

Summary

Young people's route into the labour market
– individual support and matching with
employers (RiR 2013:6)



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Young people's route into the labour market – individual support and matching with employers

The overarching goal of labour market policy is an efficient labour market. The downward economic trend of recent years has affected young people particularly badly and has contributed to youth unemployment being higher now than in the past. In 2012 this was almost 24 per cent among 15–24 year-olds, which is equivalent to about 152,000 young people. The Riksdag has pointed to the danger that young people who have a hard time establishing themselves in the labour market may become stuck in long-term unemployment.

Young people are new to the labour market, where they will participate for many years. Consequently, unemployment among young people risks having long-term negative effects for the economy as a whole and for individual young people's level of income and future employment. In order to be effective central government initiatives should be adapted to the varying needs of the individuals in this group. There is even a danger that measures that are used unnecessarily may extend periods of unemployment.

Central government engagement in the labour market consists primarily of the labour market policy activities through the public employment services (Arbetsförmedlingen). However, municipalities also often offer labour market initiatives for young people. It is therefore important that collaboration between Arbetsförmedlingen and the municipalities is effective.

Unemployment among young people is generally at a higher level than among other groups. Youth unemployment has also increased since the last recession. When youth unemployment becomes long-term it is a serious problem. Consequently, the Swedish NAO considers it relevant to audit the Government's and Arbetsförmedlingen's initiatives to support the establishment of young people in the labour market, and how these central government initiatives work together with the municipalities' initiatives for unemployed young people. The aim of the audit is to investigate whether Arbetsförmedlingen's method of supporting young people as they establish themselves in the labour market is effective.

The audit's findings

The Swedish NAO's overall assessment is that central government support for young people establishing themselves in the labour market can be improved. The Government has adopted



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several measures in order to improve the support, but the audit shows that Arbetsförmedlingen's work with unemployed young people can be more effective.

Arbetsförmedlingen's initiatives targeting young people who are not registered as unemployed, but who may be in need of its services, require improvement. This involves both strategic governance and coordination of Arbetsförmedlingen's work to reach those who are not registered as unemployed and developing the work that is already taking place at a local level. It is important that Arbetsförmedlingen reaches young people with an especially weak position in the labour market.

Arbetsförmedlingen's work with young people who are registered unemployed can also be improved and more clearly directed towards the primary task of individually matching job seekers with employers. The audit indicates that Arbetsförmedlingen's initiatives are directed more to managing the large volume of young people looking for work – who are themselves assumed to be active within the scope of the initiatives that Arbetsförmedlingen offer – and less towards personalised initiatives for matching job seekers with employers. The audit also indicates a perception that the regulations are a hindrance. The Government should therefore carefully monitor the results of the initiatives implemented and analyse whether the regulations hinder early, active matching support. The Government should also monitor how Arbetsförmedlingen assesses young people's individual needs early on in the process.

The audit also shows that the forms of interaction between Arbetsförmedlingen and the municipalities need to be developed. The division of responsibility between Arbetsförmedlingen and the municipalities should be clarified when it comes to labour market policy initiatives for young people to avoid the risk of duplication.

Arbetsförmedlingen need to work more methodically in order to reach unemployed young people who are not registered unemployed.

The Swedish NAO makes the assessment that Arbetsförmedlingen's efforts to reach young people who are not registered unemployed, but who may be in need of the agency's initiatives can be expanded and made more structured. It is not known how many young people there are who are not registered unemployed, but who need Arbetsförmedlingen's initiatives. Some of them may be found in the group recorded in public statistics as without support or who, according to Statistics Sweden's Labour Force Survey (LFS) are not employed, studying or seeking work. The size of this group of 16–24 year-olds can be estimated at between 35,000 and 50,000 over the course of the past year.

The Arbetsförmedlingen offices that already try to reach young people who are not registered unemployed, but may need Arbetsförmedlingen's support mainly do this through contacts with upper secondary schools or municipalities. Contacts that take the form of information meetings at



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upper secondary schools are important, but do not obviously lead to contacts with the young people that are furthest away from the labour market and in need of extra support. Arbetsförmedlingen has no coherent picture of the work its local offices do to reach these young people. Neither is the work the local Arbetsförmedlingen offices do to reach young people not registered as unemployed monitored via Arbetsförmedlingen's production control.

The Government has not commissioned Arbetsförmedlingen specifically to try and reach young people who are not registered as unemployed. The work that the agency does to reach unemployed young people who are not registered unemployed, but who may be in need of the agency's support is performed on Arbetsförmedlingen's own initiative. However, the Riksdag has called attention to the fact that Arbetsförmedlingen needs to identify young people who do not come to one of the agency's offices, but who may be in need of its support. Through strategic governance and coordination of the work at the local level, Arbetsförmedlingen can improve its work to reach young people who are in need of the agency's support, but who are not registered unemployed.

Insufficient time for employer contacts leads to inadequate conditions for matching with work placement and jobs

The Swedish NAO assesses that Arbetsförmedlingen can develop its work to support young people in their search for work – primarily the active work in relation to employers at local level. Young people often lack their own network in the labour market and thus may need more support to get in contact with employers compared with other job seekers. The active initiatives that Arbetsförmedlingen direct at young people mainly consist of initiatives to motivate young people and build up their own ability to search for and find work. On the other hand, young people more infrequently receive active and tangible individual matching in the form of information about suitable jobs or work placement to apply for.

Despite Arbetsförmedlingen having been focussed on job seeker activities for a long time, the Swedish NAO's survey shows that a quarter of young people did not apply for any work at all in the 30 days prior to the Swedish NAO's investigation. The young people's low level of job seeking does not appear to be due to them having been locked into activities that inhibited their opportunities of looking for work. The Swedish NAO has established that the young people participate in relatively few hours of organised activities at Arbetsförmedlingen. Arbetsförmedlingen has noted this and is attempting to resolve the problem through its internal management.

It appears from the audit that lack of time is a recurring problem for employment officers in their employer contacts. The time that they devote to employer contacts has not increased in comparison with the Swedish NAO's audit of the Job and Development Guarantee from 2009. At the same time, the Government has, in recent years, required the agency to develop employer contacts.



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Arbetsförmedlingen has also set itself the goal of increasing its focus on employer contacts in its internal management.

In order to improve the chances of providing young people with active support, the Swedish NAO assesses that Arbetsförmedlingen should more often offer individual matching initiatives at an early stage following registration of unemployment. This is conditional on employment officers being able to prioritise employer contacts to improve their chances of working with individual matching.

The conditions for adapting Arbetsförmedlingen's initiatives to the needs of the individual can be improved

The Swedish NAO's audit indicates several different ways to improve Arbetsförmedlingen's adaptation of initiatives to the needs of the individual.

It is hard to directly measure the extent to which the initiatives targeting young people are adapted to their individual needs. The findings of the audit indicate that young people mainly take part in similar initiatives, regardless of whether or not they are involved in one of the guarantee programmes, Job Guarantee for Young People, or Job and Development Guarantee. It appears from the Swedish NAO's investigation that both employment officers and job seekers see limited opportunities for individual adaptation. Employment officers point to both labour market policy regulations and lack of time as imposing limitations on their chances of offering personalised support. Against the background of the limitations in the regulations that are experienced by employment officers, the Government should analyse whether there are regulatory factors that stand in the way of early individual adaptation of the initiative that Arbetsförmedlingen offers to young job seekers. In order to improve the chances of providing active support to young people, the Swedish NAO believes that Arbetsförmedlingen should more often offer individual matching initiatives at an early stage following the registration of unemployment. This assumes that employment officers can prioritise employer contacts so that their chances of working with individual matching are improved.

The investigation that the Swedish NAO has conducted of the municipalities' support for unemployed young people indicates partly that Arbetsförmedlingen's initiatives are not completely adapted to each of the groups of young people and partly that they arrive late. Unemployed young people currently to some extent receive support from the municipalities intended to complement Arbetsförmedlingen's initiatives. Certain municipalities also provide support to unemployed young people before they take part in active initiatives from Arbetsförmedlingen. There are indications that Arbetsförmedlingen may, to a certain extent, need to develop working practices that are especially adapted to young people with a weaker connection to the labour market. Therefore, the



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Swedish NAO assesses that Arbetsförmedlingen's work should also support this group of young people to a greater extent.

There is a risk of duplication of work between Arbetsförmedlingen and municipalities

The audit showed that there is a risk of duplication of work between municipalities and Arbetsförmedlingen when it comes to labour market initiatives for young people. It became clear from interviews with employment officers that information about which young people were or are involved in the municipality's initiatives could improve Arbetsförmedlingen's support to the individuals concerned. The audit also shows that the division of responsibility between Arbetsförmedlingen and the municipality with regard to unemployed young people is not felt to be completely clear either by the municipalities or employment officers at the local level. The audit indicates that the municipalities' initiatives are to a great extent directed towards matching young people to work experience placements. The municipalities, which are often large employers, offer, for example, work experience placements to unemployed young people within their organisation. Agreements between Arbetsförmedlingen and the municipalities concerning work experience placements could make it possible for more young people who need work experience to take part in such an initiative.

The Government's management has focused on the Job Guarantee for Young People

The regulations allow Arbetsförmedlingen discretion as to when during a job seeker's period of registration initiatives such as guidance and job offers will mainly be offered. However, under the ordinance on labour market policy activities, an individual action plan must be drawn up within a month. How Arbetsförmedlingen's initiatives are designed depends on the Government's management of the agency. The Government has focused on Arbetsförmedlingen's work with participants in the Job Guarantee for Young People. The Government's management may be one explanation why Arbetsförmedlingen works less with young people who have not yet qualified for the Job Guarantee. Over the course of the past two years, certain changes have taken place in the management and the focus has, to a certain extent, also been on working with young people who are not yet participating in the Job Guarantee.

The Government has applied several measures which facilitate provision of personalised support to unemployed young people as early as possible. At the same time, the audit also indicates that the regulations are perceived as a hindrance. Therefore, the Swedish NAO assesses that the Government should analyse whether the regulations hinder the provision of early and active matching support to young job seekers. The Government should also more closely monitor how Arbetsförmedlingen works to assess young people's individual needs at an early stage. As both Arbetsförmedlingen and the municipalities provide support to young people, there is a risk that



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they both do the same work and that individuals get stuck in between the two agencies. The audit also indicates that Arbetsförmedlingen and the municipalities could better coordinate their work and work more effectively through a clearer division of responsibility.

The Swedish NAO's recommendations

The Swedish NAO's recommendations to the Government:

- The Government should analyse whether the regulations hinder young job seekers from receiving early and personalised initiatives and matching to work experience placements or jobs. The Government should further analyse whether the division of responsibility between Arbetsförmedlingen and the municipalities is sufficiently clear when it comes to labour market policy initiatives for young people.

The Swedish NAO's recommendations to Arbetsförmedlingen:

- Arbetsförmedlingen should, through strategic governance and coordination of efforts at local level, improve its outreach work targeting young people who are in need of the agency's support, but who are not registered as unemployed.
- Arbetsförmedlingen needs to develop method support and organise local efforts to make it easier for employment officers to make individual assessments at an early stage and actively match young people with employers.
- Arbetsförmedlingen should investigate the potential for agreements with the municipalities to enable young people who need work experience to be given such placements.

