainment. This indicator corresponds to the share of the population aged 30-34 years who have successfully completed university or university-like (tertiary-level) education (ISCED 5-6). For STWT, tertiary education indicators are highly relevant. The delays in STWT are, in part, explained by a larger share of young people that are enrolled in tertiary education, especially women (Pastore 2015). Moreover, Tertiary Education Attainment is a major protective factor against unemployment: those who have a university degree have 70% fewer chances of being unemployed (Carcillo et al. 2015). Therefore, the EU is focused on increasing the share of Tertiary Education Attainment. According to the communication of the EC (2020) in Achieving the European Education Area, the share of 30-34-year-olds with tertiary education degree should reach at least 50%, in 2025 in the EU.

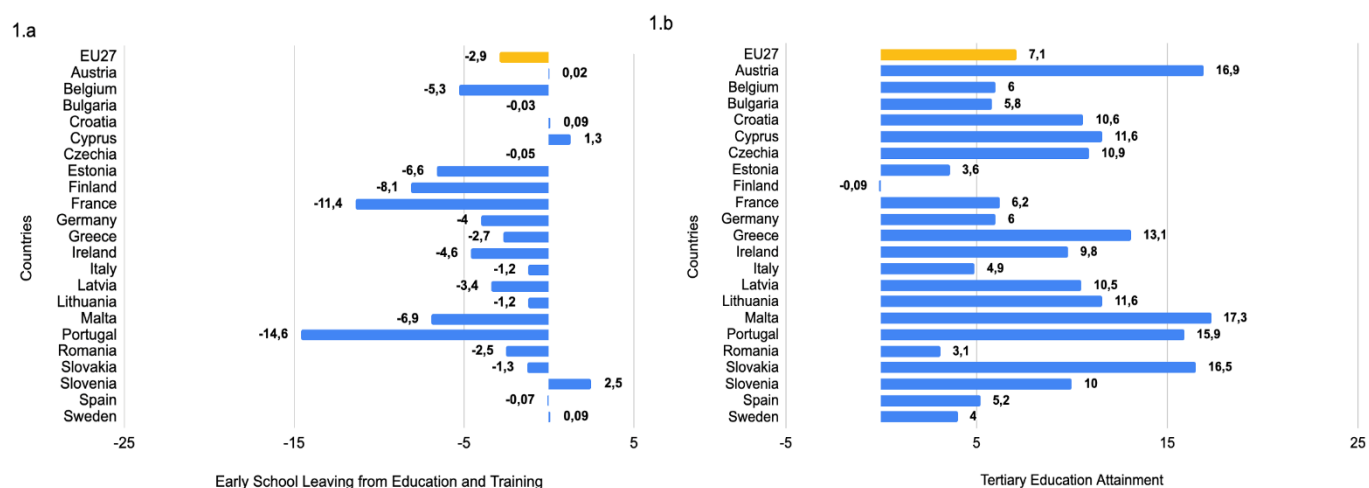
Table 1: STWT educational and employment indicators - 2012 and 2021(%)

Geolocation	1.	ESLET 21	TEA 12	TEA 21	NEET 12	NEET 21	YU 12	YU 21
EU27	12.6	9.7	34.5	41.6	16.0	13.1	24.4	16.6
Austria	7.8	8.0	26.1	43.0	8.2	9.4	10.0	11.0
Belgium	12.0	6.7	43.9	49.9	14.4	10.1	20.0	18.2
Bulgaria	12.5	12.2	26.9	32.7	24.7	17.6	31.2	15.8
Croatia	5.5	6.4	23.1	33.7	19.7	14.9	42.1	21.9
Cyprus	10.5	11.8	49.9	61.5	17.3	15.4	27.7	17.1
Czechia	10.3	9.8	25.6	36.5	12.9	10.9	19.5	8.2
Estonia	9.9	3.3	39.5	43.1	15.1	11.2	20.7	16.7
Finland	11.3	3.2	45.8	44.9	10.4	9.3	19.5	17.1
France	24.7	13.3	43.3	49.5	15.1	12.8	25.8	18.9
Germany	11.8	7.8	31.8	37.8	9.3	9.2	8.6	6.9
Greece	5.1	2.4	31.2	44.3	26.8	17.3	55.9	35.5
Ireland	17.3	12.7	52.2	62.0	21.6	9.8	30.8	14.5
Italy	11.4	10.2	21.9	26.8	23.8	23.1	35.3	29.7
Latvia	10.6	7.3	37.2	47.7	17.2	12.1	28.5	14.8
Lithuania	6.5	5.3	48.6	60.2	13.9	12.7	26.7	14.3
Malta	18.1	11.0	26.3	43.6	12.0	9.9	13.8	9.6
Portugal	20.5	5.9	27.8	43.7	15.6	9.5	38.1	23.4
Romania	17.8	15.3	21.7	24.8	19.3	20.3	28.2	21.0
Slovakia	4.4	3.1	23.7	40.2	18.8	14.2	35.3	20.6
Slovenia	5.3	7.8	39.2	49.2	11.8	7.3	20.8	12.8
Spain	8.9	8.2	41.5	46.7	22.2	14.1	52.9	34.8
Sweden	7.5	8.4	47.9	51.9	8.4	6.0	23.0	24.7

Source: Author's elaboration based on Eurostat - Labour Force Survey (EU-LFS), data extraction on 18.07.22.

Table 1 shows that Tertiary Education Attainment in the EU reached 41.6% in 2021. Ireland presented the highest rate (62%), while Romania had the lowest (24.8%) in that year for this indicator. Six countries presented Tertiary Education Attainment shares below the EU rate: Bulgaria, Croatia, Czechia, Germany, Italy, and Romania. According to Figure 1.b, Tertiary Education Attainment rates steadily increased between 2012 and 2021 across the selected countries, except for Finland, with an absolute decrease of -.09. Contrary to Early School Leaving from Education and Training, in 2021 both the EU, as well as most of the selected countries, had not achieved the expected target for Tertiary Education Attainment set by the EC for 2025. Only Cyprus (61.5%), Ireland (62%), Lithuania (60.2%), and Sweden (51.9%) have already fulfilled that goal.

Figure 1: STWT educational related indicators absolute change – 2012 and 2021 (pp)



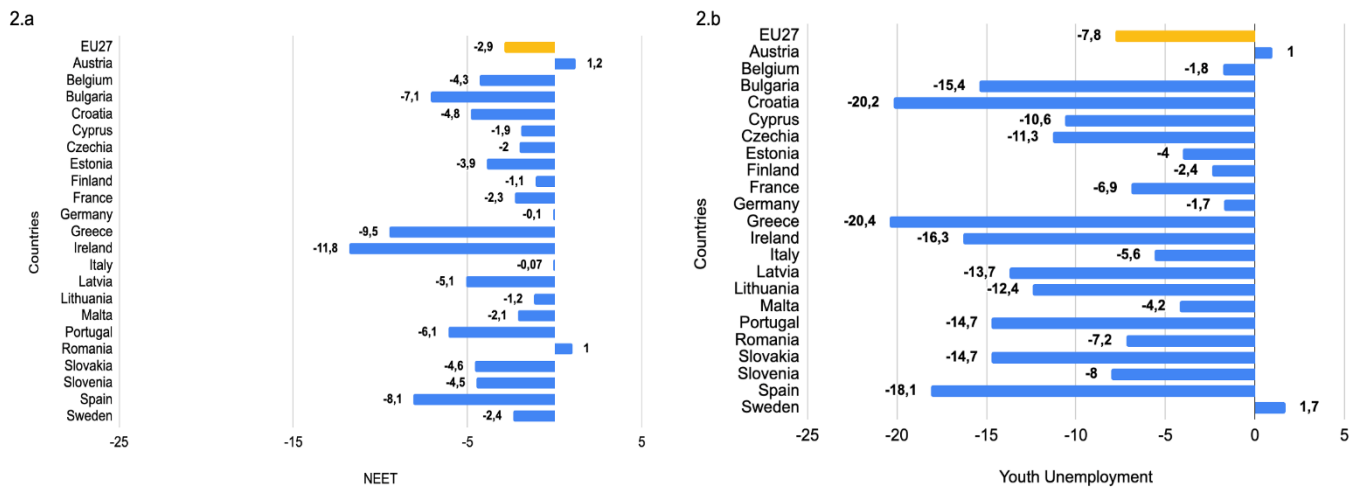
Source: Author’s elaboration based on Eurostat - Labour Force Survey (EU-LFS), data extraction on 18.07.22.

The share of young people Not in Employment nor in Education or Training (NEET) is another widespread indicator used to capture STWT trends. The acronym describes the share of the population aged 15-29 who are not employed and not involved in education or training. This indicator is a complex descriptor of STWT processes because it captures the youth position regarding formal education and the labour force. This subset of young people constitutes, therefore, a pivotal, if not the most comprehensive descriptor of STWT. The breadth of this category is, however, its major limitation as well. NEET youth constitute a very heterogeneous group, encompassing different subgroups of unemployed (short-term and long-term) and unavailable young people who are outside the labour market for different reasons (illness or physical/psychological incapacities, family care duties, feeling discouraged about finding a job) (Mascherini 2019). The EU has set ambitious targets regarding the reduction of NEETs. According to the European Social Pillar of Rights Action Plan (EC 2021), it is expected that the share of young people in this condition will have been reduced to at least 9% by 2030 in the EU.

According to Table 1, the EU NEET rate reached 13.1% in 2021. Italy showed the highest NEET rate in 2021 (23.1%), with Sweden having the lowest NEET share among the countries under analysis (6%) for the same year. Eight countries presented NEET shares above the EU rate: Bulgaria, Croatia, Cyprus, Greece, Italy, Romania, Slovakia, and Spain. According to Figure 2.a, NEET shares between 2012 and 2021 were dropping. In the EU, NEET rates have registered an absolute decrease of 2.9 pp. Countries such as Bulgaria, Greece, Ireland, or Spain are among those that presented the biggest drops in NEET shares. Some of these countries are among those who have also presented the greatest drops in the past 10 years as well (e.g., Bulgaria or Ireland). In turn, only two countries recorded a minor increase of NEET shares over the same period – Austria and Romania. Moreover, only Slovenia and Sweden were already below the target of 9% for the NEET share set by the EU for 2030.

Finally, the Youth Unemployment rate is a key descriptor of STWT dynamics. Youth Unemployment is calculated by dividing the number of unemployed persons aged 15 to 24 by the total active population in the same age group. As mentioned above, young people are among the groups at greater risk of unemployment, especially when compared to the adult workforce (ILO 2020). Compared to adults, the share of young people unemployed is twice as high (Speckesser et al. 2019). The EU ambitions to reduce Youth Unemployment are embedded in the targets of the European Social Pillar of Rights Action Plan (2021). *It is expected that at least 78% of people aged 20-64 will be employed by 2030 within the EU.*

Figure 2: STWT employment related indicators absolute change – 2012 and 2021 (pp)



Source: Author’s elaboration based on Eurostat - Labour Force Survey (EU-LFS), data extraction on 18.07.22.

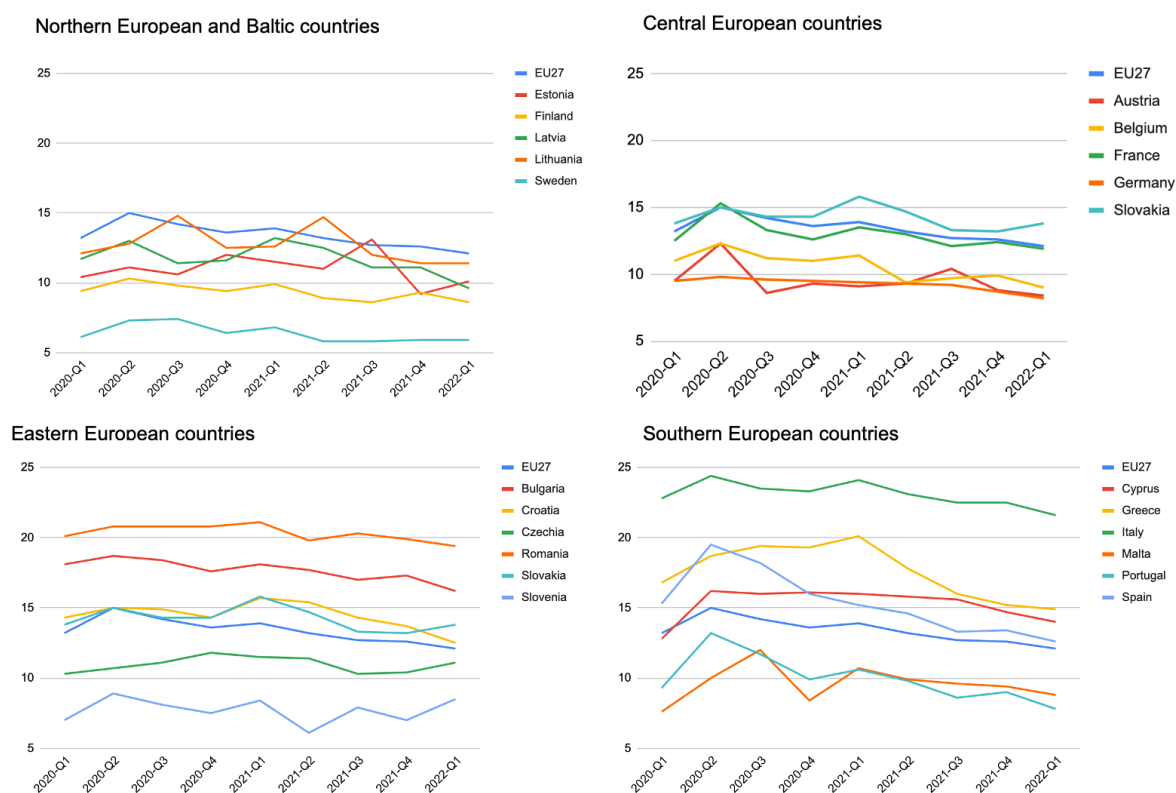
According to Table 1, the Youth Unemployment share in the EU reached 16.6% in 2021. Greece presented the highest share in 2021 (35.3%) while Germany (6.9%) presented the lowest value. Moreover, 13 countries included in the analysis presented Youth Unemployment shares above the EU Youth Unemployment rate in 2021: Belgium, Croatia, Cyprus, Estonia, Finland, France, Greece, Italy, Portugal, Romania, Slovakia, Spain, and Sweden. According to Figure 2.b, between 2012 and 2021 Youth Unemployment rates decreased in the EU by -7.8 pp. The drops in national Youth Unemployment rates varied considerably from Germany (-1.7 pp) to Greece (-20.4 pp). Across the selected countries, only Austria (1.0 pp) and Sweden (1.7 pp) registered an increase in Youth Unemployment. These disparities reflect different starting points in 2012. Countries showing a stronger reduction of Youth Unemployment rates, such as Greece and Spain, had very large shares of young people unemployed in 2012. This was due to the powerful impact of the 2008 economic crisis on their labour market.

3.2. STWT trends during the COVID-19 crisis

Overall, the selected STWT indicators describe positive STWT trends across the past 10 years in terms of education take-up and unemployment reduction among younger generations. However, it is important to zoom in and assess if these trends remained the same during the COVID-19 crisis. Figure 3 presents the NEET rate by quarter (Q1 2019 to Q1 2022). This indicator is helpful in offering a snapshot of how STWT evolved during this pandemic period, as it covers how young generations position themselves regarding both education/training and the labour market. To facilitate the analysis and add a spatial dimension to our assessment, we divided the data by four clusters of countries: Northern European and Baltic countries; Central European countries; Eastern countries; and Southern countries⁵.

⁵ Countries were divided by type of STWT regime (Walther 2006) and geolocation - please check footnote 3. An additional figure was created for Eastern countries which are not included in the STWT regime classification. Ireland was the only country fitting the so-called liberal regime and was therefore left out of the analysis.

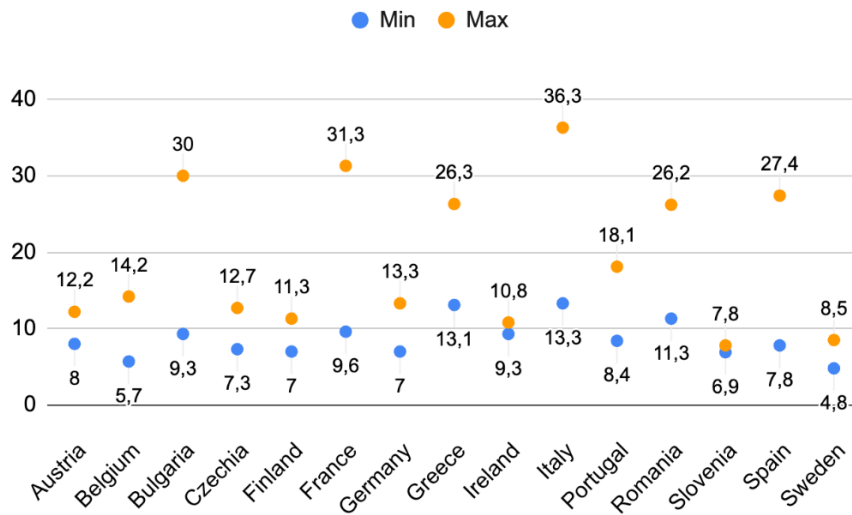
Figure 3: NEET shares by clusters of countries – Q1 2020/Q1 2022 (%)



Source: Author’s elaboration based on Eurostat - Labour Force Survey (EU-LFS), data extracted on 18.08.22

Across the different clusters of countries, NEET rates clearly increased from Q1 2020 to Q2 2020, after the COVID-19 breakout. In Q3 2020, an overall decline in NEET rates was already apparent across all clusters, which was, however, more pronounced in Northern European countries (Sweden and Finland), as well as in Central European ones. Importantly, in most cases, NEET shares in Northern and Central European countries evolved below the EU average NEET rates in the different quarters, during this period. In turn, in Baltic, Eastern, and Southern European States NEET rates declined at a slower pace and above the EU average rates. For instance, compared with Q1 2020, in countries such as Italy and Greece, NEET shares peaked in Q1 2021 and in Q2 2021, respectively, before showing a steady decline. Finally, it is also important to stress that by Q1 2022, and with a few exceptions among Eastern and Southern countries (Cyprus, Czechia, Malta and Slovenia), national NEET rates in Q1 2022 were below the rates reported in Q1 2020. Consequently, the same trend was registered for the EU.

Adding a subnational (regional) layer of analysis to cross-national or cluster of countries comparisons further helps to understand the weight of geolocation in STWT processes, during the COVID-19 crisis. Figure 4 illustrates STWT disparities among different areas of the European continent, based once more on the NEET share for 2021. Northern (e.g., Sweden) and Central European countries (e.g., Austria) clearly presented minor or moderate regional differences at the subnational/regional level. In contrast, all Southern countries (e.g., Greece) and many Eastern countries (e.g., Bulgaria) displayed differences of 10 or 20 pp between lower and higher regional NEET shares. Interestingly, in France, Greece, Italy, and Portugal, the highest NEET shares were reported for outermost regions or islands, demonstrating that remoteness plays an important role in the worst STWT prospects. This deserves additional attention from researchers and policymakers, because higher NEET rates still occur in spite of strong youth out-migration fluxes from these territories to continental areas (Simões et al. 2021). Thus, those remaining are mostly under-qualified, less academic-minded youth, struggling with the challenges of limited local economies, who may deserve specific policy instruments.

Figure 4: NEET shares: regional disparities by country (NUTS⁶ II level) - 2021 (%)

Source: Author's elaboration based on Eurostat – Labour Force Survey (EU-LFS), data extracted on 18.08.22

The spike in the NEET rate in the first months of the crisis is in part explained by the fact that more often young people have temporary or precarious contracts. In periods of economic turmoil, they are thus the first to be dismissed by employers (Eurofound, 2021). The structure of youth employment in the EU countries by different economic areas adds to this explanation. Table 2 presents the share of young people aged 15-29 compared to the share of employment of those aged 30+ by economic sectors in 2019, just before the COVID-19 breakout. As the table shows, the share of young people employed was larger in sectors that were much more affected by the lockdowns, such as accommodation and food service activities, wholesale and retail, or arts, entertainment, and recreation. This trend is further confirmed by Figure 5 displaying the decrease in the job vacancy rate between 2019 and 2020 by sector in the EU. Indeed, some of the above-mentioned activities (e.g., accommodation and food services, wholesale, and retail) were among those showing the largest drops in the number of job vacancies.

⁶ NUTS is a hierarchical system for dividing up the economic territory of the EU and the UK for the purpose of statistical harmonization and socio-economic analyses of the regions. NUTS classification encompasses 242 regions across Europe which are considered for the application of regional policies.

Table 2: Workers aged 15–29 and aged 30+ employed by sector, 2019 (%)

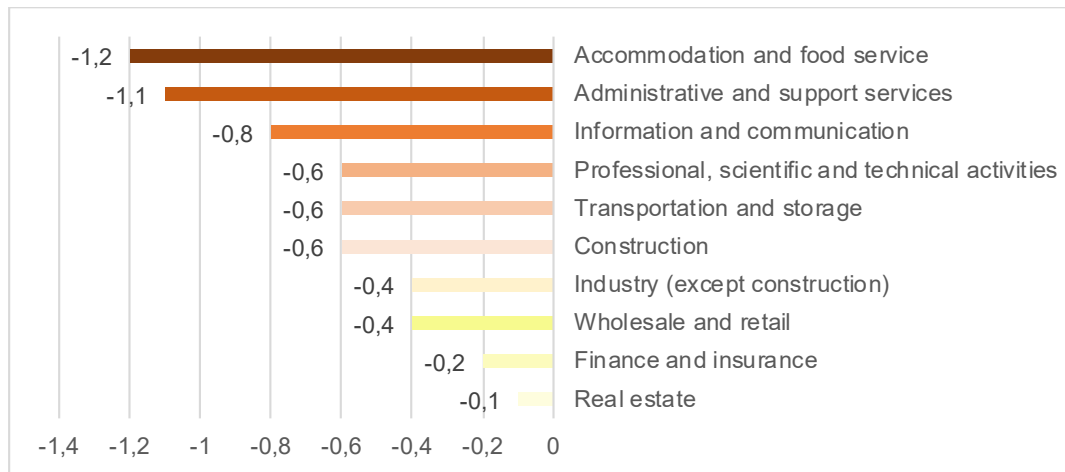
Sectors	15-29	30+
Agriculture, forestry and fishing	9%	13%
Industry (except construction)	4%	5%
Construction	3%	3%
Wholesale and retail	11%	9%
Transport and storage	3%	2%
Accommodation and food service	13%	5%
Information and communication	4%	3%
Finance and insurance	1%	1%
Real estate	1%	2%
Professional, scientific and technical activities	5%	8%
Administrative and support service activities	8%	8%
Public administration and defence	3%	4%
Education	9%	11%
Human health and social work activities	11%	12%
Arts, entertainment, and recreation	10%	7%
Other services	4%	4%
Other	1%	2%

Source: Eurofound (2021) Impact of COVID-19 on young people in the EU, Publications Office of the European Union, Luxembourg.

It is also important to reflect on the reasons that contributed to a drop of NEET shares across the different geographies of the EU early on after the COVID-19 outbreak. The major justification for this development is the quick reaction from governments in implementing a wide range of generous measures to stabilize employment and income (Eurofound 2021; ILO 2022). This included reimbursing firms for payroll costs to preserve employment; the reinforcement of unemployment insurance systems; or the provision of income relief for vulnerable families; with different combinations of these measures being adopted across countries. In addition, the existing on-the-ground structure provided by the Youth Guarantee, in terms of programmes and support provided to young people, has also played a positive role in preventing negative, long-lasting effects on the transition from school to work (ILO 2022).

In parallel, there was an increase in education take-up demand, which also contributed to reducing longer impacts of COVID-19 on younger generations and specifically to a drop of NEET shares across countries from 2020 to 2022 (Eurofound 2021; ILO 2022). Still, it must be considered that the generous financial support provided by EU states often failed to reach the most disadvantaged youth (ILO 2022). Moreover, a higher demand for education intake and skills improvement was closely followed by an important disruption of education deliverance, with schools being shut-down and access to remote classes often not being effective (ILO 2022). Thus, greater education intake demand may have not resulted in greater quality of educational experiences and outcomes, something that certainly will be assessed in the years to come (Vieira and Ribeiro 2022).

Figure 5: Decrease in the job vacancy rate between 2019 and 2020 by sector, EU27 (pp)

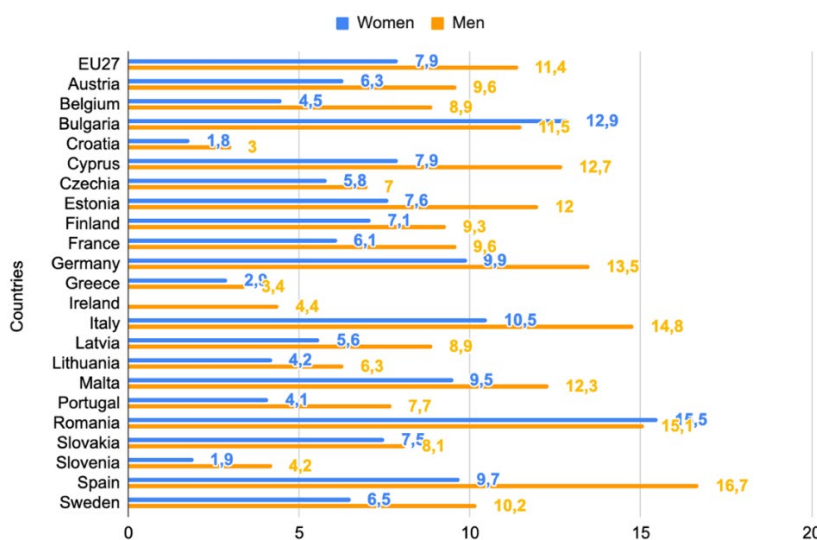


Source: Eurofound (2021) Impact of COVID-19 on young people in the EU, Publications Office of the European Union, Luxembourg.

One of the major concerns regarding STWT in the policy arena is that the path from school to the labour market tends to exclude the most vulnerable groups of young people. As we have highlighted, women are among these groups. Indeed, gender balance in young people’s integration in the workforce is still far from being achieved across many of the EU countries. However, this phenomenon reflects paradoxes and disadvantages for both men and women in access to the labour market in the early years of their careers.

Figures 6 and 7 summarise a subset of the selected indicators to illustrate gender imbalance in STWT at a later stage of COVID-19. Figure 6 shows that in 2021 men showed greater odds of Early School Leaving from Education and Training (11.4%) compared with women (7.9%) in the EU. In all the selected countries, except for Slovakia, these rates were higher among men. Spain was the country presenting the greatest share of men aged 18-24 that had not completed secondary education (16.7%), conversely to Croatia (3%). The share of Early School Leaving from Education and Training among women was higher in Romania (15.5%) in contrast with Croatia (1.8%)⁷.

Figure 6: Early School Leaving from Education and Training rates 2021 by gender (%)



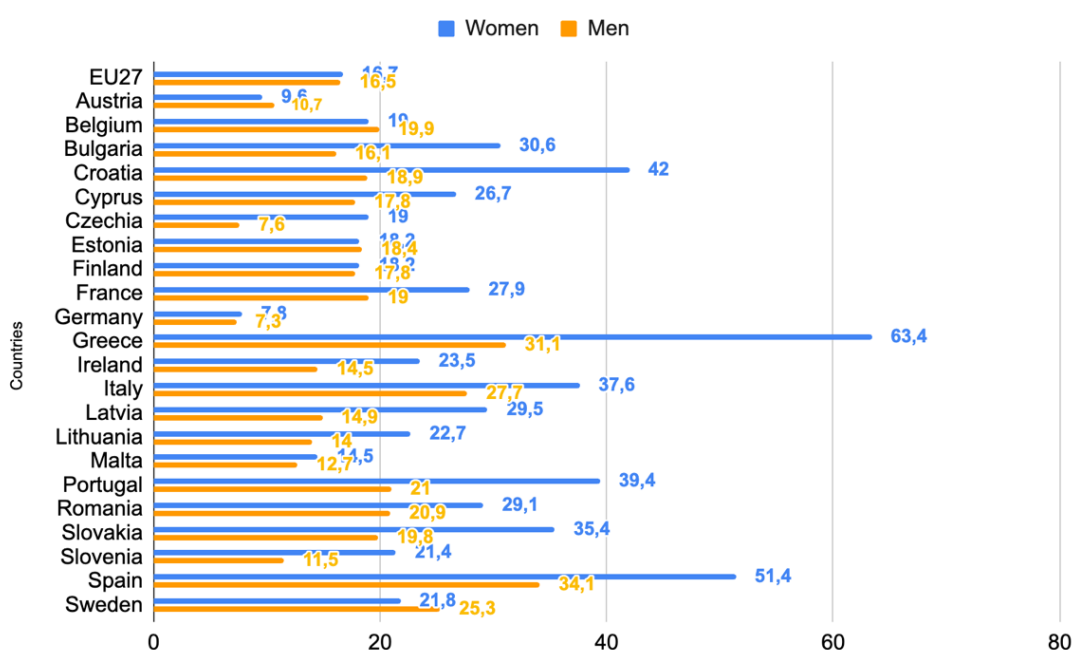
Source: Author’s elaboration based on Eurostat - Labour Force Survey (EU-LFS), data extracted on 18.08.22

⁷ Data was not available for women’s Early School Leaving From Education and Training share in Ireland.

Figure 7 shows Youth Unemployment is slightly higher among women (16.7%) compared to men (16.5%) in the EU. However, cross-national comparisons show great disparities between men and women. In 19 of the 22 countries included in the analyses, women presented higher unemployment rates. Greece recorded the highest Youth Unemployment among women (63.4%) conversely to Germany (7.8%). Importantly, there are big Youth Unemployment disparities among gender groups disfavoursing women, especially in Southern/Mediterranean countries, such as Croatia, Greece, Portugal, and Spain.

In short, although young women are more educated than young men in the EU, they are particularly vulnerable when entering the labour market, something that was also evident during the pandemic. Importantly, Youth Unemployment share differences between women and men remain very disproportionate, especially in Southern countries, considering that women perform better in school, including in these countries. Therefore, more education is not protecting women from being unemployed from an early age. Lower Youth Unemployment among men reflects, however, their lower educational standard, as they take-up lower quality jobs, exposing them more often to precariousness and lower wages (Almeida and Simões 2020).

Figure 7: Youth Unemployment rates 2021 by gender (%)



Source: Author's elaboration based on Eurostat - Labour Force Survey (EU-LFS), data extracted on 18.08.22

Box 2: STWT trends: takeaway lessons

1. STWT trends have evolved positively in the EU for the past decade (2012-2021).
2. COVID-19 had an initial negative impact on STWT trends as described by NEET rates, between Q1 2020 and Q2 2020. A raft of policy measures and previously existing measures and infrastructures coming from the Youth Guarantee contributed to a quick decline of, for instance, NEET shares in the following quarters.
3. In Southern and Eastern EU countries, however, NEET rates took longer to decline and, in most cases, are still above the EU average.
4. Regional disparities in STWT are still considerable, as demonstrated by NEET shares. These disparities are much greater in Eastern and Southern countries.
5. STWT is shaped by gender. Young women succeed in education but struggle more to enter the labour market. Young men enter the labour market more easily but are at greater risk of performing low-qualified jobs, due to their lower educational levels.

4. ALMP IN THE RRF FRAMEWORK

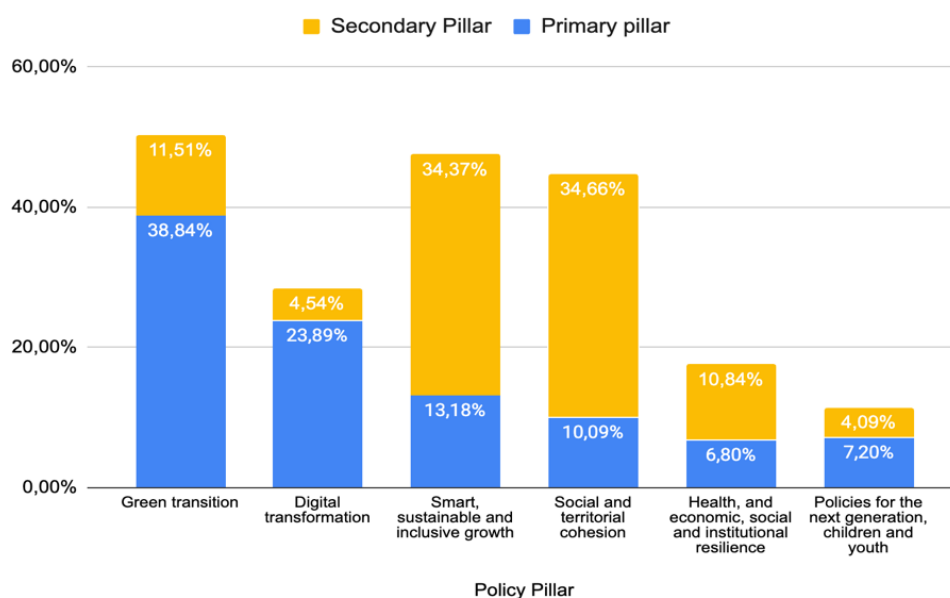
4.1. Investment and priorities

In 2020, the EU adopted the RRF, a recovery instrument designed to address the social and economic negative effects of COVID-19. This mechanism involves a total budget of € 723.8 billion to cover a series of reforms and investments across EU member states. These reforms and investments are expected to help advance the goals associated with green transition (first pillar) and digital transformation (second pillar). The RRF is organised in 6 Pillars. Pillar 6 – Policies for the next generation, children, and youth, such as education and skills, encompasses reforms and investment intended to prevent the negative impact of COVID-19 on younger generations and to reduce the generational gap. To fulfil these goals, Pillar 6 covers reforms and investment in three policy areas: (1) improving access to general, vocational, and higher education, as well as its quality and inclusiveness, focusing on digital education; (2) early childhood education and care, and (3) youth employment support. Policy areas 1 and 3 are intended to facilitate STWT⁸. The relative importance of Pillar 6 in the RRF framework is well demonstrated by Figure 8⁹.

⁸ General, Vocational, and Higher Education measures included in the RRF will be referred to as educational policies or educational ALMP, while Youth Employment Support measures will be mentioned as employment policies or employment ALMP.

⁹ Each measure contributes towards two of the six policy pillars. Therefore, the total contribution to all pillars displayed on this chart amounts to 200% of the RRF funds allocated to member states. The percentages shown for the contribution to the green transition and digital transformation pillars are different from the percentages shown for the contribution to the climate and digital objectives. The latter are calculated according to a different methodology (detailed in Annexes VI and VII of the RRF Regulation).

Figure 8: RRP's estimated expenditure per policy pillar (%)



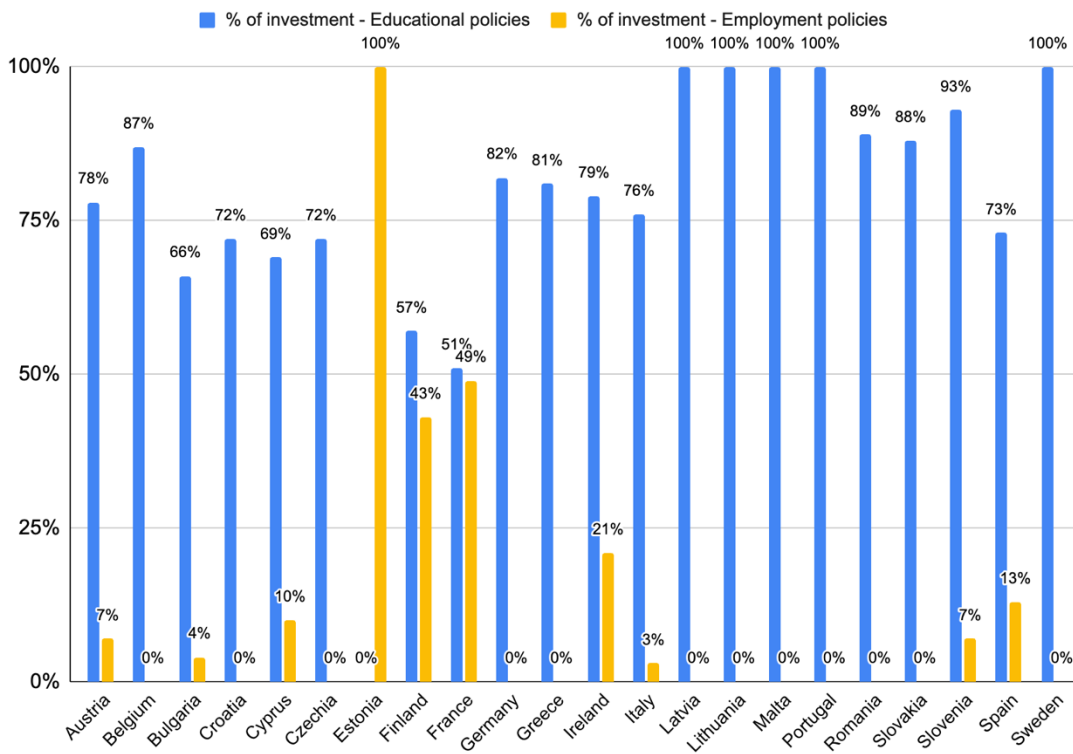
Source: Authors' elaboration based on the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/policies.html), data extracted on 21.09.22

According to the figure, Pillar 6 is the axis of RFF receiving a lower share of investment and, therefore, expected to contribute less to the primary (7.2%) and the secondary pillar (4.1%). In terms of expenditure, 75% of the budget in Pillar 6 is dedicated to educational policies, 14% to childhood education and care, and 11% to employment policies. Figure 7 breaks down the investment by country in the areas of Pillar 6 focusing on ALMP.

Figure 9 shows that 14 of the 22 countries allocated 75% or more of their investment to educational policies. For the remaining, investment in educational policies were above 50%. Only one country, Estonia, did not submit any investment in this policy area.

In turn, only 10 countries proposed investment in employment policies – Austria, Bulgaria, Cyprus, Estonia, Finland, France, Ireland, Italy, Slovenia, and Spain. Investment in employment policies range from 3% for Italy to 100% in Estonia, but most of the investment in this policy area is marginal (Bulgaria, 4%; Austria, 7%; Slovenia, 7%, Spain, 13%).

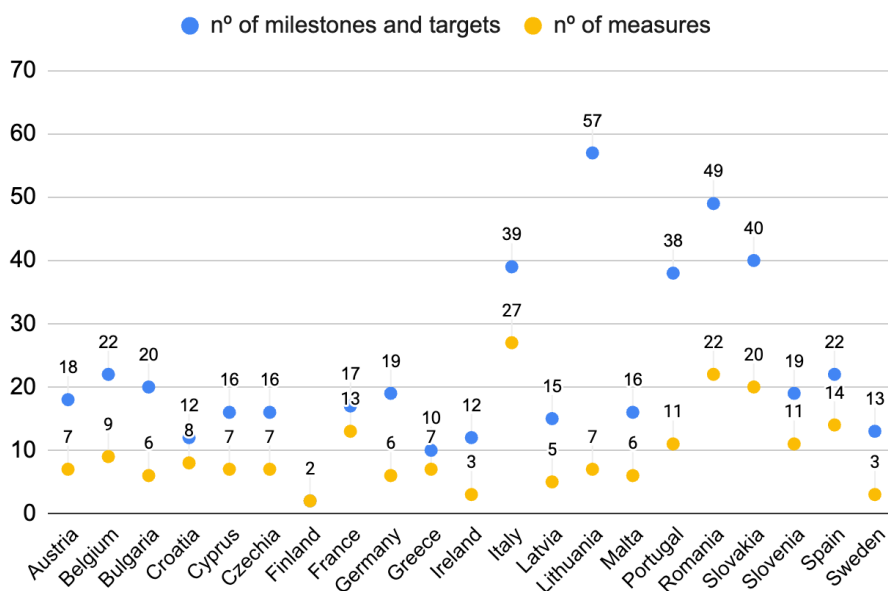
Figure 9: Investment in ALMP by country in relevant Pillar 6 policy areas (%)



Source: Authors' elaboration based on the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/policies.html), data extracted on 19.07.22

Figure 10 synthesises the number of milestones/targets and measures by country related to educational policies. According to this Figure, the number of approved milestones/measures in this domain ranges from 10 in Greece to 57 in Lithuania, whereas the number of measures ranges from 2 for Finland to 27 for Italy.

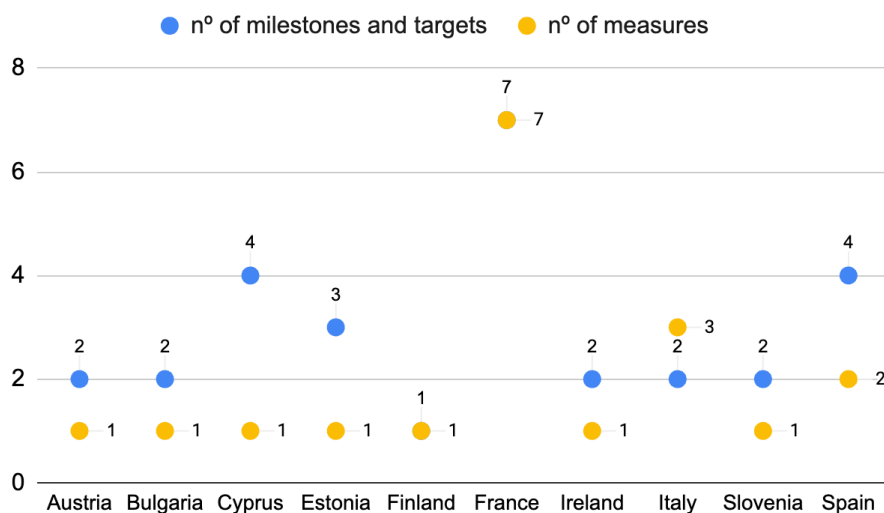
Figure 10: Milestones, targets and measures associated with educational ALMP (n°)



Source: Author’s elaboration based on the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/policies.html), data extracted on 19.07.22.

In turn, Figure 11 summarises the number of milestones/targets and measures by country related to employment policies. Here, the number of milestones/targets ranges from 2 (e.g., Austria) to 7 (France). Most of the countries presents 1 measure, with Spain proposing 2, Italy including 3, and France proposing 7.

Figure 11: Milestones, targets and measures associated with employment ALMP (n°)

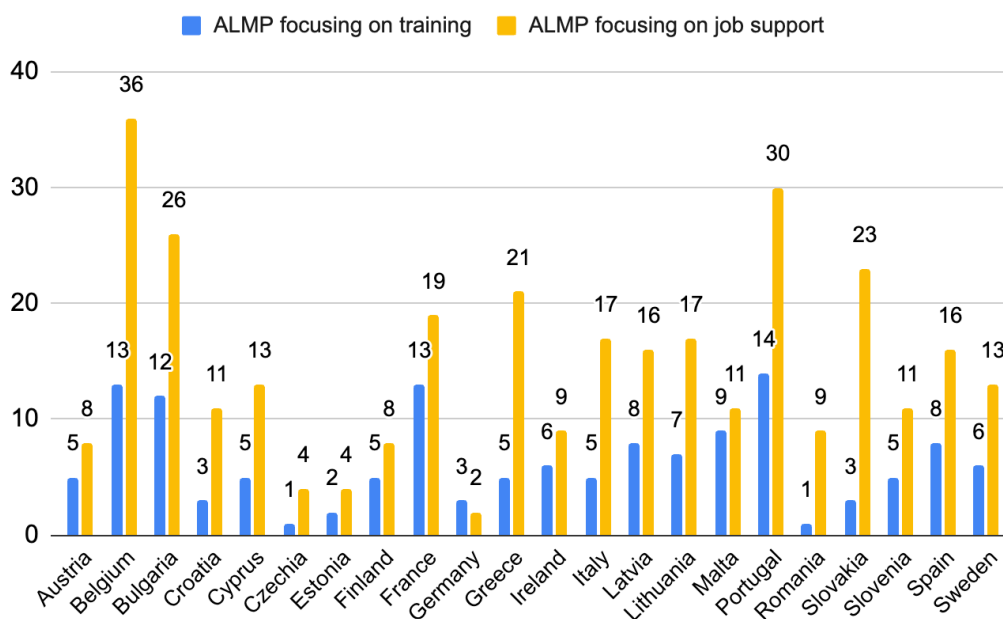


Source: Author’s elaboration based on the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/policies.html), data extracted on 19.07.22.

4.2. Youth-oriented ALMP priorities in the RRF framework: coordination with STWT trends and national policies

One important issue to address in public policy design is to understand the coordination between policies. In this area, we looked at how decisions made in the framework of the RRF mechanism matched previous policy-making at the national level. To address this important point, we followed three steps. First, we characterised youth-oriented ALMP implementation at the national level between 2012 and 2021 based on the Labour Market Reforms Database (LABREF)¹⁰. This database targets ALMP specifically tailored for young people and desegregates policy packages by ALMP types, as presented in point 2.2. This enables the identification of education - and employment – related ALMP measures. Figure 12 compares the number of policy packages aiming at training with those aiming at job support.

Figure 12: Youth-oriented ALMP policy packages implemented at the national level, training vs job support - 2012/2021 (n°)



Source: Author's elaboration based on data extracted from LABREF (<https://webgate.ec.europa.eu/labref/application/#searchPublic>) on 19.07.2022

According to Figure 12, 139 youth-oriented ALMP policies aimed at education were implemented between 2012 and 2021 in the selected countries, ranging from a minimum of 1 in Czechia and Romania and a maximum of 14 in Portugal. Moreover, 280 ALMP policies aimed at employment were implemented between 2012 and 2021 in the same countries, ranging from 2 in Germany to 36 in Belgium. So, overall and irrespectively of their geolocation (e.g., North vs South), countries were much more active in designing and implementing policy measures aiming at employment support compared to ALMP designing and implementation in the educational domain in the past decade (2012-2021).

Secondly, we addressed youth-oriented ALMP coverage. Table 3 presents the share of participants in ALMP in 2020 by main age classes (less than 25 years old vs 25 years and older) and share of women. We focused on 2020, the last year with consolidated data, although some countries do not present data

¹⁰ LABREF database is a joint project managed by the European Commission, Directorate General for Employment and Social Affairs and Inclusion (DG EMPL), in cooperation with the Employment Committee (EMCO). The database systematically records information on the policy measures adopted in the EU countries and affecting their labour market institutions, and thus likely to have a direct impact on labour market outcomes.

and others display data with low reliability or estimated data. The focus on that year enabled us to understand ALMP coverage during the peak of the pandemic. However, to account for the impact of the COVID-19 crisis on the daily delivery of ALMP, we also included a column for the relative variation of the number of people aged under 25.

According to Table 3, the share of young people aged less than 25 participating in ALMP ranges from 3.6% in Romania to 145% in Ireland. The participation in training, however, ranges from .01% in Lithuania to 90.4% in Germany. There is no territorial pattern in these results. In other words, there is no obvious North/South or East/West divide in ALMP coverage. For instance, Southern countries like Cyprus and Italy display contrasting rates of youth participation in ALMP. This may reflect distinct institutional arrangements (e.g., different levels of mandatory participation in ALMP measures) or a different capacity level to outreach and engage young people in ALMP (e.g., staff availability).

The share of women participating in overall ALMP ranges from 27.2% in Finland to 64% in Cyprus. In terms of women's participation in ALMP focusing on training, we found that shares range between 35.6% in Sweden and 74% in Croatia. Importantly, while most of the countries show somewhat balanced rates of women's participation in ALMP, these figures may have different meanings. For instance, a lower participation of women in ALMP in Scandinavian countries, such as Sweden or Finland may be due to higher participation in the labour market. On the contrary, higher rates of women's participation in ALMP in Southern countries like Cyprus or Malta may signal the opposite, meaning greater difficulty in entering and remaining in the labour market.

Importantly, the relative difference in youth participation in ALMP from 2019 to 2020 ranges from decreases of -10.1 pp in Romania to increases of 241 pp in Bulgaria. The most significant increases (above 10 pp) occurred in Eastern or Southern EU countries, such as Bulgaria (241 pp) Cyprus (61.7 pp), Italy (22.4 pp) and Malta (10.9 pp). Ireland (169.1 pp) also had a highly substantial increase of youth-oriented ALMP coverage. While this dataset is unfortunately not complete for all the countries included in our analysis and some of the data points are not entirely reliable, the existing evidence seems to show that ALMP for young people are relevant in counteracting the negative impact of crisis, particularly in countries in the South and East of the EU.

Table 3: Share of participants in ALMP in 2020, by age and class (under 25 and 25 to 74) and share of women based on the annual average stock figure (%); variation on the participants in ALMP from 2019 to 2020 (pp)¹¹

Geolocation	ALMP participants (less than 25 years old)	Share of women (less than 25 years old)	Participants (less than 25 years old) in training	Share of women (less than 25 years old) in training	Relative change of number of participants in ALMP less than 25 years old
EU27	:	:	:	:	:
Austria	100	41.7	94	41.6	-6.7 pp
Belgium	85.5	35.8	60.8	35.8	-12.7 pp
Bulgaria	37.6	52	15.8	48.6	241 pp
Croatia	18	52	22.9	74	-32.8 pp
Cyprus	12.1	64	88.6	66.4	61.7 pp
Czechia	:	:	:	54.4	:
Estonia	17.8	47.8	29.7	56.2	8.2 pp
Finland	28.9	27.2	36.6	39.7	7.5 pp
France	:	:	:	48.9	:
Germany	88	35.9	90.4	35.8	-6.8 pp
Greece	:	:	:	:	:
Ireland	145	49.8	31	45.1	169.1 pp
Italy	123	44	55.1	36	22.4 pp
Latvia	8.9	55.4	20.5	54.8	-12.8 pp
Lithuania	77.2	45.2	.01	49.4	:
Malta	17	67.4	32.6	58.7	10.9 pp
Portugal	:	:	:	44.1	:
Romania	3.6	53.8	:	:	-19.1 pp
Slovakia	:	:	:	44.1	:
Slovenia	23.6	35.4	28.8	43.8	-12.3 pp
Spain	:	:	:	:	:
Sweden	115.3	34.9	24.9	35.6	-12.8 pp

Source: Author's elaboration based on data extracted from the Labour Market Policy (LMP) database

(https://webgate.ec.europa.eu/empl/redisstat/databrowser/view/LMP_PARTSUMM/default/table?lang=en&category=Imp_particip) on 12.09.2022

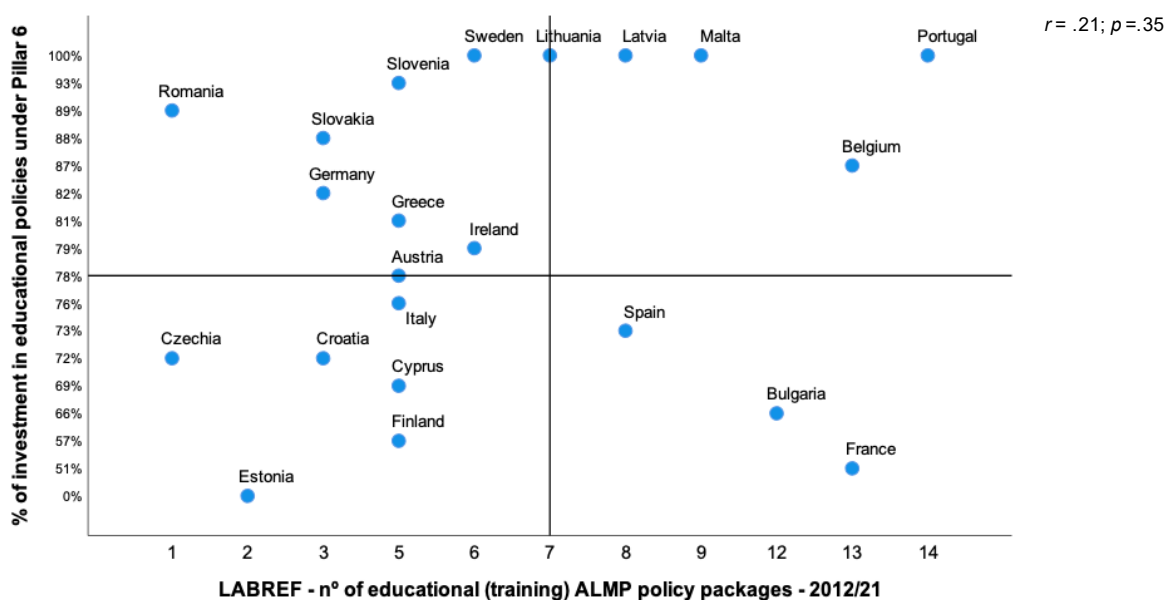
Thirdly, we examined the correlations¹² between investment in the RFF framework in different ALMP types (education and employment) with the number of ALMP policies issued at the country level from during the 2012 to 2021, according to the Labour Market Reforms Database (LABREF). Our intention was to understand if investment was driven by how active the different States were in the youth-oriented ALMP domain before the implementation of the RFF and, in consequence, if the investment included in the national plans reflected these prior policy implementation trends.

¹¹ Shares of participants in ALMP less than 25 years old were calculated against the share of youth unemployment. Shares might be above 100%, because the same person may be part of the average stock of two or more ALMP measures. France and Lithuania present low reliability data. Data was estimated for Croatia, Finland, Latvia and Sweden.

¹² Correlation (r) is a measure of association between two factors. Significant correlations occur when statistical significance is $p < .05$. The r values can be small- ($< .30$), medium (between $.31$ and $.56$) or large ($> .60$) (Cohen 2013).

According to Figure 13, we found that there was no significant correlation between the level of investment in educational ALMP and the number of State implemented educational ALMP from 2012 to 2021 ($r = .21$; $p = .35$). This means that the investment rates in educational ALMP in the RFF are independent of how many policies were issued at the country level by different states in the educational/training area between 2012 and 2021.

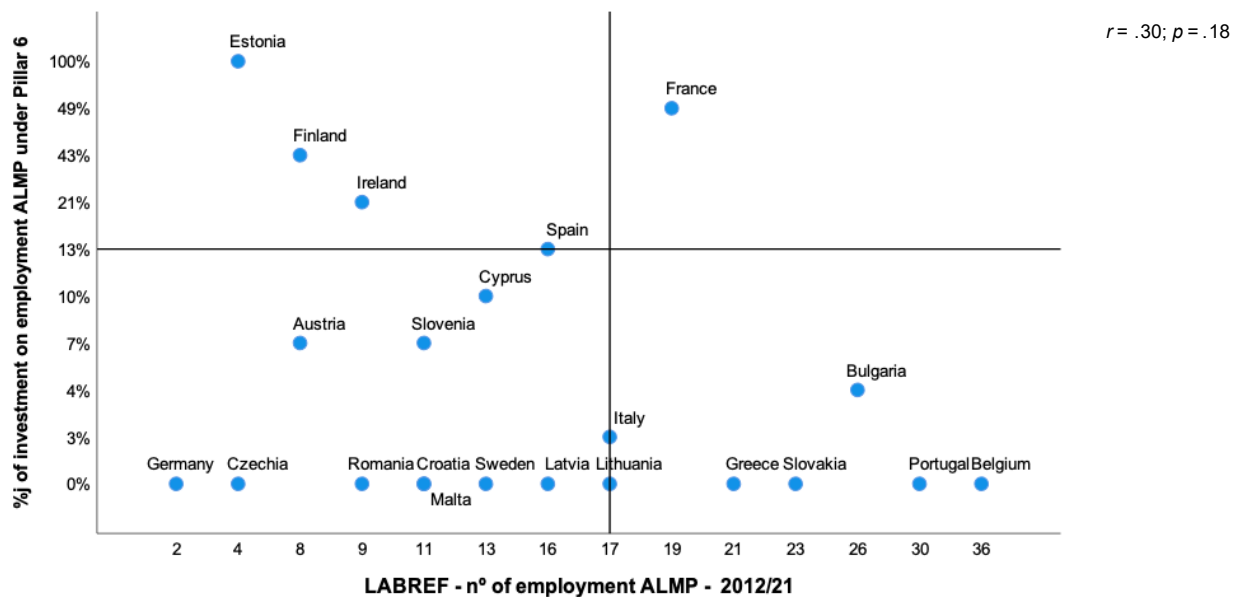
Figure 13: Investment in educational ALMP (%) under Pillar 6 by ALMP policy packages focusing on education (training) for young people – 2012/2021 (n°)



Sources: Author’s elaboration based on data extracted (% of investment in educational ALMP – Pillar 6) from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en) on 18.07.2022 and on ALMP policy packages focusing on training extracted from LABREF (<https://webgate.ec.europa.eu/labref/application/#searchPublic>) on 19.07.2022

According to Figure 14, we found there was also no significant correlation between the level of investment in employment ALMP and the number of ALMP focusing on state implemented employment from 2012 and 2021 ($r = -.30$; $p = .18$). This means that investment rates in employment ALMP in the RFF are independent of how many policies were issued at the country level to promote youth employment between 2012 and 2021.

Figure 14: Investment in employment ALMP (%) under Pillar 6 by ALMP policy packages focusing on employment for young people – 2012/2021 (n°)



Sources: Author's elaboration based on data extracted (% of investment in employment ALMP – Pillar 6) from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en) on 18.07.2022 and on ALMP policy packages focusing on employment ALMP extracted from LABREF (<https://webgate.ec.europa.eu/labref/application#/searchPublic>) on 19.07.2022

Box 3: Investment and priorities on ALMP under Pillar 6: takeaway lessons

1. The number of national ALMP packages is higher for employment policies than for educational (training policies) from 2012 to 2021.
2. There is no correlation between the RFF national level of investment in educational or employment ALMP and the number of ALMP issued by each country between 2012 and 2021.
3. Higher investment in educational policies may be fitting different national purposes. For countries such as Belgium, Germany, Romania, and Sweden, higher shares of educational policy investment can accelerate tertiary education attainment shares increase. For other countries (e.g., Malta and Portugal), investment can be instrumental in strengthening recent Early School Leaving from Education and Training rate decreases.
4. It seems that a much stronger focus on educational policies in the RRF framework is supposedly coordinated with stronger ALMP importance dedicated to employment policies, at the national level.

5. ALMP UNDER PILLAR 6: A CLOSER LOOK AT SOUTHERN EUROPEAN COUNTRIES

We have shown in previous chapters that the overall STWT trends have significantly improved over the past 10 years in Southern European countries, following the 2008 economic crisis. However, as we showed in Figure 3, in these countries, regional disparities across the different STWT indicators are striking. We demonstrated, moreover, in Figure 5 that young women are more exposed to unemployment in such countries. Furthermore, Figure 2 shows that the recovery from COVID-19 impacts was slower in the Southern part of the EU, with NEET shares still above the EU average in early 2022. Many of these countries (e.g., Portugal) present a significant number of implemented youth-oriented ALMP between 2012 and 2021. Within the RFF, however, one would expect a more distinct pattern of investment in ALMP compared to another subset of EU countries. For example, more robust investment in ALMP employment, compared to Northern or Central European countries. Nonetheless, this is not what our quantitative analysis suggests.

We embarked on a qualitative, content analysis of ALMP measures under Pillar 6 contained in the Recovery and Resilience Plans (RRP) of 6 Southern European countries: Cyprus, Greece, Italy, Malta, Portugal, and Spain. The examination involved 98 ALMP measures directly associated with Pillar 6. Importantly, 3 reforms and 7 investments encompassing multiple actions were broken down into 21 measures (e.g., Spain, Empleo Joven). This allowed for a more nuanced examination of ALMP, such as coding sub-measures according to specific target groups or ALMP types.

Our analysis involved some sequential steps. After an examination of these RRP main features, our assessment closely followed the four critical levels for examining youth-oriented ALMP listed in point 2.4. Specifically, we assessed how the measures proposed in these RRP balanced between universalistic ALMP and targeted ALMP; addressed ALMP effectiveness issues - including the selected groups and types of ALMP; selected expected outcomes for the different approved measures; and comprised territorialisation requirements, specifically regional disparities. For each of these levels of analysis, we have identified promising or unusual ALMP measures across these countries that may deserve follow-up evaluation efforts.

5.1. RRP main trends

Table 4: ALMP in RRP in Southern EU countries: Main features

Country	N° of ALMP measures	Reforms	Investments
Cyprus	7	5	2
Greece	10	6	4
Italy	24	11	13
Malta	5	4	1
Portugal	16	3	13
Spain	36	8	28
Total	98	37	63

Source: RRP from Cyprus, Greece, Italy, Malta, Portugal, and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data extracted in 18.08.2022

Of the 98 ALMP measures included in our database, 37 were reforms or part of reform packages and 63 were investments. Countries were evenly split between those presenting more reforms (e.g., Cyprus) and those presenting more investments (e.g., Italy).

Table 5 shows how different countries crafted their reforms and investment by policy level in the ALMP domain. Of the examined 98 ALMP measures, 35 corresponded to the organisation of programmes, meaning the rational combination of resources (staff, time, training, support measures to improve a given STWT or set of STWT indicators). These programmes had very different goals, from those focusing on improving young people's overall skills, such as literacy (e.g., Incentivo adultos, Portugal) to others focusing on emerging areas related to the twin transition (e.g., Aquisición de nuevas competencias para la transformación digital, verde y productiva, Spain) or those yet dedicated to the improvement of staff capacity to work with young people (e.g., Formación y capacitación del personal docente e investigador Universitario, Spain). Importantly, while some of the measures were new programmes, others were reforms of existing, on-the-ground programmes (e.g., Servizio Civile Universale, Italy). Spain, with 23 programmes, stands out as the country presenting more ALMP measures in this policy type.

ALMP measures often corresponded to proposing legislation. In this case, the development of legislative packages can catalyse deep changes in a certain domain, usually driven by specific milestones involving the publication of laws relevant to STWT. Legislative measures are common in the selected RRP. This comes as no surprise considering that the RRF mechanism is driven, in part, by laying-down reforms with long-term effects at the national level. The range of 26 ALMP legislative measures is diverse, from broadband policies (e.g., Upgrade of Vocational Education and Training for young people, Greece) to reforms in specific areas (e.g., Riforma del sistema ITS, Italy). The breadth of these administrative measures is variable as well. While some of them involve the update and improvement of existing legislative packages (e.g., Riforma delle lauree abilitanti per determinate professioni, Italy) others reflect a transformative vision of specific sectoral policies (e.g., Aprobación de la Ley Orgánica 3/2020 de la Educación, Spain). RRP from Italy, Spain, and Greece were the ones presenting more legislative measures.

A total of 11 ALMP measures presented by Southern Member States focused on the improvement of the existing infrastructure. Infrastructure here stands for policy measures covering the construction or upgrading of physical (buildings and facilities) and material (e.g., digital resources) capacity to fulfil relevant STWT aims. By default, this type of policy measure corresponds to investment. Portugal stood out as the country proposing the highest number of investments in this domain (e.g., Criar, instalar e requalificar centros e polos da rede de formação setorial da rede do IEFP – Institute of Employment and Professional Training).

Only 7 policy measures focused on subsidies. These measures referred to mechanisms funding young people or employees directly to improve STWT prospects or create jobs. The financial incentives gathered under this category had very different goals: from direct payments to young adults to improve their overall qualifications (e.g., Incentivo adultos - acelerador qualifica, Portugal) to scholarships for tertiary education enrolment (e.g., Borse di studio per l'accesso all'università, Italy) or self-employment (e.g., Finanziamento di start-up, Italy). Again, Portugal was the country leading in this category.

Only seldom did ALMP measures aimed at services-delivery, meaning the improvement of services organisation and efficiency, particularly those operating at the educational or employment guidance levels. The 2 measures included under this label (one in Cyprus and the other in Spain) focused on preparing employment services for the digital transition.

Importantly, 19 of the 98 coded measures were mixed policies. In other words, these ALMP measures involved complex, multi-layered levels of decision-making.

Table 5: ALMP measures in RRP in EU countries by policy type

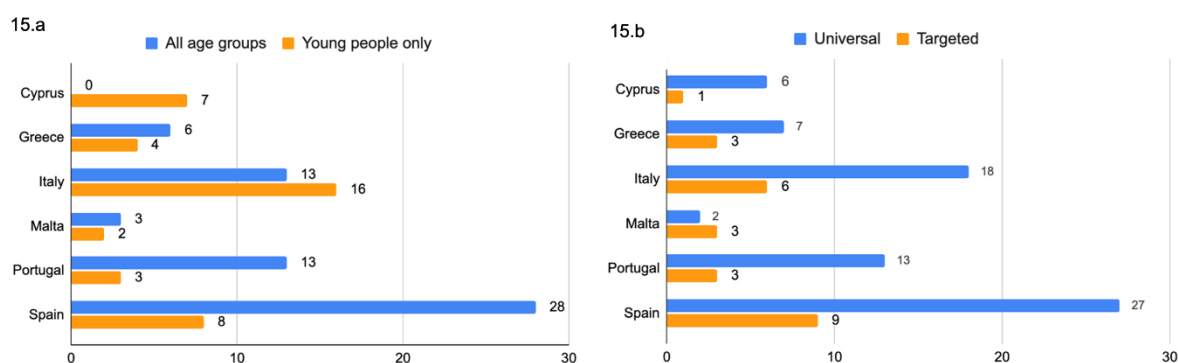
Country	Legislation	Infrastructure	Services-delivery	Subsidies	Programmes	Mixed
Cyprus	0	1	1	0	1	4
Greece	6	1	0	0	1	2
Italy	9	1	0	2	8	4
Malta	1	1	0	0	1	2
Portugal	2	4	0	3	1	6
Spain	8	3	1	0	23	1
Total	26	11	2	7	35	19

Source: Author’s elaboration based on RRP from Cyprus, Greece, Italy, Malta, Portugal, and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data extracted on 18.08.2022

5.2. Balance between universal ALMP and targeted ALMP

One of the issues in ALMP implementation is to find a balance between universal and targeted policy instruments/measures in this domain. As previously mentioned, this is an open-ended question. Although some balance is required, and universalistic measures still play a role in ALMP implementation, targeting specific groups (by age groups or by specific subgroups across the population) is vital to improve these measures' efficiency. Figure 15 addresses this issue regarding RRP from Southern European countries.

Figure 15: ALMP by age groups (all age groups/young people only) and scope (universal vs targeted) in Southern EU countries (n°)



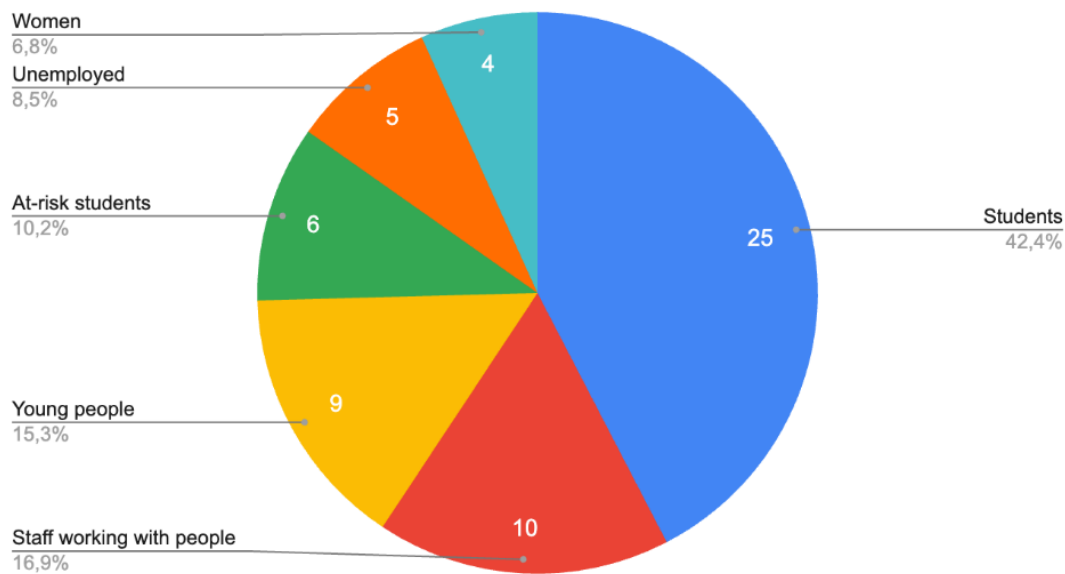
Source: Author’s elaboration based on RRP from Cyprus, Greece, Italy, Malta, Portugal and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en) Data extracted on 22.08.2022

Firstly, ALMP measures included in the analysis were split into those addressing all age groups and those aiming at young people only. According to Figure 13.a, 63 of the 98 measures were drafted for all age groups and considered part of Pillar 6 strategy, as well as from the strategy proposed for other Pillars. All countries, except for Italy, presented more ALMP measures focusing on all age groups. However, there was still some balance between universal (all age groups) and targeted (young people only) ALMP across most countries. Spain did not show this sort of balance and Cyprus only presented ALMP aiming at young people under Pillar 6.

Additional input on this matter is offered by Figure 12.b, when comparing universal ALMP measures with those targeting specific subgroups of the population, irrespective of being young people or not (e.g., women, low-income, inactive). Overall, 83 of the 98 measures are universal by nature. Moreover, in this case, all RRP from Southern countries except for Malta focused mostly on universal ALMP. Imbalances in this respect are striking for Spain, Italy, and Portugal.

Figure 16 summarises the groups most often addressed by targeted measures. Only groups mentioned 4 times or more across the 98 coded measures were included. Students were mentioned 25 times, followed by staff working with young people, usually teachers (10), young people (9), at-risk students (6), unemployed (5), and women (4). Surprisingly, vulnerable groups, which should be at the forefront of youth-oriented ALMP, were seldom selected as priorities. NEETs (mentioned twice), inactive (mentioned once), refugees (mentioned once), or ethnic minorities such as Roma people (mentioned once) are hardly targeted by ALMP proposed under Pillar 6.

Figure 16: ALMP by groups targeted across the RRP of Southern EU countries - (n° and %)



Source: Author's elaboration based on RRP from Cyprus, Greece, Italy, Malta, Portugal, and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data extracted on 22.08.2022

Box 4: In the spotlight: ALMP aiming at vulnerable groups of young people

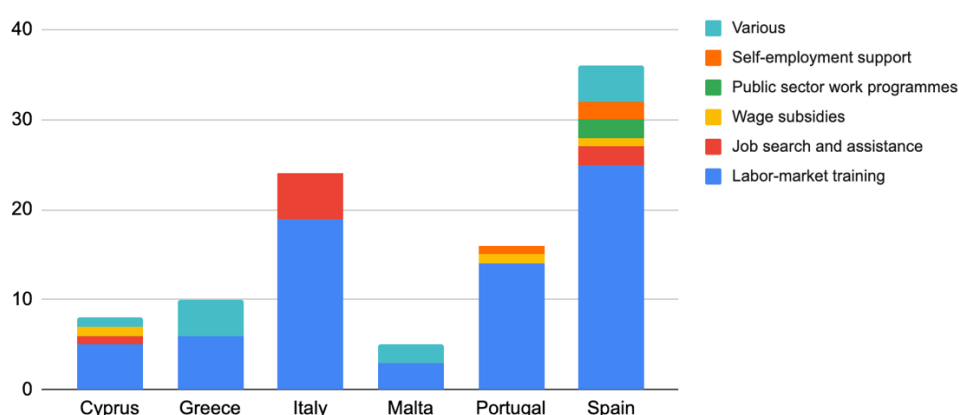
Spain has developed a programme labelled ‘Plan Empleo Mujer - Rural and Urban areas and Victims of Gender Violence and Human traffic’. This programme is expected to involve 29000 people offering a personal and integrated itinerary of orientation, counselling, and training actions adjusted to the employability profile of the participating women. The training provided is related to jobs with good territorial prospects, derived from the needs of the rural and urban labour market in which the programme is developed.

Greece is putting in place an investment called “Refugee labour market integration”. This programme is expected to provide 14 580 traineeship programmes in firms to refugees, including younger ones, until 2025, in a partnership between the public and private sectors.

5.3. Integration of ALMP effectiveness evidence

As we have detailed in point 2.4., selecting, designing and implementing efficient types of ALMP is hardly straightforward. Policymakers tend to invest more effort and resources in the implementation of educational ALMP (Pastore 2015). Employment ALMP, such as job search assistance and monitoring or wage subsidies, however, can improve STWT in areas such as employment rates increase, finding higher quality jobs or wages increase (Caliendo and Schmidl 2016). Self-employment measures may be also efficient when young people’s motives are well aligned with this type of programme, but are only recommended in some Southern countries such as Cyprus, Greece and Italy (Remeikienė et al. 2020). So, in conclusion, selecting and implementing ALMP involves a careful consideration of the STWT goals envisioned by policymakers, the specific subgroups of young people being targeted, as well as the side-effects of each measure. Figure 17 depicts how Southern countries’ RRP addressed this hot topic in ALMP implementation.

Figure 17: ALMP in in Southern EU countries’ RRP by type of ALMP (n°)



Source: Author’s elaboration based on RRP from Cyprus, Greece, Italy, Malta, Portugal, and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data extracted on 22.08.2022.

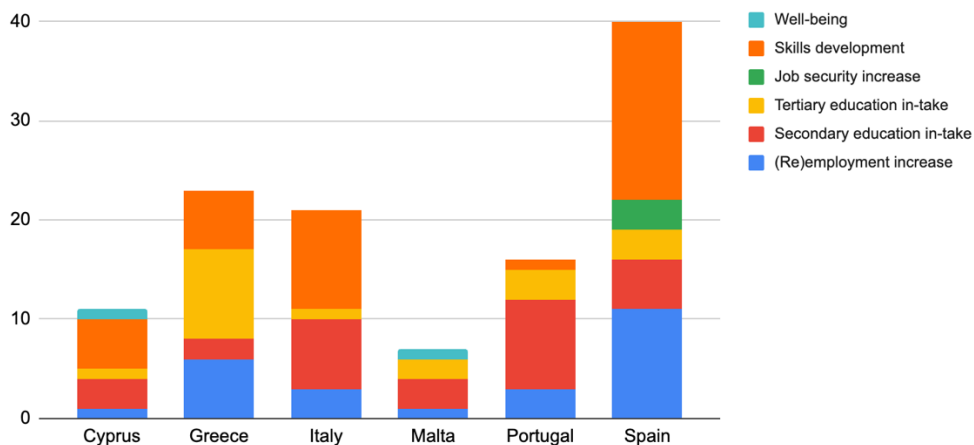
The analysis clearly demonstrated that labour market training was the most often implemented ALMP type of measure (72 out of 98 measures) overall and across all countries. This category covers all measures aiming at improving secondary and tertiary education enrolment, vocational training take-up, or specific skills development (e.g., digital skills). Eight of the measures proposed by these countries

fitted the job search and assistance definition, covering measures to improve guidance provided by employment services or orientation services in educational settings. Such measures were more relevant in Italy, Spain, and Cyprus. Measures fitting self-employment support (3), public sector work programmes (2) or job assistance or wage subsidies (2) are seldom included in Southern European countries' RRP. Furthermore, only 11 ALMP measures combined different ALMP types. This sort of mixed measures was found in all 6 countries, except for Italy and Portugal, and most frequently displayed by Greece and Spain.

5.4. ALMP expected outcomes

As we have highlighted above, ALMP implementation will be more capable of capturing young people's needs, as well as of organising structural support if policy packages and measures go beyond a focus on youth unemployment reduction. In point 2.4 we have mentioned that ILO (2018) proposes a framework of outcomes that cover different aspects of STWT, including employment creation, quality, skills and access. Our analysis of Southern European countries' RRP took that need into consideration by identifying the expected outcomes of the different measures. Some of the proposed ALMP measures comprised more than one expected outcome, due to their complexity. Whenever that was the case, we considered all expected outcomes. Therefore, the total number of expected outcomes (136) is above the number of ALMP measures included in the analysis. The results of this line of inquiry are presented in Figure 18.

Figure 18: ALMP in Southern EU countries' RRP by type of expected outcomes (n°)



Source: Author's elaboration based on RRP from Cyprus, Greece, Italy, Malta, Portugal, and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data extracted on 22.07.2022.

The most common expected outcome across Southern European countries' RRP was skills development, targeted by 40 ALMP measures. This outcome referred specifically to the promotion of teaching/learning programmes or initiatives dedicated to acquiring or improving specific skills (e.g., digital skills). All countries, except for Malta, included ALMP measures aiming at this type of result, with Spain leading with 18 measures. Secondary education intake came next with 29 ALMP measures targeting it. This outcome was especially common in Portugal (9), Italy (7), and Spain (9). (Re)employment increase came third with 25 ALMP measures targeting this as one of its main outcomes. Tertiary education intake was less often targeted as an expected outcome, being mentioned in 19 ALMP measures across countries. The outcome was more relevant in Greece (9) and had a fairly even importance across the remaining countries. Job security increase (3) and well-being (1) expected outcomes were only marginally targeted by these RRP. Importantly, education related expected outcomes, whether aiming at a certified educational level or skills development, accounted for 74.5% of all the anticipated results of the ALMP included in the analysis.

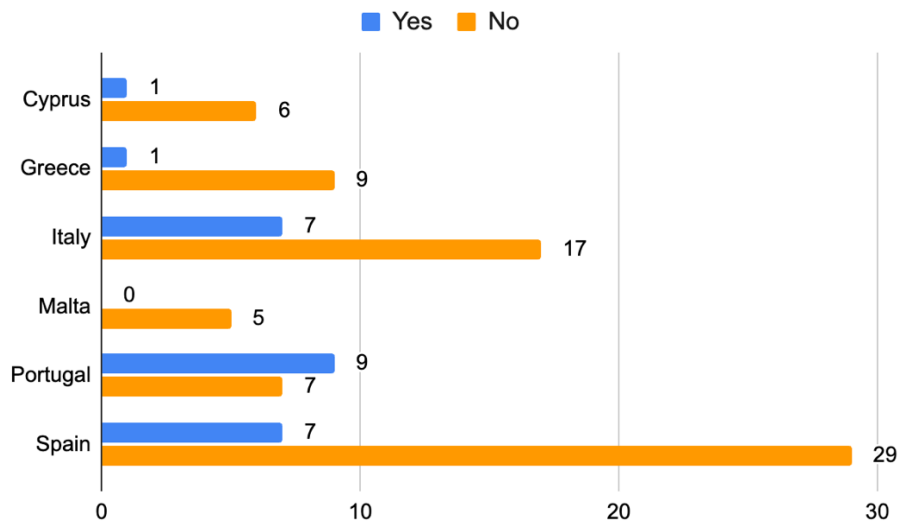
Box 5: In the spotlight: ALMP aiming at job security and well-being

Italy has drafted a scholarship programme for tertiary education. While the programme clearly seeks to increase tertiary education intake for at least 4 000 students, this investment openly sets student well-being and their capacity to address material needs as one of its main expected outcomes.

Driven by the dual transition and its long-lasting effects on professional careers in the years to come, Spain has developed an investment programme called "New skills for digital, green and productive transformation". This is seen as a tool to address the needs of 825 000 low-skilled workers or at risk of displacement who need to quickly update their capacities in emerging areas of competence to secure their jobs.

5.5. ALMP and territorialisation

As we have extensively addressed in the previous chapters, STWT indicators tend to be worse across Southern European countries (e.g., NEET rates). While the impact of the pandemic on STWT was more limited than anticipated, Southern countries showed a slower recovery, with educational indicators still below EU average rates and youth unemployment rates above them. Moreover, while subnational (regional) disparities in key STWT indicators are evident across the EU area, these differences are much greater in these countries. It is, thus, pertinent to understand if ALMP measures proposed by Southern European countries were nuanced by regional needs and differences. Namely, it is important to understand if ALMP measures under Pillar 6 are open to regional adaptations. Programme implementation is clearly tailored according to territorial disparities (e.g., urban areas vs rural areas), and services delivery reforms are expected to be shaped by local/regional resources availability or requirements. This territorialisation perspective is summarised in Figure 19.

Figure 19: ALMP in Southern EU countries' RRP by territorialisation of measures (n°)

Source: Author's elaboration based on RRP from Cyprus, Greece, Italy, Malta, Portugal, and Spain retrieved from the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html?lang=en). Data extracted on 22.07.2022

The interpretation of Figure 19 is quite straightforward. Firstly, the number of territorialised measures is limited. Overall, only 25 out of 98 ALMP measures mentioned territorialisation as a key criterion of implementation. Secondly, in Cyprus, Greece, Italy, and Spain non-territorialised measures were by far the standard. Portugal presented a more balanced position in this respect, with territorialised measures being more commonly mentioned. Malta did not present territorialisation as a key criterion of ALMP implementation, certainly due to the country's size. Portugal was the only country balancing non-territorialised measures with those aiming at regional or specific territories' implementation.

Box 7: In the spotlight: ALMP with a territorial focus

Portugal has developed the “Integrated operation for the vulnerable metropolitan areas of Lisbon and Porto”. The investment focuses on the suburban communities of the two biggest Portuguese cities. STWT is expected to be facilitated through specific measures dedicated to preventing ESLET, improving vocational training offers, or promoting local entrepreneurship and businesses.

Spain is launching an investment programme called “New projects for territorial balance and equity – entrepreneurship and microenterprises”. This will include 68 territorial initiatives countrywide aiming at vulnerable groups' needs such as the long-term unemployed, while promoting self-employment in areas such as the green economy. Each autonomous region is expected to run 4 programmes.

Box 6: ALMP under Pillar 6 in Southern EU countries: takeaway lessons

1. Southern European countries' RRP are driven by a reformist impetus relying on significant legislative packages.
2. While there is some balance between universal and targeted ALMP from the age group perspective, many of the youth-oriented ALMP are broadband, lacking a focus on specific, vulnerable groups.
3. STWT is addressed mostly from the education intake side: 75% of the outcomes to be delivered are related to secondary or tertiary education intake and skills development.
4. Despite the considerable regional disparities across STWT indicators (e.g., NEET shares) in Southern European countries, ALMP measures are seldom territorialised.

6. IMPLICATIONS FOR YOUTH-ORIENTED ALMP IMPLEMENTATION UNDER PILLAR 6

RRF represents an enormous effort and is a massive opportunity to prepare EU societies and economies for the challenges of the upcoming decades. Pillar 6 translates the EU and Member States' priority of supporting younger generations to excel in the face of growingly complex societies.

Overall, reforms and investments proposed by the different countries demonstrate a policy-making commitment to reduce uncertainties and better prepare young people in the STWT. However, the huge ambitions of broadband instruments, such as the RRF, are threatened by classical shortcomings regarding implementation, collaboration, and participation. We address each of these points under subsection 6.1., as part of a shortlist of general recommendations that may better coordinate youth-oriented ALMP delivery through the RRF instrument.

Our content analysis of the Southern European countries' RRP further underlined specific caveats in addressing key quality criteria of ALMP design and implementation. Based on that content analysis of an RRP subset, in subsection 6.2., we lay down a series of specific recommendations that can improve the relevance of youth-oriented ALMP and, thus, lead to more effective policy-making in this field.

While listing general and specific recommendations to fine-tune youth-oriented ALMP in Pillar 6, we also acknowledge the boundaries of our suggestions, based on the limitations of our own methodology and analysis.

6.1. General recommendations

6.1.1. Implementation: preventing mismatches between investment and reforms in educational ALMP and job market needs

Countries addressed STWT issues mostly by setting education-related reforms and investments. In chapter 4, we show that many countries invest more than 75% of funds under Pillar 6 on educational ALMP. Only 10 countries present investment in employment policy measures for young people. In many cases, these investments in employment policies are only marginal, to say the least. A more thoughtful (i.e. balanced) financial and policy-making investment in educational and employment ALMP under Pillar 6 would justify a discussion that is beyond the scope of this report. As a general remark, we consider that it is important to monitor how RRP are going to be coordinated with other EU initiatives, such as the Reinforced Youth Guarantee that was recently launched, or other national reforms, to make sure employment ALMP packages continue to be a relevant part of the STWT policy mix. Joint working groups at the EC level (including, for instance, DG Employment and Social Affairs, as well as DG Youth, Culture and Sports) or at the national level, through inter-ministerial initiatives, that produce joint evaluation reports can help to establish a common monitorization framework.

Raising the educational standards of younger generations is vital to prevent precariousness and youth unemployment (Carcillo et al. 2015). Moreover, educational ALMP are especially relevant to improve the life prospects of those most vulnerable (Focacci 2020), as we mentioned in Chapter 2 (point 2.4). However, RRP ambitions under Pillar 6 must also consider that educational ALMP efficiency is limited and varies due to factors such as the training type or the targeted groups (Caliendo and Schmidl 2016). Therefore, job market training is not a one-size-fits-all solution for solving STWT issues. Under the RFF, the strong focus on educational measures must be tempered by concrete actions that we divide in three major policy implications.

Preventing over education risks, by nuancing educational ALMP delivery. The continued decline of Early School Leaving from Education and Training rates, as well as the steady increase of the shares of Tertiary Education Attainment between 2012 and 2021, demonstrate the expanding educational levels across EU countries. This being the case, over education becomes a serious risk. When delivering their RRP, countries must, therefore, continuously consider the balance between job supply and demand. This is particularly significant regarding the expected rise of green and digital economies. Closely monitoring job market trends to ensure the right balance between getting a degree and equipping young people with specific, highly-demanded skills is needed. Our content analysis of Southern European countries' RRP offers some evidence that governments are investing in specific skills development for the green and digital transition. Our analysis also shows, however, that initiatives for promoting such skills are often part of broadband programmes aiming at all age groups, certainly reducing the odds of young people finding the right mix between knowledge and skills. Still, a more extensive examination of this question is needed in the future. In addition, ongoing gender gaps in specific domains (e.g. STEM) must be kept in mind when designing educational ALMP packages (Rossen et al. 2019).

Going beyond the opportunities in the green and digital economies. More efficient educational ALMP must also consider job opportunities outside the green and digital sectors. As an example, international projections show that 80 million jobs could be created worldwide in the health, social care and education sectors by 2030. Of these, 18 million could be taken by young women (ILO 2022). The demographic trends in the EU, such as ageing or the lack of teachers, show that these societal needs will certainly translate into job opportunities for younger generations. Educational ALMP under Pillar 6 do not clearly tap into these trends. The EU focus in fulfilling the twin transition must not,

therefore, overlook the prospects of other economic areas that can result in decent jobs for young people.

Educational ALMP must address regional disparities. The EU has set very ambitious goals for raising tertiary education intake in 2025. Tertiary Education Attainment rates presented in Chapter 3 suggest that many countries are on the right track to fulfil the EU vision. The dual transition further drives the EU intentions, by increasing job demand for highly-qualified professionals. While this is a general trend, there are warnings about regional disparities in job demand that must be accounted for. Job demand in less affluent regions is still dominated by the need for intermediate professionals with solid vocational education. In addition, some economic activities, including those involving innovation and run by teams showing a good mix of intermediate and highly-qualified professionals (Buchanan et al. 2017). Hence, reforms and investment aiming at educational ALMP must seek to promote different levels of skills according to workforce requirements at the regional level.

6.1.2. Collaboration: fine-tuning the work between policy-making levels, government departments, and the private sector

STWT is a complex social issue, which requires the intervention of multiple actors, from different domains (education, employment, social welfare) in crafting multi-layered solutions. Such complex social challenges require more than policy coordination (i.e., mutual information between stakeholders about ongoing policies and measures) or policy cooperation (when stakeholders work together on one or a few occasions). Effective ALMP implementation under the RFF will require policy collaboration (when stakeholders work together in a sustained way, based on the appropriate institutional arrangements) (Trein and Tosun 2019). Delivering effective youth-oriented ALMP under Pillar 6 will require two major types of collaborative effort.

Ensuring vertical collaboration: improving the nexus between the national and regional decision-making levels. There is a need to ensure vertical coordination and collaboration, meaning that all policy-making levels (European, national, and regional/local) are aligned in delivering the proposed ALMP measures for young people. The preparation of RRP involved some mechanisms to ensure a coordination between European priorities and national policies. For instance, all countries needed to demonstrate the coherence between their proposed measures and the European semester reports. The translation of youth-oriented ALMP from the national to the regional/local level seems more problematic. Institutional set-up differences across countries partly explain a narrower collaboration at this level (Tosun et al. 2017). Our content analysis of Southern European countries' RRP presented in Chapter 5 further expands our concern with the collaboration between national and regional authorities. It shows that territorialisation is not at the forefront of youth-oriented ALMP design and implementation (something that we address in further detail in point 6.2.3.).

Regional and local decision-makers must find the decision-making instruments in the RRF mechanism to overcome other critical issues that are far beyond the states' institutional or administrative architecture. This means developing a collaborative framework for a more efficient implementation of ALMP under Pillar 6 by granting regional governing bodies and services:

- authority to improve on-the-ground capacity (e.g. staff and facilities);
- autonomy to deliver and monitor the proposed programmes;
- capacity to adjust national reforms and investment to regional conditions and needs.

Ensuring horizontal coordination: avoiding redundancies, moving towards a true collaboration between stakeholders. The success of the reforms and investment aiming at youth-oriented ALMP under Pillar 6 is also highly dependent on horizontal coordination, meaning the collaboration between the on-the-ground stakeholders from different sectorial areas (e.g., education, employment, welfare). Often, these stakeholders compete in unintended ways to solve issues such as school drop-out or unemployment. They target similar groups, their goals overlap in some areas, and subsequently, they

may end up running parallel interventions. These uncoordinated efforts represent one of the major institutional factors hampering ALMP effectiveness, as shown by previous research reports (Kazepov and Ranci 2017; Focacci 2020) as mentioned in Chapter 2.

The number and variety of youth-oriented ALMP under Pillar 6 increase the risks of competition between public stakeholders and inefficiency. Hence, policy implementation would benefit from adopting an integrated governance perspective, at least for the more complex reforms and investments. Integrated governance is a model that values and brings together the most relevant skills of each institution to provide collective solutions for complex social problems, such as STWT, and, thus, to promote change (Christensen, 2015). Integrated governance can be translated into a set of tools for youth-oriented ALMP implementation, such as:

- delegating decision-making powers to intermediate-level leaderships of regional/local public services;
- training regional/local networks of public servants from different relevant departments to define common lines of important reforms/investment;
- putting in place ongoing negotiation and monitoring processes (including digitally mediated ones) for preparing the shared implementation of measures, involving stakeholders outside the public sector as well.

6.1.3. Participation: including young people in policy development and improvement

RRF was an immediate response to the COVID-19 crisis. In drafting their youth-oriented ALMP proposals, Member States had to quickly join the dots. That involved the analysis of STWT main trends, setting up swift negotiations between governmental departments and levels, or matching proposed reforms and investment, and EU priorities in areas such as education and employment. The reading of the RRP illustrates these efforts, but it also shows that, to a great extent, young people's voices are missing from the designing process. Moreover, it is evident that youth-led innovation is a marginal pathway in ALMP under Pillar 6. As we mentioned in Chapter 3, employment ALMP, covering self-employment initiatives is also quite limited. The analysis of Southern European countries' RRPs, presented in Chapter 5, further expands this conclusion, by showing that self-employment policies have seldom been part of national strategies for improving STWT. This conclusion is, of course, limited by the content analysis of only six RRP. Still, it is important that young people's voices and initiatives are from now on considered as a key ingredient in ALMP implementation under the RRF mechanism. A shortlist of actions can help to improve that.

Creating ongoing spaces for young people's participation in policy delivery and assessment.

Young people's perspectives are key to examine the relevance and impact of ALMP. At the European and national levels, this can be met by organising hearings with youth representatives (e.g., international associations) to discuss the implementation of ALMP measures under Pillar 6. At the national level, the organisation of informal panels or focus groups of young people to monitor and improve measures is also highly recommended. Although it must be guaranteed that they receive feedback on how their ideas have helped to shape and improve ALMP, something that is often disregarded. It is particularly important to make sure those harder to reach out to are involved in these processes, as they show high levels of disengagement (Bello and Cuzzocrea 2018) and suspicion (Simões et al. 2022) towards public services.

Opening room for youth-led innovation in RRP implementation. Many of the employment ALMP reforms and investments under Pillar 6 still require conceptual and operational development. Some of them may also be appropriate to promote cross-funding initiatives with other relevant operational EU frameworks, such Horizon Europe. This may open room for ALMP measures harnessing youth-led innovation initiatives, whereby young people can be protagonists of technological and social change processes. These initiatives may involve measures such as financial incentives to scale-up innovations,

providing technical support in the form of mentoring and training, facilitating access to seed-funding ecosystems, tax breaks, or access to physical infrastructures (ILO 2022).

6.2. Specific recommendations

6.2.1. Universal vs targeted ALMP: ensuring coverage of the most vulnerable groups of young people

Our content analysis of Southern European countries' RRP presented in Chapter 5 shows that these EU Member States envisage RRF as an opportunity to implement comprehensive reforms. This trend translates into creating or revising major legislative packages cutting across multiple sectorial policies. STWT challenges are, thus, often addressed using universal ALMP aimed at all age groups or at young people in general. While governments need to balance universal and targeted ALMP, universal ALMP contain important risks. Specifically, universal ALMP reduce the chances of accessing and being engaged in ALMP initiatives for the most vulnerable young people – the Mathew's effect that we mentioned in Chapter 2 (Bonoli and Liechti 2018; ILO 2022). It may be argued that ALMP issued at the national level already respond to the needs of the most vulnerable young people. This is questionable, to say the least. While the Labour Market Reforms Database (LABREF) analysed in Chapter 3 summarises a prolific legislative impulse that has been active in this domain for the past decade (2012-2021), especially in terms of employment ALMP, previous reports demonstrate that it continues to be hard to reach and activate groups such as NEET (EC 2018). In addition, the lack of specific guidelines for targeting vulnerable groups may result in giving preference to individuals who are closer to the labour market, a practice also known as 'creaming' (Bonoli and Liechti 2018).

We envision the RRF as an opportunity to implement, test and disseminate more calibrated ALMP, fitting specific subgroups of young people, particularly those disadvantaged. The lack of a greater number of targeted ALMP in Southern countries, as well as the irrelevance of groups such as NEET, ethnic minorities, or low-income young people in most of the analysed measures must be seen as shortcomings that need to be addressed in the near future. Making sure vulnerable young people benefit from ALMP under Pillar 6 entails, therefore, three major implications.

Developing comprehensive reforms under Pillar 6 in tandem with reforms relevant to other RRF pillars, especially in Eastern and Southern EU countries. As we mentioned in Chapter 2, STWT transition regimes vary from North to South and from East to West. Making sure NEET, inactive young people or women are not left behind by ALMP requires a thoughtful coordination with other reforms that are more fundamental for other RRF pillars. For example, those reforms aiming at strengthening social welfare systems, territorial cohesion or promoting decent work conditions may be included in this additional effort of policies coordination.

Balancing top-down with bottom-up strategies for ALMP implementation. Reforms and investments under Pillar 6 must combine the top-down approaches, addressing EU and national priorities for the STWT, with bottom-up strategies involving stakeholders working on-the-ground. The combination of these top-down and bottom-up strategies can contribute to further regulate and develop programmes resulting from foreseen reforms and investments. Co-management involving public services and key stakeholders with on-the-ground capacity (e.g., NGOs) to engage with the most vulnerable groups is a good example of how bottom-up strategies can add to the RRF vision in this domain.

Regulating further reforms and investments to clearly target vulnerable young people. Many of the reforms and investments in RRP are still presented as general, broadband measures that can be further calibrated and collapsed into specific measures for subgroups of young people. This can be done by issuing specific regulations with operational criteria, quotas and outcomes targeting young women, inactive or unemployed young people, disadvantaged students and ethnic minorities – with evidence of this being implemented.

6.2.2. Expected outcomes: aligning youth-oriented ALMP results with STWT definition as a pathway to decent jobs

In Chapter 2, we discussed how STWT indicators have been frequently narrowed to youth (un)employment intake. However, STWT is only fulfilled if young people find decent jobs. Decent jobs are those entailing fair, secure, and rewarding work conditions, as well as the possibility to develop a meaningful professional career. This should also include positive work attitudes (e.g. participation in organisational decision-making) and a sense of belongingness to an occupational group (Masdonati et al. 2021). Our content analysis of Southern European RRP countries shows, however, that the proposed ALMP disproportionately rely on classic expected outcomes – job intake or education intake rates, an option that is mismatched from current definitions of decent jobs. For instance, individual-level outcomes, such as job security or professional well-being, were seldom targeted as ALMP expected outcomes, as we show in Chapter 5. The negotiation process between states and the EC to establish each RRP may have played a part in this. To further attend to the national priorities and needs of each state, this negotiation process may have overlooked the establishment or at least the recommendation of a common framework of outcomes for youth-oriented ALMP.

Broadening the scope of the evaluation scoreboard for youth-oriented ALMP under Pillar 6.

A more nuanced understanding of decent jobs' multiple dimensions can be further achieved by considering a comprehensive framework of STWT outcomes. Some existing proposals (e.g., ILO 2018) covering employment opportunities, quality, skills and access can constitute a meaningful starting point to achieve a common and comprehensive set of outcomes for youth-oriented ALMP under Pillar 6. Spreading the scope of the existing scoreboard for youth-oriented ALMP under Pillar 6 would allow for policies assessment to be conducted according to the most recent decent jobs' definitions, enable cross-national comparisons and uphold a stronger scrutiny of this RFF axis in public debates. This enlarged version of the scoreboard can still be developed by: (a) issuing a guideline covering, but also going beyond the targets and milestones stated in the RRP for youth-oriented ALMP – a process that could be led by the Directorate-General for Economic and Financial Affairs or an ad-hoc committee of experts; (b) creating a panel of best practices, including ALMP, that already cover unusual outcomes, disseminating their evaluation methodologies (processes, indicators) across countries; or (c) opening a debate at the EU level through hearings and dedicated discussion on broadening evaluation frameworks of reference (e.g. the European Pillar of Social Rights) to include both structural- and individual-level indicators.

6.2.3. Territorialisation: covering regional disparities

One of the most blatant limitations of the examined RRP was the unimportance of territorialisation for designing youth-oriented ALMP under Pillar 6. This is surprising, especially in the Southern European countries. Here, regional disparities in STWT indicators (e.g., NEET rates) are bigger, compared with Northern and Central European countries, as shown in Chapter 2. Moreover, territorial disparities tend to overlap the greater exclusion of vulnerable young people. For instance, young women struggle more to find a job in less affluent regions and NEET shares are higher in rural areas (Simões et al. 2022). In addition, the most vulnerable regions tend to be outermost areas, often archipelagos or islands. Thus, remoteness plays a significant role in increasing the gaps between less and more affluent regions.

The extension of the reforms and investments and the dominant option for universal youth-oriented ALMP described in Chapter 5 seem two significant explanations for territorialisation's unexpected irrelevance in the examined RRP. This limitation is even more striking in some countries with stronger regional decision-making structures (e.g., Italy, Spain) compared to the case of smaller countries with more centralized governance structures (e.g., Cyprus, Malta). The following recommendations address these important caveats.

Recommending youth-oriented ALMP as a key element to reduce regional disparities in the EU through the RFF instrument. The EC should release a recommendation on reducing STWT regional

disparities through the RFF mechanism. This recommendation would outline criteria and mechanisms that can be included within major reforms and investment in this domain. Such an initiative would increase the odds of youth-oriented ALMP being adjusted to local demographic, social and economic requirements and to young people's needs.

Strengthening the links between ALMP reforms and investment, and cohesion policies. One of the main drivers of the RFF is the EU cohesion principle. The existing gaps in the STWT across EU countries are a major threat to that principle. Some measures aiming at fine-tuning youth-oriented ALMP under Pillar 6 can offer important contributions to EU cohesion goals. This can be achieved through: (a) implementing the extended scoreboard suggested in point 6.2.2. and using tailored dissemination strategies to share the generated data (e.g., a series of dedicated policy-briefs, panels in the EU Regions' Weeks) across key European stakeholders responsible for regional development (e.g. Committee of the Regions, regional governments); (b) developing and showcasing a bottom-up identification of territorialisation good practices, based on data from the national assessment of RRP implementation; and (c) using this information at the European level, in coordination with Member States, for further coordination between the RFF and other pivotal funding schemes at the EU level (e.g. Common Agriculture Policy).

Strengthening regional capacity to deliver the reforms and investment. At the national level, the institutional capacity to address STWT issues in the most deprived regions is often limited, as we have briefly mentioned in Chapter 2. As part of an effective implementation of the RRP across their territories, countries may have to further invest in increasing the capacity of specific public services dedicated to ALMP (e.g. public employment services) in these areas. This includes reducing staff shortages, solving infrastructures' limitations, upgrading institutional use of digital tools, as well as further supporting local stakeholders' collaboration in STWT issues.

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ANNEX

School to work transition in the RRF framework: Youth-oriented active labour market policies under the Pillar 6

Methodological protocol

Goal

To provide a cross-national comparison of how STWT needs are addressed under Pillar 6 of the RRF mechanism (policy areas 1 - EDUCATIONAL POLICIES and 3 - EMPLOYMENT POLICIES).

Research Questions

- (1) How have the main STWT indicators evolved in the countries included in the analyses for 2012-2021?
- (2) How have STWT indicators, namely the NEET rates, evolved during COVID-19 in these countries?¹³
- (3) What are the main features (aims, target groups, expected outcomes) of the national RRP?
- (4) How do ALMP priorities expressed in RRP match with the evolution of STWT indicators and the implementation of ALMP policy packages at the country level for 2012-2021?
- (5) What are the main features cutting across the national RRP in Southern EU countries?
- (6) How are ALMP assessment levels/criteria addressed by RRP in Southern EU countries? Are there any promising measures that deserve to be in the spotlight to better address these assessment levels?

Methodology

Data selection and analysis will involve two steps.

Step 1. Quantitative approach

- (a) STWT Indicators
- (b) Youth-oriented ALMP indicators
- (c) Main RRP quantitative indicators
- (d) National youth-oriented ALMPs quantitative indicators

¹³ The focus only on NEET rates is based on data availability. However, this is also the most comprehensive STWT indicator and, therefore, the most useful to address the research question.

STWT Indicators

The following indicators will be depicted for the selected countries for 2012 and 2021 using Eurostat databases (Labour Force Survey) made available from the Social Scoreboard of Indicators (<https://ec.europa.eu/eurostat/web/european-pillar-of-social-rights/indicators/social-scoreboard-indicators>):

- (a) Early School Leavers from Education and Training (ESLET) (% of population 18-24; absolute difference ratios - pp)
- (b) Tertiary Education Attainment (TEA) (% of population 30-34; absolute difference ratios - pp)
- (c) Young people neither in employment nor in education and training (NEET) (% of population 15-29; absolute difference ratios – pp)
- (d) Youth Unemployment (YU) rate (% of the labour force 15-24; absolute difference ratios - pp)
- (e) ESLET and YU rates, by gender, in 2021

Data for the COVID-19 period (Q1 2020 to Q1 2022) will also be provided (source: Eurofound - 2021 - Impact of COVID-19 on young people in the EU, Publications Office of the European Union, Luxembourg)¹⁴:

- (a) NEET rates by quarters (Q1 2020 to Q1 2022) (%)
- (b) Proportion of workers aged 15–29 and aged 30+ employed by sector, 2019 (%)

Main RRP quantitative indicators

Indicators will be collected by each country in the resilience and recovery scoreboard database with available data (https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/policies.html) including:

- (a) RRP allocation as share of GDP
- (b) Investment in Pillar 6 dedicated to EDUCATIONAL POLICIES (%)
- (c) Investment in Pillar 6 dedicated to EMPLOYMENT POLICIES (%)
- (d) Planned milestones/targets dedicated to EDUCATIONAL POLICIES (n°)
- (e) Planned milestones/targets dedicated to EMPLOYMENT POLICIES (n°)
- (f) Milestones/targets/measures dedicated to EDUCATIONAL POLICIES (n°)
- (g) Milestones/targets/measures youth employment support and youth job creation (n°)

¹⁴ Data used upon request to the first author of the Eurofound report.

Indicators of youth-oriented ALMP

Indicators retrieved from the Labour Market Reforms Database (LABREF), category “Active labour market policies/Special schemes for youth”

(<https://webgate.ec.europa.eu/labref/application#!searchPublic>, namely:

(a) ALMP packages focusing on training and education for 2012 and 2021 (n°)

(b) ALMP packages focusing on EMPLOYMENT POLICIES for 2012 and 2021 (n°)

Data Analysis

Quantitative analysis

Quantitative analysis of the above-mentioned indicators will involve:

(1) Descriptive statistics will be conducted (frequencies, min/max, and absolute percentages).

(2) The indicators will be presented in percentages (%), absolute difference ratios (pp.) or absolute number (n°) in graphic displays or tables.

(3) A selection of tables and graphics combining indicators of different indicator categories will also be presented.

Qualitative analysis

The qualitative approach to this report will include a content analysis of the Southern EU countries’¹⁵ RRP involving the following steps:

(1) Each RRP is screened (index table);

(2) ALMP measures under Pillar 6 are identified in each RRP and are fully read. All reforms and investment that can be coded according to Bonoli (2010) and Caliendo and Schmidl (2016) types of ALMP (check coding table) under employment and education and training policies are included in the analysis.

(3) Triangulation is applied: the same measure is analysed in the original RRP, as well as in the annex to the Council Implementing Decision on the approval of the recovery and resilience plan assessment.

¹⁵ The selected countries’ RRP were included in the analysis if written in one of the following languages: English, Portuguese, Spanish or Italian.

(4) As an exception, the analysis of a given reform or investment is collapsed in more than one data point/item each time that reform or investment comprises multiple measures aiming at different target groups or outcomes (e.g. Italy – Politiche Attive del Lavoro e Formazione).

(5) The information retrieved from RRP is triangulated with the Revised Annexes to the Council implementing decision on the approval of the different RRP.

(6) Blind, peer-reviewed coding is made by an assistant researcher. Inconsistencies are resolved and a final coding is made.

Content analysis of national RRP (sections dedicated to the Pillar 6 and selected policy areas) and approved measures

Dimension	(variable description)	categories
Country	Name of the country	Cyprus
		Greece
		Italy
		Malta
		Spain
		Portugal
Name	Name of investment/reform	Full name
Policy level	Policy level enforced to achieve the goals	Legislation
		Infrastructure (physical/material)
		Services delivery
		Programmes
		Subsidies
		Mixed
Type	Reform or investment	Reform
		Investment
Pillar 6	Reform or investment aligned by national authorities with Pillar 6	Employment policies
		No
Young people targeted	Measure specifically tailored for young people (15-29) or in the transition from school to work?	Employment policies
		No (measure for both children and youth, youth and adult or universal)
Type of target	Range of the target group	Universal (all ages)
		Targeted (youth/specific groups of youth)
Groups	Main group targeted by the reform/investment	Unemployed
		Inactive
		NEETs
		Women
		Disabled (physically or mentally)
		Students
		Students and staff

Dimension	(variable description)	categories
		At-risk students
		Socioeconomically disadvantaged
		Homeless & Roma
		Refugees
		Low-skilled workers
		Young researchers
		Staff working with people
		Unspecified
ALMP type	Type of ALMP according to Bonoli 2010 and Caliendo and Schmidl 2016	Labour market training
		Job search assistance and monitoring
		Wage subsidies
		Public sector work programmes
		Start-up subsidies, self-employment, entrepreneurship
Outcomes (1-3)	Expected outcome proposed by the measure	Job quality improvement
		Education take-up
		(Re)employment increase
		Unemployment decrease
		Secondary education intake increase
		Higher education intake increase
		Job security increase
		Wages increase
		Well-being
		Skills development
		Fulfilling basic needs
Territorialisation	The reform/investment takes into consideration regional disparities at the national level	Employment policies

Quantitative analysis database

Data can be found here:

https://docs.google.com/spreadsheets/d/1wNv2NTLjvhJ_0vxeTFu7_Mvbn2aZKPHnLDDb1PIYn3w/edit?usp=sharing

Qualitative analysis database

Data can be found here:

<https://docs.google.com/spreadsheets/d/18vBEInDnSkLo8b7j199Qi-Dcg1CvYr94yAmnK2r5f84/edit?usp=sharing>

This report examines youth-oriented active labour market policies under Pillar 6 of the Resilience and Recovery Facility instrument. The report focuses on school to work transition trends for the past 10 years and in the aftermath of COVID-19, the Recovery and Resilience Plans' main features in this domain, and Southern EU countries' approach to active labour market policies for young people. We draw policy recommendations aiming at horizontal and vertical collaboration in the implementation of these policies or youth participation in the implementation of active labour market policies. We also specify recommendations for Southern EU countries aiming at greater coverage of vulnerable young people groups or more thoughtful consideration of subnational disparities when implementing this type of policy measures.

This document was provided by the Economic Governance Support Unit at the request of the ECON Committee).
