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EVALUATION OF THE YOUTH EMPLOYMENT INITIATIVE IN LITHUANIA

EXECUTIVE SUMMARY

The evaluation was implemented by JSC 'PPMI Group' and public entity 'Public Policy and Management Institute', according to November 15 2015 service contract D4-214 with the Ministry of Social Security and Labour of the Republic of Lithuania.

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In 2013, to address the issue of young people not in education, employment or training (NEETs), the European Council decided to begin the implementation of the Youth Employment Initiative (YEI). Under this initiative, 20 EU Member States in regions where the 2012 youth unemployment rate, ages 15-24, exceeded 25 % received EUR 6.4 billion for the implementation of additional measures to increase youth employment by the year 2018. Lithuania was one of these countries and received over EUR 69 million in YEI funding. Lithuania included the YEI in the Operational Programme for the European Union Funds' Investments in 2014-2020; where its implementation was assigned to specific objective 7.4.1. "Reduce the number of young people between 15 and 29 years of age not in employment, education or training" of Priority 7 "Promoting Quality Employment and Participation in the Labour Market". This specific objective includes two YEI-supported projects which will provide assistance to 35,000 young people aged 15-29 who are not in employment, education or training until 2018.

The primary intervention project "Discover Yourself" (*Atrask save*) is implemented between Lithuanian Public Employment Service, called the Lithuanian Labour Exchange (LLE), acting as a leading partner, and Department of Youth Affairs (DYA). Each institution coordinates a separate strand of the project targeting different NEET groups. LLE's programme is designed for active NEETs who are officially registered with LLE as unemployed whereas DYA targets inactive NEETs. The project will offer early intervention services that will focus on the development of motivational, social and labour market skills through engaging NEETs in voluntary activities, various trainings, traineeship and apprenticeship experiences as well as providing them with psychological counselling, skills' assessment and other measures to enhance their motivation for work. It is planned that 23,000 unemployed NEETs and 12,000 inactive NEETs will participate in the project 'Discover Yourself', which will be fully launched, most likely, in April 2016.

Those participants of the project "Discover Yourself" who do not receive unsubsidised job offer will be offered participation in the secondary intervention project "New Start" (*Naujas startas*). The YEI-supported project which will be carry outed only by the LLE, plans to involve a total of 11 065 unique NEETs in various active labour market measures. Most of the participants of this project will be involved in vocational training (around 9 000). Other participants will receive subsidised jobs or a package of several services (for example, vocational training and subsidised job) depending on their needs. The project 'New Start' will provide an opportunity to support the most disadvantaged participants of the first YEI project for a longer period of time than just 4 months.

This evaluation is intended to aid in the improvement of the YEI interventions in Lithuania and to properly account to the European Commission for the funds contributed to the YEI. During the evaluation (November–December 2015) the implementation of the YEI interventions was only beginning to take place; therefore, the main focus of the evaluation was to assess the preparations to implement the YEI at a national and (especially) at a local municipal level, and to ascertain the risks associated with an efficient and effective implementation of YEI interventions. The following activities were carried out during the assessments: 1) 6 field trips to 3 municipalities in Lithuania – Kaunas City, Ukmerge District and Ignalina District municipalities – were organised, during which interviews with 11 coordinators working in these municipalities and contributing to YEI and YGI implementation projects were conducted; 2) two on-line surveys of LLE and DYA YGI coordinators

were conducted, with a response rate above 90 %; 3) a focus group and several interviews with the representatives of national-level institutions – the MSSL, the LLE and the DYA – were conducted; and 4) an analysis of primary and secondary sources (statistical data, previous research, legalisation and other documents) was conducted.

The relevance of the YEI intervention logic

The main aim of the YEI implementation in Lithuania is to reduce the number of NEET youth aged 15-29. In 2014, according to Eurostat, 12.9 % of the youth below 30 years of age were not in employment or education. This amounted to more than 75,000 young people, out of which more than 40,000 were below 25 years of age. The proportion of NEET youth among young Lithuanians reached the peak of 17 % during the height of the economic crisis in 2010, but has been consistently declining since then. However, in 2014 this proportion was still greater than in 2008. Thus, the experience of the last decade in Lithuania indicates that the size of the NEET group is highly dependent on the general economic situation of the country: when the situation improves, the proportion of youth absent from work and education decreases; and vice versa.

When aiming to accelerate the decline of the number of NEET youth by political intervention, it is important to select the right direction where to invest limited resources. One strategy would be to work with the most disadvantaged young people (e.g. persons with disabilities or family responsibilities, those with addictions or persons who have completely lost their motivation, etc.) who have relatively low chances to independently find a job or start learning. Another option would be to try to prevent long-term unemployment by providing assistance as early as possible and especially to those persons who are relatively the most responsive to such help (e.g. persons who are motivated to work but who have a non-marketable profession).

The YEI intervention logic in Lithuania is a combination of the aforementioned approaches. On the one hand, efforts will be made to include the most disadvantaged young people based on the prediction that the majority of YEI project participants will be inactive or active but unprepared for the labour market NEET youth. On the other hand, YEI documents do not distinguish the most disadvantaged NEET youth subgroups and YEI projects do not include the necessary specific services for them. In addition, the duration of the planned services (3-4 months) will probably be too short to provide effective assistance for the most disadvantaged young people. Based on interview and survey results, YGI coordinators also do not consider such NEET youth to be their target group and think other programmes should be available for them. As a result, it is likely that YEI projects will mostly involve unemployed persons who have lost their motivation, but who do not face specific obstacles to employment.

The chosen intervention logic is considered as appropriate if there is a sufficient number of relatively less disadvantaged number of participants, and provided that among the YEI project participants there will be as few as possible youth who can potentially return to the labour market or education without the help of the state. However, in the long-term, the relevance of the selected logic for the achievement of the YEI goal to reduce the overall number of NEET youth in Lithuania may decrease because of socio-economic tendencies. As the economic situation improves, it will be easier for youth to find employment in Lithuania or abroad, and consequently, the proportion of persons who need intensive or exclusive assistance in the NEET group will increase. Therefore, to involve the planned

number of NEET youth in the YEI projects, it might be necessary to work with the most disadvantaged young people. In order to prepare for such a situation, the connection between YEI interventions and other programmes that are specifically aimed at the integration of persons who have specific obstacles for participation in the labour market and education should be strengthened. Such NEET youth should be directed to the programmes that are the most relevant for them so that they initially receive specialised help, with subsequent attempts to involve them in the YEI projects after they finish these specialised programmes.

**RECOMMENDATION
NO. 1**

To strengthen the connection between YEI interventions and other programmes in order to improve the integration of those persons who have specific obstacles for participation in the labour market:

- *to collect and provide LLE and DYA YGI coordinators with regularly updated information about the national, and especially the local municipal level measures available to vulnerable groups of young people.*
- *to oblige YGI coordinators to contact and to inform the local organisations carrying out such programmes about the opportunities for a young person to participate in the "Discover yourself" project after completing a specialized programme.*

Target groups and work with them

It is planned that 35,000 youth will be involved in the YEI primary intervention project "Discover Yourself" until 2018. This means that, based on the Eurostat data from 2014, every second to third NEET youth should participate in it. This is an ambitious objective given the fact that convincing NEET youth, and especially inactive ones, to participate in a project is usually a big challenge. Furthermore, according to the YGI coordinators, the actual number of inactive NEET youth in Lithuania is smaller than is indicated by the official statistics, as a part of these youth are working illegally or have emigrated.

Based on the calculated number of inactive NEET youth, the number of DYA YGI coordinators in each municipality and their workload was determined. DYA YGI coordinators in different municipalities will have to work with different amount of young people (from 80 to 340 over three years). With regard to the fact that a coordinator should work individually for up to 4 months with each inactive youth and, as indicated in the project application, for at least 8 hours a month, some coordinators would have to dedicate over 10,000 hours to work with the project participants. It significantly exceeds the overall number of work hours for the three project years. Meanwhile, as the DYE coordinators foresee a large number of "drop-outs", they plan to initially involve even more inactive NEET youth than is required by their employment contract to meet the set indicators. Due to their excessive workload, various negative effects could appear: the planned number of youth could not be involved or, in order to achieve the set indicators, more youth, who are able to find a job individually, could be involved ("the cream effect") or lower quality services could be provided.

The workload of the LLE YGI coordinators is the same throughout Lithuania: each of them will have to ensure the supervision 300 persons in total until 2018. The coordinators themselves consider such a workload to be appropriate. However, for some coordinators it might be more difficult to assemble planned number of participants than for others, as this depends on the number of

registered unemployed youth in the municipality, e.g. in one of the districts the number was only 125 in 2014. This problem might be accentuated because of a delayed start of the service provision (initially it was planned to launch the project “Discover Yourself” in autumn 2015) as the same amount of participants will have to be gathered in the shorter time.

RECOMMENDATION

NO. 2

To review and redistribute the established criteria for the number of participants during the project implementation based on operational experience:

- *the distribution between the LLE and the DYA;*
- *the distribution on a municipality level in the framework of both the LLE and DYA primary intervention programmes;*
- *the distribution in the LLE primary intervention programme during the project implementation (either to increase the groups supervised by the coordinators to 20-30 persons, or to provide services for a larger number of groups at the same time).*

The conditions for the implementation of the LLE primary intervention programme are relatively favourable, as the target group of this programme – unemployed NEET youth – are easily identifiable. Meanwhile it is a lot more difficult to find participants – inactive NEET youth – for the DYA primary intervention programme as a unified administrative system where such a status would be recorded does not exist. The DYA YGI coordinators will mostly rely on the help of social workers and other local institutions for the identification of potential project participants. Interviews and surveys have shown that various institutions are often unwilling to cooperate with DYA YGI coordinators, because of personal data protection aspects or not knowing why and how they should help. Finally, the DYA YGI coordinators have not yet established a contact with all institutions as a relatively small portion of the coordinators cooperate with the police or with foster care institutions. The youth above 16 years who live in the care institutions who are not in education or employment could be potential YEI “Discover Yourself” project’s participants. In addition, NEET youth who have been removed for half a year from the lists of unemployed persons in the territorial labour exchanges (TLE) could also be potential participants in the DYE primary intervention programme.

RECOMMENDATION

NO. 3

To increase the scope and the diversity of the search methods for inactive NEET youth:

- *to disseminate information about the project to all relevant institutions and to inform them about the activities of the DYA YGI coordinators in their municipality;*
- *to encourage the DYA YGI coordinators to cooperate with foster care institutions, the police, medical institutions, etc.;*
- *to oblige the LLE YGI coordinators and TLE consultants to inform a NEET youth who has been removed from a list of unemployed persons about the opportunity to participate in the DYA primary intervention programme;*
- *to enable an inactive NEET youth to independently contact a DYA YGI coordinators or to register as a potential project participant on-line.*

Compared to finding, the selection of the final project participants is likely to be a more challenging process for the LLE YGI coordinators, as in many municipalities the number of registered unemployed NEET youth significantly exceeds the allowable number of project participants. During interviews, the LLE YGI coordinators mentioned that they have not been given detailed selection criteria. The survey results have shown that some of the coordinators plan to focus on disadvantaged

and unmotivated youth; while others, on the contrary, will direct their attention towards those who are motivated and want to participate in the project. All in all, most of the LLE YGI coordinators plan to mainly focus on youth who lack social skills, are long-term unemployed and have no work experience. Under the current circumstances there are no priority selection criteria, thus there is a risk that different NEET youth groups will be selected to participate in the project "Discover Yourself" in different Lithuanian municipalities.

RECOMMENDATION

NO. 4

To oblige both TLE consultants and LLE coordinators to establish priority criteria and follow these criteria. It is recommended that different selection criteria are established for different project participant groups – for prepared and unprepared unemployed persons. The selection criteria should also encourage involving relatively disadvantaged young people in the project. Specific criteria for different target groups and application algorithms are provided in detail in the report text.

Convincing a young person to participate in the YEI projects, probably, will be the most difficult challenge. As many as 72 % of the LLE YGI coordinators and 42 % of the DYA YGI coordinators have identified the motivation of youth to participate in the project as the most difficult process they expect to face. The coordinators usually plan to motivate the youth by individually presenting the project services and their benefits, and by advertising other attractive project conditions, such as catering during the project, compensation for transportation expenses, and compulsory health insurance (CHI) for inactive NEET youth. Those coordinators, who have experience from the previous ESF project for inactive NEETs "Trust Yourself", also plan to motivate the youth by sharing the success stories from the participants in this project. However, a fifth of the coordinators had no experience of working with young people prior to the project "Discover Yourself".

RECOMMENDATION

NO. 5

To improve the capabilities of the LLE and DYA coordinators to motivate the NEET youth:

- *to enable and to provide incentives for experienced YGI coordinators to share their experience/examples of good/bad practices with less experienced coordinators, to create additional methodical guidelines;*
- *to use experiences from the ESF "Trust Yourself" project in the implementation of the YEI projects, e.g. to invite participants from the project to share their success stories.*

Services

YEI interventions are aimed at creating a more consistent and individualised assistance system for the NEET youth in Lithuania. The comprehensiveness of the assistance should be ensured by providing the necessary services as part of two closely connected projects: the primary intervention project "Discover Yourself" and the secondary intervention project "New Start". Only those who have previously participated in the "Discover yourself" project will be able to participate in the "New start" project. This will be done in order to ensure that each NEET youth has access to very diverse services ranging from the development of social skills to participating in one or even several active labour market policy measures, such as vocational training and subsidised employment.

Furthermore, the implementation of the YEI interventions will also strengthen the provision of individualised youth services in Lithuania. In the LLE primary intervention programme, the youth will be distributed into the following subgroups based on a test to identify their individual vocational skills, professional interests and personality traits: (1) persons oriented towards waged employment; (2) persons oriented towards the education system; and (3) persons oriented towards self-employment. In addition, the individual services of the DYA primary intervention programme will be adapted to the age of the inactive youth and their motivation to participate in the labour market or to return to the education system. In order to better meet the needs of the youth, the YEI project will additionally offer completely new services, such as mentorship, personal psychological consultations, etc. Finally, one more new aspect will be the large amount of attention dedicated to help a youth to establish a connection with potential employers or with relevant education institutions.

The YGI coordinators perceive the nature of the planned services as suitable; however, they have identified a risk that the demand of certain services might be smaller than expected. For example, the demand for self-employment among NEET youth could be low, because NEET youth usually do not have an initial financial capital which is necessary in order to start such an independent economic activity. A return to the education system might also be an unattractive option if the youth are only offered an option to return to the same educational institution from which they dropped out and alternative education institutions are not offered. Furthermore, youth, who have quit the education system, frequently prefer to work rather than to learn. Thus, it is likely that the services orientated towards waged employment will be the most popular. However, ensuring that youth, who have received such services, will be employed might be difficult because of the relatively small number of job offers in the regional municipalities.

RECOMMENDATION

NO. 6

To review and redistribute the established criteria for the number of participants during the project implementation based on the experience in the first months between the three subgroups of the LLE primary intervention programme: 1) orientation towards waged employment; 2) orientation towards the education system; and 3) orientation towards self-employment.

The majority of the services in the LLE primary intervention programme will be provided by service providers where services will be purchased by public procurement. During the evaluation, the public procurements were still in progress and therefore it was impossible to evaluate their results. However, a very significant risk to the quality of the future services is posed by the fact that the established qualification requirements for the service providers are not high and the submitted offers are evaluated based on the lowest price criterion. Another risk for the smooth service provision is posed by the fact that the LLE YGI coordinators lack information about the future cooperation and coordination of work with the service providers. During the interviews and the survey, the coordinators provided completely different interpretations of the distribution of functions between an LLE YGI coordinator and a service provider, e.g. who (the coordinators or the

service providers) would be responsible for finding employers who are willing to accept youth for a short-term practice, or for contacting an education institution regarding short-term visits.

RECOMMENDATION

NO. 7

To more clearly define the functions of the service providers and to strengthen control of the quality of the services they provide:

- *to define the areas of responsibility of the LLE YGI coordinators and the service providers more clearly and to inform both parties about this;*
- *to appoint the function of controlling the quality of the services provided by service providers to the LLE YGI coordinators and to establish relevant procedures;*
- *where public procurements are still going on, to very strictly monitor and evaluate the qualifications of the service provider. To increase the qualification requirements for service providers when procuring services in the future, as well as to evaluate the submitted proposals on the criterion of best value for money, taking into account the quality of services and the price.*

The primary intervention programmes coordinated by the LLE and the DYA are closely interrelated. Therefore, it is important that all the coordinators not only have a good knowledge of the programme they coordinate, but also have a sound knowledge of the services provided by their project partners and about the opportunities that may help the project participants to migrate between the programmes. Meanwhile, the results of the coordinator surveys show that the coordinators lack information both about the services that they, and (especially) their project partners, provide for NEET youth.

RECOMMENDATION

NO. 8

To provide the YGI coordinators with more information about the relationship between a DYA primary intervention and an LLE primary intervention programme and the secondary intervention project, especially about the opportunities for the participants to switch programmes / projects and about the conditions for such switching.

Partnerships

An important premise for the success of the YEI interventions is successful partnerships of two types. The first partnership is the cooperation between the LLE and the DYA – for both of which the mutual implementation of a project is a novel experience – and between the YGI coordinators at a local municipal level. During the interviews, all the coordinators said that they have made acquaintances with the other coordinators in their municipality and have declared a mutual commitment to cooperate; however, not all the coordinators perceived that cooperation to be sufficiently fluent. Several coordinators emphasised the differences between the target groups of the LLE and DYA programmes and the dissociation between the two institutions. In order to encourage cooperation between the LLE and the DYA YGI coordinators, there is a plan to invite the DYA YGI coordinators to the monthly meetings of the LLE YGI coordinators that are held in each TLE. The meetings of YGI implementation commissions that operate in the territorial labour exchange

departments could also serve this purpose; however, during the evaluation more than a half of the DYA YGI coordinators were unaware of such commissions.

The second important type of partnership is the active involvement of the social partners with the implementation of the YEI. The distribution of information about ongoing YEI projects on a local level by the national institutions and organisations who have signed the Cooperation Memorandum for the Implementation of the YGI to the members of the organisations they represent could help to identify potential participants.

RECOMMENDATION

NO. 9

To strengthen the network of YGI coordinators and social partners, and to intensify their cooperation at a local level:

- *to involve the DYA YGI coordinators in the YGI implementation commissions;*
- *to organise regular meetings with the DYA YGI coordinators on a district level and to invite important social partners to attend, e.g. social workers, and the Youth Affairs coordinators in the municipalities;*
- *to distribute an official letter to the YGI coordinators that defines their functions in the implementation of YEI interventions, which they could use when seeking to establish connections with relevant social partners;*
- *to employ the institutions and organisations who have signed the national Cooperation Memorandum for the Implementation of the Youth Guarantee Initiative, so that they will inform the actors in the field that they represent about the ongoing YEI projects and about the YGI coordinators. For example, the Ministry of Education and Science could encourage schools to cooperate with the project, and employers' associations could help to identify local employers who are willing to accept YEI project participants for traineeships, etc.*

Evaluation of the proposal quality

The initial result of the YEI interventions should be quality employment, learning, or work placement (traineeship) proposals for the NEET youth that participated in them. During a focus group discussion with the representatives of national-level institutions, three main conditions were identified that should be followed when evaluating the quality of the work proposals: 1) the situation of each NEET youth should be evaluated individually; 2) attitudes to quality evaluation should be coordinated (i.e. both the opinion of an external evaluator such as an YGI coordinator, and the opinion of the NEET youth should be taken into account); 3) it is important to consider both the *ex-ante* (before starting work) and *ex-post* (when a person has started working) evaluation. In order for these conditions to be followed, the desired work characteristics should be recorded in the personalised action plan (PAP) of each NEET youth, and later the quality of a work proposal should be evaluated based on the requests of the NEET youth provided in the PAP. The minimal (mandatory) and above-minimal (desirable) criteria for the quality of a work proposal are also worth establishing.

To identify the job quality preferences of the YEI participants in a personalised action plan, and subsequently to evaluate the quality of a submitted work offer to the specified preferences in accordance with the following criteria:

- *the main criteria for the evaluation of the quality of an offer is the work suitability (work that corresponds to the person's vocational training, current work experience, health condition);*
- *additional criteria for the evaluation of the quality of an offer: 1) duration of the contract (fixed, open-ended); 2) the type of contract (voluntary/non-voluntary part-time/full-time work); and 3) to what extent is the option to work part time voluntary;*
- *additional criteria for the evaluation of an above-minimal work offer quality and the quality of the workplace: (1) career opportunities and work guarantees; 2) the protection of the employees' health and safety; 3) investments in the improvement of employees' competences; and 4) ability to reconcile work and personal life and work sustainability.*