



## **WP 1. Active Employment and Training Policies: Synthesis Report**

**Based on Partners' National Reports:  
CZ, SP, LV, PT and UK**

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### **Abstract**

Labour markets in Europe are still strongly affected by the economic recession and delayed recovery, particularly in some countries. In this context, employability and activation measures have been top priorities in employment policies.

Employability generally refers to a person's capability for gaining and maintaining employment. At the European policy level, this concept was set out as one of the four pillars of the European Employment Strategy, first adopted by the Member States in 1997. In the Lisbon Strategy 2000–2010 and the Europe 2020 strategy for growth and jobs, higher employability is seen as a precondition to achieve the targets for an increased employment rate.

In this context, a set of diversified labour market policies (LMP) is in place including three types of interventions: LMP measures or activation measures, LMP services and LMP supports. This project is mainly focused on active labour market policies (ALMPs), particularly those contributing to a greater relationship between VET systems and qualifications (supply) and labour market needs (demand) and currently implemented in each partners' country (CZ, SP, LV, PT and UK).

Facing a growing unemployment level, active labour market policies has been increasingly targeted to long-term unemployed and young people, improving employability and supporting access to jobs or return to labour market. However the partners' countries show considerable differences in unemployment rates, being particularly high in Spain (25%) while in Czech Republic and UK unemployment rates are far from these values (7% and 8% annual average 2011 and 2012, respectively).

At the same time young people have been particularly hit by unemployment. In all countries, youth unemployment rates (15-24 years old) are generally twice the unemployment rates (15-64) and have been worsening since 2007. In 2012, half of the young people aged 15 to 24 years old were unemployed in Spain. Portugal has the second highest youth unemployment rate in 2012: almost 38%. Even Czech Republic and UK, which have the lowest unemployment rates, 1/5 of the young people had no job.

An increasing proportion of GDP has been dedicated to LMP measures (categories 1-9). In EU27 public expenditure on activation measures (categories 2-7) represented ¼ of



the total public expenditure in LMP, as a percentage of GDP. Spain and Portugal have the largest proportions of GDP allocated to activation measures.

In general employment incentives have the highest number of participants. In Spain it represented almost 70% of the total number of participants in activation measures in 2010. In UK it amounted to 56% (2009) and in Portugal to 44% (2010).

Training is the second most participative measure in EU27, having also the highest proportion of GDP allocation at European level and in each country. In Portugal, Spain and Latvia the number of participants in training measures augmented considerably from 2007 to 2010. Portugal shows the highest proportion of participants in activation measures enrolled in training - 41% in 2010.

Participants in direct job creation increased in all countries between 2007 and 2010, especially in Latvia and Czech Republic, and participation in start up incentives also augmented. Nevertheless these measures still represent a small percentage of participants in the overall activation measures.

Reviewing currently implemented ALM measures partners' countries, common orientations arise and particular challenges are expected to be met. Initial education and vocational training, continuous skills improvement and retraining have been major concerns in activation measures, aiming to facilitate transitions, especially from education or unemployment to employment. However transitions within the labour market to meet new job requirements seem to be less represented as well as job rotation and job sharing measures. Also job creation and business start-up incentives are in place to tap the job potential in new and fast growing economic activities or in socially useful activities. Within a wide variety of measures and a diverse set of beneficiaries, particular measures have been combined and targeted to the most difficult situations and vulnerable groups.

Further requirements in labour markets interventions seem to involve better matching labour demand and supply, make vocational guidance and career management services more efficient and innovative, reduce LM segmentation and unequal opportunities, by providing well targeted interventions, and support mobility.

Improve employability and job prospects in the current economic context is however a difficult task. Employability involves individuals' knowledge, skills and attitudes but also labour market rules and institutions. The concept incorporates the dual aspects of labour supply and demand ('duality of employability'). Current labour market contextual factors, especially severe economic conditions and rapid structural change can and do have a significant impact on the likelihood of an individual getting or securing a job regardless of their skills, credentials and social status.

In project's next stages, selected key initiatives for employability in each country are being evaluated according to the Social ROI methodology. A special attention will be given to what extent these initiatives provided relevant and better employability skills to their beneficiaries.