



The European Union  
for Georgia  
EU4Youth



## **Good practices of youth employment, labour market and entrepreneurship based on the experiences of Poland, Estonia and the UK**

**EU4Youth - Enhancing Youth Education, Employment and Participation in Conflict-affected Areas in Georgia and Ukraine**



**Mariupol  
Youth Union**





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for Georgia  
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The project is implemented by the Danish Refugee Council in Georgia and Ukraine in cooperation with Education Development and Employment Centre and Mariupol Youth Union between 2018-2020.

Overall Goal of the project is to enhance the livelihoods of internally displaced and conflict-affected youth and foster their meaningful participation in society

"This publication has been produced with the assistance of the European Union. Its contents are the sole responsibility of the author and do not necessarily reflect the views of the European Union."

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## Abbreviations

ALMP	Active labour market programme
BA	Bachelor's Degree
EaP	Eastern Partnership
EPL	Employment Protection Legislation
ETF	European Training Foundation
EU	European Union
GDP	Gross domestic product
HE	Higher Educational Institution
IDP	Internally Displaced Person
ISCED	International Standard Classification of Education
LLL	Life Long Learning
LM	Labour Market
LMIS	Labour market information system
ILO	International Labour Organization
LMP	Labour Market Policy
MA	Master's Degree
NCS	National Career Service
NEET	Not in Education, Employment or Training
NGO	Non-governmental organisation
NRC	National Career Service
NVQ	National Vocational Qualification
OECD	Organization for Economic Cooperation and Development
PES	Public employment services
PhD	Doctor of Philosophy
PPP	Public-Private Partnership
PwD	People with Disabilities
SME	Small and medium-sized enterprise
SSC	Sector Skills Council
STW	School to Work Transition
UN	United Nations
UNDP	United Nations Development Programme
VET	Vocational education and training
WBL	Work-based learning
YGIP	Guarantee and Youth Employment Policy
VET	Vocational Education and Training
YGIP	Youth Guarantee Implementation Plan

## Executive Summary

This report has been prepared for the EU-supported project “EU4Youth: Enhancing Youth Education, Employment and Participation in Conflict-affected Areas in Georgia and Ukraine” implemented by the Danish Refugee Council. The aim of the research is to identify the best practices of youth employment and entrepreneurship in three European Union member countries – Estonia, Poland and the United Kingdom (UK) that are applicable for replication in Georgia and Ukraine where youth unemployment is a significant challenge. The report proposes two broad policy directions, addressing key challenges for both supply and demand, although the focus is on the supply side.

Estonia and Poland were selected among the new EU Member States as they have a post-Soviet background similar to Georgia and Ukraine and have made good progress in youth employment. For Poland and Estonia, the importance of EU initiatives is acknowledged, but policy actors at the national level are active in planning and testing different country-specific policy choices. For the UK, the role of EU employment initiatives is not so important since it is less reliant on EU funding and has well-developed public employment services. The UK is a “provider” of policy solutions that can be transferred to the EU level and duplicated across Member States.

The situational analysis of Georgia and Ukraine included a combination of a desk research analysis and qualitative interviews with key stakeholders. Desk research involved an analysis of legal and strategic documents, as well as various reports on youth employment and entrepreneurship measures in Georgia and Ukraine. A total of 20 interviews were carried out with key stakeholders in Georgia and Ukraine.

These analyses highlighted challenges such as the lack of permanent and temporary jobs for youth, and underdeveloped youth entrepreneurship. There is room to continue rethinking youth employment policy more broadly, and to clarify the roles and responsibilities of various stakeholders, including government, social partners, local governments, civil society and providers. A skills mismatch shows that developing expertise according to the Labour Market (LM) needs improvement. Although some good examples exist, there are limited opportunities for young people to gain work experience. Work-Based-Learning (WBL) opportunities are limited, as are internships, traineeships, volunteering, and piloting self-employment and entrepreneurship initiatives. Youth need support for making informed career decisions with guidance opportunities. The activity rate of youth is lower in Georgia than in Ukraine. Similarly, the transition period from education to employment is longer for youth in Georgia and among females and people with low qualifications in Ukraine. Active Labour Market Policy (ALMP) services require improvement and expansion, especially in Georgia, with more public awareness; youth programmes do not fully take into account the diversity of youth with different needs, especially young people who are out of school, not in training and unemployed (NEETs). Youth support services are not always personalised or youth- friendly.

Best practices related to employment and entrepreneurship analysed in Estonia, Poland and the UK covered youth regulatory policy and governance, skills development approaches, School to Work transition (STW), Active Labour Market (ALM) policies and youth entrepreneurship opportunities. The analyses of best practices in Estonia, Poland and Ukraine show many similarities in terms of youth employment and entrepreneurship support. The quality of skills development can be considered as a protection against unemployment, as the services can prevent youth from leaving education or provide a second chance for education. Another important factor is a wide variety of LM services that are youth-friendly and personalised to support job searching. All of these countries have effective measures to improve the work experience of youth. For example, the Youth Work planned apprenticeships and youth-oriented policies based on leading EU youth employment initiatives, such as Youth Guarantee and Youth Employment Policy (YGI). Well-developed career counselling services within schools and outside of school are very important for making informed career advancement decisions. All three countries have increased their spending on Active Labour Market Policy, and the UK even has youth-focused ALMP. An integrated approach to entrepreneurship including the development of skills, improved access to information and to capital, contributes to youth entrepreneurship and self-employment.

This paper discussed 5 types of School to Work Transition (STW) regimes of youth in Europe 1 identified by Pohl and Walther:

1. Universalistic that is a fast & stable transition; The relationship between education and the labour market is collinear, where employers playing a role in indicating and delivering training;
2. Employment-centred – that is a variable, but fast & stable transition for countries with good apprenticeship systems or VET take-up. This regime has a standardised education systems, well-developed apprenticeship and national certification systems
3. Liberal, that is a fast but unstable transition with a high incidence of low-quality employment and a skills mismatch; It has a comprehensive education system, high flexibility and fragmentation in post-compulsory education. VET delivery is not standardised.
4. Mediterranean/Sub-protective – a lengthy & uncertain transition with a high level of temporary employment and a skills mismatch; This regime has a comprehensive education system with a low status & take-up of VET and a high level of early school leaving.
5. Transitional/post-socialist - a variable length & stability transition with a high incidence of temporary/low-quality employment and a skills mismatch; a weak link between education & labour market systems, predominance of general education and a low prominence of VET.

The UK belongs to the Liberal STW transition regime while Estonia and Ukraine to the transitional/post socialist regime. Analysis has shown that Georgia and Ukraine also have characteristics that are more common for the transitional/post socialist regime than the other regimes.

This report contains recommendations for Georgia and Ukraine based on international best practices. Regarding the demand side, it is important to support job-rich growth and development with new and better jobs for youth. International experience shows that a lack of jobs for young people can be compensated by youth entrepreneurship. It is essential to support innovation and youth entrepreneurship to make up for a lack of job opportunities.

Faced with high levels of youth unemployment, entrepreneurship can bring important benefits. Nearly 15.5% of people working in the EU are self-employed, while the self-employment rate for youth is only 4%<sup>2</sup>. International experience shows how good practices address the labour market risks faced by youth in the earliest stages. Results are better if these interventions are complemented with preventive measures such as fostering entrepreneurship, work-based learning opportunities and early career guidance.

The report contains recommendations for the supply side that cover the entire process, starting from skills anticipation to certification. It is important to address skills development and its relevance to labour market needs in coordination with employers. Further reforms to VET should improve a linkage between education and the labour market to address skills mismatch. Work experience is a key element for successful transition, as is VET. Indeed, the education sector should provide work experience through WBL, dual VET education, partnerships and internship opportunities. Providing career guidance and better targeting the Active Labour Market Policy will strengthen the framework for supporting the transition to work. Both Georgia and Ukraine should take into account international experiences such as increased budgets (like in Poland) and the focus on youth (such as the UK), using monitoring and evaluation mechanisms based on clear indicators. This will make ALMP more effective against unemployment. Public employment services should be strengthened to facilitate access to jobs by youth-particularly the most vulnerable, NEET, new entrants and those who have a low level of education or work-related experience.

Youth transition is crosscutting and requires the engagement of different stakeholders such as government institutions responsible for youth, the education sector, employment, entrepreneurship and social inclusion, non-governmental organisations (NGOs) and international actors. In particular, young people must be involved systematically in the decision-making processes that will define and implement specific policies for young people.

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<sup>1</sup> Assessing the Performance of School-to-Work Transition Regimes in the EU, The Institute for the Study of Labor (IZA), 2016

<sup>2</sup> OECD employment outlook, 2019 for 28 countries



# Chapter 1. Introduction

## 1.1. Background Information

Young people are a vulnerable group in the labour market. Although youth unemployment has decreased – from 24% to less than 15% during 2013-2019 – it is still high in European Union (EU), with peaks of over 30% in several countries (Spain 32.6%, Italy 33%)<sup>3</sup>. Over 3.3 million young people (aged 15-24 years) are unemployed in 2019 in the EU. In 2018, over 5.5 million young people (aged 15-24 years) were neither in employment nor in education or training (NEETs).

Youth unemployment rates are very high compared to overall averages. This stems from the difficulties of entering the labour market. Barriers include the shortage of job opportunities, skills mismatches, a lack of work experience, lacunae in basic skills and knowledge, poor support for entering the labour market and poorly developed public employment services that are needed to provide tailored services to young people, particularly the most vulnerable. Other factors affecting youth employment are socio-economic backgrounds, such as low-income households; gender (young men have better labour market indicators than women); levels of education--the lower the level of education, the higher the chance of unemployment or inactivity (Ganta & Shamchiyeva, 2016; Libanova et al., 2016); geographic location - rural areas offer fewer chances; disabilities – few jobs provide accessible work; IDPs and refugees often lack equal opportunities.

Youth unemployment is an essential indicator for both social and economic dimensions. Rising unemployment results in a loss of income for individuals and increases pressure on social benefits. From an economic perspective, unemployment is an idle labour capacity. Therefore, government spending is higher while tax revenue is lower. Longer transitions to the labour market can have a negative impact on young people's daily lives, income and health. Without a job and social protection, more young people remain dependent on their families for a longer time and are more likely to slip into poverty<sup>4</sup>.

The primary strategic document for addressing youth unemployment in the EU is the European Employment Strategy (EES, 1997) which defines common objectives and targets for employment policy within the EU member states. The EES is also a part of the Europe 2020 Strategy for education and employment, which gives special attention to youth unemployment. For example, the proportion of early school leavers compared to the total number of pupils should be under 10%, and at least 40% of the younger generation should have a tertiary degree (European Commission, 2010a).

The major EU interventions supporting youth employment are:

1. Youth Guarantee (YG)– a program that was started in 2013 offers NEET people under the age of 25 years a place of education, training or employment within four months of leaving formal education or being out of work.
2. The Youth Employment Initiative (YEI) is the primary EU financial resource that supports the implementation of Youth Guarantee Schemes (UGS). It was launched to provide support to young people living in regions where youth unemployment was higher than 25% in 2012. It was topped up in 2017 for regions with youth unemployment higher than 25% in 2016. It funds the provision of apprenticeships, traineeships, job placements and further education leading to a qualification.
3. A Quality Framework for Traineeships that offers guidelines for traineeships outside formal education to provide high quality learning content and proper working conditions
4. A European Framework for Quality and Effective Apprenticeships sets out common criteria to improve the quality and effectiveness of apprenticeships. In an apprenticeship, students share time between learning in school and training in a company. Students have a contract with the company and get paid for their work. After apprenticeship students get recognised diploma and qualification.
5. EURES job is a European Job Mobility Network created by the European Commission in 1993. EURES is designed to facilitate the free movement of workers within the EU. Employees have the option of looking for a job, employers can advertise vacancies on the EURES-website.

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<sup>3</sup> Employment, Social Affairs & Inclusion, European commission.2019

<sup>4</sup> Framework of Actions of Youth employment, 2013. UEAPME

6. Supported youth entrepreneurship through various measures to develop entrepreneurial skills and self-employment opportunities for youth. Among them are training, coaching and mentoring for youth entrepreneurs, providing targeted financial support, develop entrepreneurial networks in supporting entrepreneurship as sources of motivation, information, business partners etc.

Many countries have introduced one of these interventions together with the structural reforms of Vocational Education and Training (VET) and activation policies - which have the potential to significantly contribute to the effectiveness of School to Work Transition (STW) regimes. There is increased focus on targeting and diversifying youth transition policies.

The Organisation for Economic Co-operation and Development (OECD)<sup>5</sup> identifies priority groups of youth:

1. The youth Not in Education, Employment or Training (NEET) who face problems in transitioning education to the workplace. They are at high risk of drifting into long-term unemployment, inactivity and social exclusion (OECD, 2010a). There has been an increased focus on targeting NEETs through either training and education or activation measures, rehabilitation programs, more integrated services and outreach activities to identify, register and (re)engage NEETs.

2. The “poorly integrated new entrants” - young people with diplomas but with difficulties in getting stable employment. Providing clearer pathways into employment, working with employers to create more jobs for youth or take part in work-based learning can help to address this problem.

3. Good performers - university graduates who have high qualifications and should not have problems in finding a job. They may not have a job that matches their qualifications or leave their region to find better employment. Broader skills and economic development strategies can address the mismatch for this group.

Pohl and Walther identified 5 types of School to Work Transition (STW) regimes in Europe<sup>6</sup> given in Table 1. (For comprehensive information see Annex 1).

**Table 1. School to Work Transition regimes in Europe**

	Youth transition regime	Description	Country Examples
1.	Universalistic	Fast & stable transition; The linkage between education and the labour market is collinear, with employers increasingly playing a role in specifying and delivering training. The education system is inclusive, strong post-compulsory routes into general and vocational education.	Sweden Denmark Norway
2.	Employment-centred	variable, but fast & stable transition for countries with good apprenticeship systems or VET take-up. This regime has a standardised education systems, well-developed apprenticeship and national certification systems.	German Netherlands Belgium
3.	Liberal	Fast but unstable transition with a high incidence of low-quality employment and a skills mismatch; It has a comprehensive education system, high flexibility and fragmentation in post-compulsory education. VET delivery is not standardised.	UK Ireland
4.	Mediterranean/Sub-protective	Lengthy & uncertain transition with a high level of temporary employment and a skills mismatch; This regime has a comprehensive education system with a low status & take-up of VET and a high level of early school leaving.	Italy Portugal Cyprus
5.	Transitional/post-socialist	Variable length & stability transition with a high incidence of temporary/low-quality employment and a skills mismatch; It has a comprehensive education systems, predominance of general education, a low prominence of VET (school- company-based) and a weak link between education & labour market systems.	Poland Lithuania Latvia Bulgaria

<sup>5</sup> Local Strategies for Youth Employment, Learning from Practice, OECD 2013

<sup>6</sup> Assessing the Performance of School-to-Work Transition Regimes in the EU, The Institute for the Study of Labor (IZA), 2016

The transition of young people from education to labour market is a complex issue closely related to national differences, institutional factors, the broader macroeconomic environment and availability of fiscal resources. Therefore, there is no single policy that can be transferred from one country to another without adaptation to the national context; However, sharing best practice is important because these practices have been shown promising results through research and experience. The best practices may provide a general framework that can be included in a model relevant to the specific country needs.

## **1.2. The Aim of the Research and a Research Methodology**

The goal of the research is to identify the best practices of youth employment and entrepreneurship in Estonia, Poland and the UK relevant for reproduction in Georgia and Ukraine.

The aim of the research is to examine:

1. The challenges and achievements in Georgia and Ukraine in terms of youth employment and entrepreneurship;
2. The lessons learnt in youth employment, labour market and income generation, at national and local levels;
3. The coordination and communication mechanisms between relevant stakeholders, including employment services, educational institutions, civil society organisations and business for the elaboration and implementation of successful youth employment and entrepreneurship schemes;
4. The relevance of European youth employment and entrepreneurship schemes of selected EU countries to Georgian and Ukrainian context and elaborate recommendations.

## **Methodology**

The method used in preparing this report was a combination of desk research, and interviews with the representatives of the main stakeholders. The desk research included an analysis of the legal, strategic documents, various reports regarding youth employment and entrepreneurship measures in Georgia and Ukraine and three EU countries - Estonia, Poland and the UK.

In Georgia and Ukraine, the desk research was carried out according to this scheme: country general context, education attainment, youth labour market situation, youth employment support systems and programs, entrepreneurship. In EU countries best practices related to employment and entrepreneurship were analysed, such as youth regulatory policy and governance, skills development approach, School to Work Transition (STW) and Active labour Market (ALM) policies, youth entrepreneurship opportunities.

In a total 20 interviews were carried out with the main stakeholders. 15 Interviews were carried out in Georgia with the representatives of: The Ministry of IDPs from the Occupied Territories, Health and Social Affairs of Georgia, the Ministry of Education, Science, Culture and Sport, LEPL Social Service Agency, Employment support services, the Ministry of Economy and Sustainable development of Georgia, Vocational Education and Training (VET) colleges, NGOs implementing non formal education. 5 Interviews were carried out with the following respondents in Ukraine: The Ministry of Youth and Sports, the Ministry of Temporary Occupied Territories and IDPs, the State Employment Service, Donetsk Regional Administration. In-depth Interviews were transcribed and analysed by the content analysis.

## **1.3. Limitations of the Report**

As some definitions and methodologies of data collection in the areas of employment, education and training varies between the countries analysed in the report, it was sometimes difficult to make a comparison of compatible indicators. Another limitation of the report is that the report is not based on the extensive analysis of the primary data collected from the various stakeholders including youth in Georgia and Ukraine. Youth employment and entrepreneurship is a broad issue and therefore the report contains a comprehensive analysis of only selected issues, such as development of skills, school to work transition policy, Active Labour Market Policy (ALMP) while it covers only basic contextual issues. Similarly, the Report does not contain a comprehensive comparative analysis of effectiveness of policy instruments across 3 EU countries but it is focused on the best practices.

## 1.4. Organization of the Report

The report comprises six sections: an executive summary, that briefly summarises the whole research with the main findings, conclusions and the recommendations. The first chapter consists of four sub-chapters: background information about the youth employment and entrepreneurial support initiatives in EU together with statistical information; the research aims and a methodology together with data collection and analysis; the main limitations and organisation of the report. The second chapter is a situation analysis in Georgia and Ukraine that unifies three sub-chapters: desk research analysis of Georgia and Ukraine, interviews with the main stakeholders in both countries and the conclusions with the main challenges and achievements. The third chapter covers the discussion of the best practices in Estonia, Poland and UK and the main lessons learned. The last chapter comprises recommendations for Georgia and Ukraine for improving youth employment and entrepreneurship schemes. The report is Annexed with some supplementary information, such as a school to work transition regimes in Europe, major policy documents and legal acts in Georgia and Ukraine, summary of interviews with the main stakeholders in Georgia and Ukraine.

## Chapter 2. Situational Analysis of Georgia and Ukraine

### 2.1. Desk Research Analysis

Table 2. Georgia and Ukraine at a glance

Parameter	Georgia	Year	Ukraine	Year
Population size (million)	3,729,600	2018	42,220,824	2017
Growth rate	-0.07	2019	-0.49	2019
Youth	17.6	2019	9.9%	2017
GDP per capita	4 505.76	2018	2991.63	2018
Real GDP grow rate	4.5	2018	3.09	2018
Inflation (%)	3.6	2018	8.8	2018
Population under Poverty line	21.9	2017	24.1	2017
Employment rate	56.7	2017	66.1	2019
Unemployment rate	12.7	2018	9.5	2018
Unemployment of youth (15-24)	26.6	2018	19.6	2017
Self-employment	49.2	2018	15.7	2017
NEET	26.9	2018	16.5	2017
Literacy rate (% of population)	99.6	2018	99.8	2015
Global Innovation index	35.0	2018	38.5	2018

Georgia and Ukraine as the Eastern Partnership (EaP) countries have been undergoing a transition process started about 20 years ago which has brought significant economic and social changes. Both are lower-middle-income countries.<sup>7</sup> They were affected by a global recession in 2008-2009, the regional slowdown in 2014 as well as conflicts with Russia. Georgia has recovered since then, with the growth of close to 5% per year and Ukraine with GDP growth by 2.5% in 2017 and 3.09 in 2018. In 2018 Georgia was ranked the 6 among 190 economies in the ease of doing business and Ukraine in 76th place<sup>8</sup>. Despite the economic recovery, poverty is still a challenge. General poverty is 21.9% in Georgia and in Ukraine 24.1%<sup>9</sup>.

**Demographic trends** – Georgia and Ukraine are aging countries, characterised by a natural decrease in population combined with adverse age structure and high migration<sup>10</sup>. The population of Georgia is 3,729,600 (2018). It is 15% less than the results of the previous census in 2002. Population in Ukraine was 42,2 million in 2017, which is approximately 3.5 million less than in 2012<sup>11</sup>. The young population is also declining. Young population (15-29) is now about 11.6 % in Georgia and 9.9% in Ukraine (2017). One of the reasons for this reduction is considered to be emigration, that is more widespread in Georgia. In 2018

<sup>7</sup> Country Income Groups (World Bank Classification, World bank 2019)

<sup>8</sup> World Bank Group, Doing business 2018.

<sup>9</sup> World Bank, Ukraine Economic Update, April 2018.

<sup>10</sup> Georgia has 746 000 emigrants abroad, representing 16% of its population (World Bank, 2016, data for 2013)

<sup>11</sup> United Nations, 2017

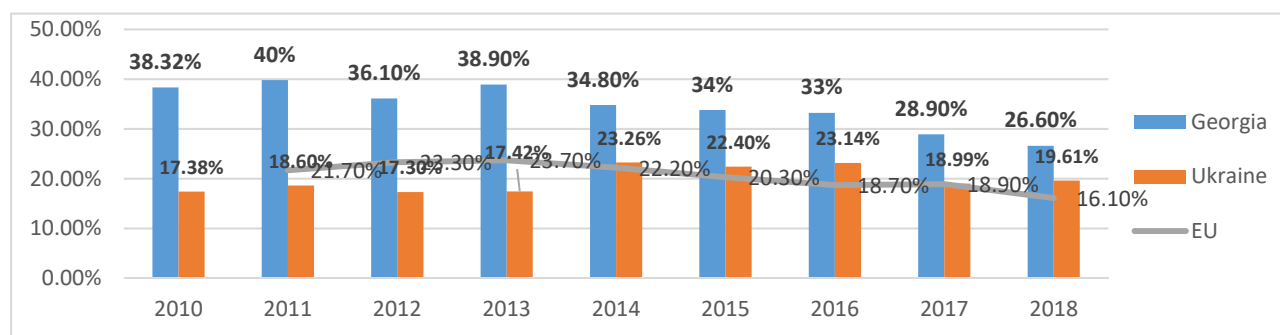
the net migration in Georgia was -1.1 migrants/1,000 population (Geostat, 2018) and in Ukraine -0.49 migrants/1,000 population (Worldometers, 2019).

**Internally Displaced persons (IDPs)-** Conflicts in Abkhazia and South Ossetia during the 1990s have caused around 300,000 people to become internally displaced in Georgia. Later, as a result of the 2008 August War between Georgia and Russia, 17,000 people had to flee from their homes. Nowadays, there are 282,848 IDPs registered<sup>12</sup> in Georgia who is largely concentrated in Samegrelo and Imereti regions as well as in Capital city Tbilisi. Over a million Ukrainians have been displaced during the conflict in the Donbas region. 1,522,743 internally displaced persons (IDPs) from Donbas and Crimea were registered in Ukraine in October 2018; The number of IDPs was 1.63 million people in 2017<sup>13</sup>.

### 2.1.1. Youth Labour Market Situation

The youth unemployment rate has declined in Georgia by 11.7% since 2010 and increased by 1.28% in Ukraine (see Graph 1); currently, the unemployment rate of youth is higher compared to EU average rate, especially in Georgia. The EU data in the graphs are presented as benchmarking information.

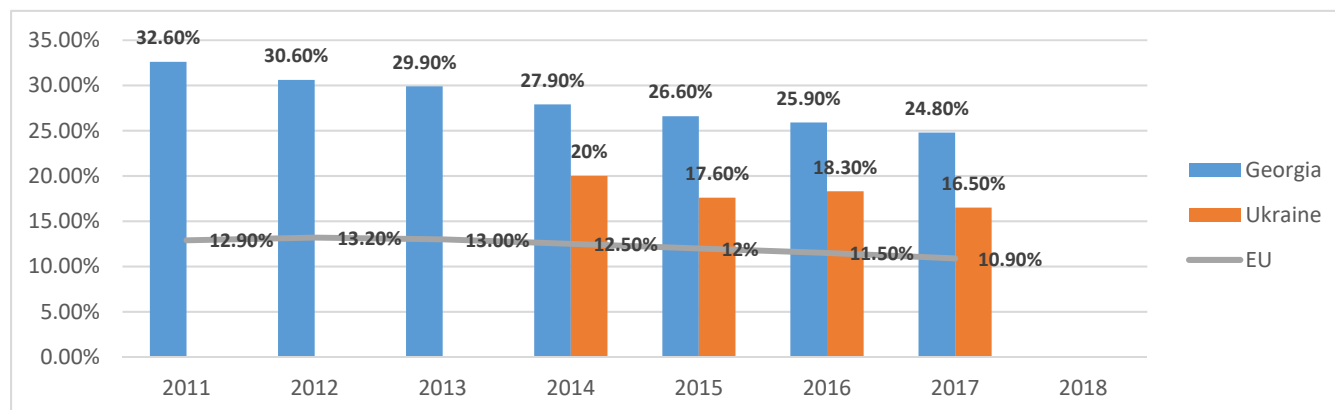
**Graph 1. The unemployment rate of Youth by age group 15-24 in Georgia, Ukraine and EU**



Sources: National Statistical Offices, Eurostat, ILOSTAT

The NEET rate is 24.8% in Georgia (2017) and 16.5% in Ukraine (see Graph 2); NEET is at higher risk of being socially and economically excluded and so are more likely to become vulnerable in the long term. The NEET rate is high in both countries compared to EU, though it is much higher in Georgia than in Ukraine.

**Graph 2. The NEET rate of Youth by age group 15-24 in Georgia, Ukraine and EU**



Sources: National Statistical Offices, Eurostat, ILOSTAT

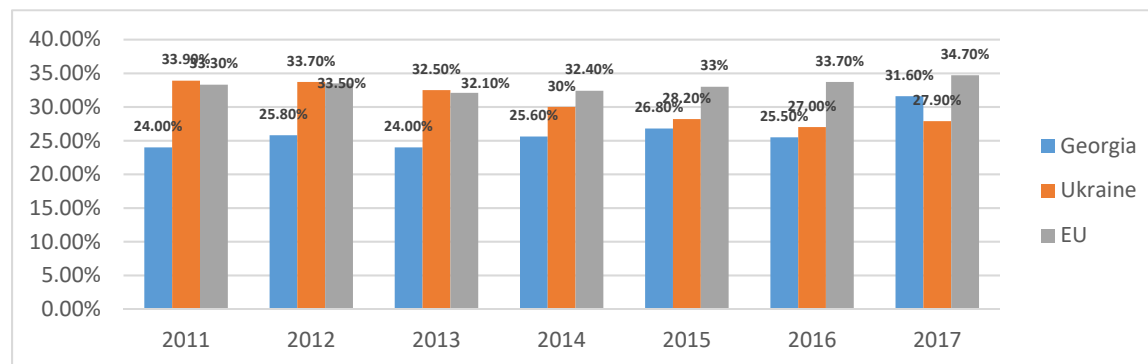
<sup>12</sup> Ministry of IDPs from the Occupied Territories, Labour, Health and Social Affairs of Georgia, January 2019

<sup>13</sup> The Ministry of Social Policy of Ukraine, 2018

The activity rate of youth aged 15-24 is below 40% in both countries (Georgia 38.05% and Ukraine 34.5%). The gender disparity is remarkable in Georgia. Among 15-24-year age group male 50.2% and female, 25.9% are economically active while in Ukraine 38.9 and 31% respectively.

The employment rate is higher in Georgia than in Ukraine but it is still behind compared to the EU average (see Graph 3).

**Graph 3. The Employment rate of Youth by age group 15-24 in Georgia, Ukraine and EU**



Sources: National Statistical Offices, Eurostat, ILOSTAT

In Georgia, the majority of young people has regular jobs and contracts; however, a tracer study of the VET graduates in 2015 showed that 32% of the graduates did not have a written contract (ETF, 2018). There is no evidence that insecure employment is found more among the younger than the older people in Ukraine. Though, more than a fifth of workers are employed in informal employment, have a low-paid job, poor working conditions, unstable employment, and a lack of training opportunities (ETF, 2018).

The analysis based on the 13 years of Integrated Household Surveys over 2004-2016 in Georgia shows that IDPs are 3.9 - 11.2 % less likely to be in the labour force, depending on the period and duration of IDP status. IDPs are also up to 11.6 % points more likely to be unemployed, sometimes even after 20 years of forced displacement. IDPs residing in a locality for more than 5 years receive persistently lower wages than residents with similar characteristics, with the gap widening over time, reaching some 16% in the last period under analysis<sup>14</sup>. Research shows that IDPs have higher inactivity rate than the total population in Ukraine. The most prevalent reasons for not registering with the State Employment Service among IDPs are that it offers low-paid jobs and a limited number of vacancies; the most popular methods of job search are personal connections, responding to job ads published in the media, on the street and the Internet, etc. The sectors where IDPs are employed (retail trade, repair of motor vehicles and motorcycles, construction and other service activities) are known for informality, job insecurity and seasonal character of jobs. The majority of the unemployed IDPs are women (68%), aged under 45 years (74%), holders of a college (22.3%) or university diploma (46.3%), with employment experience before displacement (81.8%), and active users of computer and the Internet<sup>15</sup>.

The Georgian labour market features some structural problems: limited job creation; high share of self-employment (51.7%, 2017) especially in agriculture (43%); a high level of urban unemployment (19.3% in Urban vs 5.8% in rural, 2018). Ukraine's labour market has challenges as ageing labour force, low internal labour mobility, high informal employment (22%, 2017) especially in agriculture (42.1%, 2017) high levels of over-qualification, a low level of youth activity (rate 64.6% in 2012 to 62.0% in 2017)<sup>16</sup>.

### Reasons for unemployment and related factors

- **Lack of jobs** - In both countries jobless economic development has a negative influence on youth employment. In Georgia, the growth elasticity between 2005-2015 was 5%. Worldwide, the growth elasticity of jobs is 34 percent, meaning that for each percent of GDP growth, employment grows by 0.34

<sup>14</sup> Torosyan, K., Pignatti, N & Obrizan, M (2018). Job Market Outcomes of IDPs: The Case of Georgia,

<sup>15</sup> Employment needs assessment and employability of internally displaced persons in Ukraine: Summary of survey findings and recommendations, ILO, 2016

<sup>16</sup> Ukraine, education, training and employment developments. 2018. ETF UKRAINE

percent. For the Western Balkan countries this elasticity was 16% for 2000-2010, and for EU-CEE countries it was 32 % for the same period<sup>17</sup>. There is a shortage of evidence that the improvement in the business environment is supported by job creation (World Bank 2017). Job destruction far exceeded job creation, so many people try to find their employment in the informal economy. Job creation occurs predominantly in the informal sector and low-productivity sectors in Ukraine (less knowledge-intensive services and medium or low-technology sectors with pollution externalities)<sup>18</sup>. The development of the small- and medium-sized (SMEs) enterprises is rather slow in Ukraine. Most SMEs continue to operate in low value-added sectors of the economy, in retail trade and agriculture, that has a limited contribution to employment (OECD et al., 2015).

- **Skills mismatch** -In Georgia, 66% of respondents have work-relevant qualifications, about 29% is over-educated and 4% undereducated in Georgia<sup>19</sup>. A lack of adequate skills was an obstacle to doing business for 10% of firms<sup>20</sup>. According to the Tracer Study, about 60% of the VET graduates in 2017 are employed (51% in 2014, tracer study). The skills mismatch is evident in the case of youth, who seem to be over-qualified and under-skilled. In Georgia, there is a remarkable mismatch for high educational qualifications. It is related to a slowly evolving economic structure that is dominated by agriculture and low productivity sector activities.

In Ukraine 37.2% of young workers were working in mismatched occupations, 31.7% were over-educated and 5.5% under-educated (ILO, 2015)<sup>21</sup>. Less than 40% of higher education graduates find jobs in the field they have been taught. The demand is low for highly qualified workers; almost 40% of employees perform mainly manual work. About only 30 % of blue-collar workers<sup>22</sup> have been provided with skills upgrading. Occupational segregation by gender is high. Enterprises do not trust much the education system qualifications and spend more than USD 1 billion on the additional training<sup>23</sup>. Currently, there are 340 700 registered unemployed persons in Ukraine, and 100 000 vacancies; a load of registered unemployed per vacancy was three (State Statistics Service of Ukraine, 2019).

- **Lack of support during the transition from an education system to the labour market.**

In both countries the skills of competent job search, negotiating with employers are often absent; youth is insufficiently informed about the requirements of a labour market.

- Young people are more concentrated in certain economic sectors, such as service, tourism, and many of them hold part-time jobs and temporary contracts. They are also more affected by periods of economic crisis and are often among the first to lose their jobs.

### 2.1.2. Youth Employment Policy and Governance Structures

There is no specific body responsible for youth employment and entrepreneurship in both countries as the domain covers several policy areas in both countries. Different state and non-state organisations provide services for young people, that requires good coordination with each other. The main policy documents and legal acts in Georgia and Ukraine are given in annex 2.

The National Youth Policy was adopted in 2014 and the National Youth Strategy in 2015 in Georgia. The main institutions involved for youth support is the Ministry of Education, Science, Culture, and Sport of Georgia (MoSCS) that is Responsible for youth policy and education policy. Ministry of Internally Displaced Persons from Occupied Territories, Labour, Health and Social Affairs (MoIHSA) that is Responsible for labour market policy, social protection and services; Ministry of Economic and Sustainable Development (MoESD) responsible for developing entrepreneurship, economic affairs and skills anticipation; Local

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17 World Bank. Georgia at Work: Assessing the Jobs Landscape. 2018

18 Job creation occurs predominantly in the informal sector and low-productivity sectors (less knowledge-intensive services and medium or low-technology sectors with pollution externalities), 2013

19 Handel, M. (2017a) Predictors and Consequences of Mismatch in Developing Countries: Results from the World Bank STEP Survey. ILO: Geneva

20 World Bank Enterprise Survey, 2013

21 [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_519747.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_519747.pdf)

22, This group includes working-class persons, employees who carry out basic operational tasks and manual labor.

23 Ukraine- Decent Work Country Programme, 2016 – 2019, ILO

Government have various youth programs to promote youth and their organisations; Children and Youth National Centre (CYNC) runs implements some youth-focused, like youth camps. The Social Service Agency (SSA), a Legal Entity of Public Law (LEPL) under the MoILHSA provides various employment services. The SSA has 69 offices across the country; in 2018 about 194296 job-seekers were registered at worknet.gov.ge, among them, 55 943 were young people. Job seekers can register at Portal Worknet.gov.ge while people with socially vulnerable status in Georgia are obliged to register at the portal. Worknet.gov.ge is a web portal that combines two sides of the labour market, job seekers and employer. Job seekers can create their profile with the information of education work experience, skills, preferred employment field, etc. Employers registered on the Web site can view the data and evaluate whether candidates meet their vacant positions.

The initiative of the Government of Georgia is to create a new LEPL Children's and Youth National Agency by the merging of the Foundation for Youth and Youth Development, the National Centre for Children and Youth, and the relevant unit of the Ministry of Education, Science, Culture and Sport.

In Ukraine Declaration “On General Principles of State Youth Policy in Ukraine” (1992) and the Law of Ukraine “On Promoting Social Formation and Development of Youth in Ukraine” (1993) lay the foundations of youth policy” (1993). The Ministry of Social Policy (MoSP) is one of the main bodies in charge of developing and implementing state labour and social policy, as well as employment and labour migration policy. The MoSP has responsibilities over adult learning and vocational training, policy on vulnerable young people, including young people with disabilities, internally displaced young people and children deprived of parental care. The State Employment Service (SES) is directed and coordinated by the MoSP and plays an important role in promoting employment. In 2017, the SES provided services to almost 1.1 million people, including 431 000 young people, 410 000 vulnerable people, 42 000 people with disabilities, 15 000 displaced people and 44 000 veterans of the anti-terrorist operation in eastern Ukraine<sup>24</sup>. The regional and municipal institutions are responsible for youth to support at their level.

### 2.1.3. Skills Development

**Skills anticipation and forecasting-** Georgia and Ukraine analyse current and future skills needs, however, their effectiveness is not validated and use of this information by education systems is limited<sup>25</sup>. In 2015 the Employment Promotion Unit under the Ministry of Internally Displaced Persons from the Occupied Territories, Labour Health and Social Affairs started an annual labour market review in Georgia, qualitative and quantitative analyses of macroeconomic and labour force survey and employer survey. LMIS IT System is envisaged as “One Stop Shop” web portal that includes information about LM conditions, occupational profiles and Career Guidance. In 2017, Georgia conducted its first Skills Survey that covered 6 000 companies from all sectors. Ukraine has a “state order system”, a top-down allocation study places for VET and HEIs. Ukraine, with the support of the ETF, has developed a skill forecasting model, that will help the country to forecast demand and supply of the labour force in the mid-term outlook.

**Education Attainment** - Youth in Georgia and Ukraine have a high formal educational attainment. In 2017, among the age group 20-24 at least the upper secondary education attainment level in Georgia was 91.9% and in Ukraine 97.4%. Over 40% of the population aged 30–34 had completed tertiary education (EU-40%). Though labour with higher education qualifications do not mean highly skilled workers, as quality of education, vocational or transversal skills is a challenge in both countries.

**Table 3. Education system in Georgia and Ukraine**

Georgia	Ukraine
<ul style="list-style-type: none"> <li>• School Entrance Age: 6</li> <li>• Elementary education: 6 years - Ages 6 - 12</li> <li>• Basic education: 3 years - Ages 13 - 15</li> <li>• Secondary Education: 3 years - Ages 16 - 18</li> <li>• Vocational Education and training</li> </ul>	<ul style="list-style-type: none"> <li>• School Entrance Age: 6</li> <li>• Primary: 4 years - Ages 6 - 10</li> <li>• Lower secondary: 5 years - Ages 10 - 15</li> <li>• Upper secondary: 2 years - Ages 15 - 17</li> <li>• Vocational Education and training</li> </ul>

<sup>24</sup> Ukraine, education, training, and employment development 2018, ETF, 2019

<sup>25</sup> Policies supporting youth transition to work in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, ETF 2019



<ul style="list-style-type: none"> <li>• BA-240 ECTS</li> <li>• MA -120 ECTS</li> <li>• PHD-180 ECTS</li> </ul>	<ul style="list-style-type: none"> <li>• BA-240 ECTS</li> <li>• MA -60-120ECTS</li> <li>• PHD – No ESTC</li> </ul>
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Public expenditure on education (percentage of GDP) is higher in Ukraine (5.9%-2016) than in Georgia (3.83%-2017), while the EU average is 4.7% (Eurostat, 2018).

The results of some international student assessments in Ukraine ranking between 37th and 52nd. In 2015 Georgia score in PISA was 411 (OECD average 493)<sup>26</sup>.

Since 2013 MeSCS have been implementing the VET Reform Strategy 2013-2020 in Georgia that includes various measures such as improvement quality, attractiveness and relevance of VET, development of new Occupational and Educational standards, updating VET curriculum, optimisation of a vocational network, improvement of WBL and an offer of dual VET. Georgia offers selected VET courses to the secondary school students too as a part of the professional orientation. 89 vocational, 29 higher and 12 general education institutions implement VET programmes, with 16 516 students and 1637 teachers (EMIS, 2018). The new Law on VET (2018) gives a possibility of integration training and retraining system into VET.

In Ukraine, the VET system has already been undergoing a transformation for many years that includes the introduction of new learning technologies, upgrading content, decentralisation of VET, the establishment of regional stakeholder boards, optimisation of the vocational network, the introduction of region-led funding of VET and the development of modern VET standards. In 2017 there were 756 VET institutions with 269 400 students and 37 500 pedagogical staff. To increase the attractiveness of VET, the social partners have created sector-specific training centres at state VET institutions. There have also been some cases of development of dual VET system. Another initiative is the development of vocational school clusters, closely connecting them to employers and attract resources from companies.

Non-formal education is largely provided by NGOs in Georgia; the focus is on the development of the various key competences and soft skills that are not covered by formal education and is a challenge in Georgia. In Ukraine, the activities in non-formal education are implemented by the National Youth Worker Programme, developing youth centres, camping, national youth portal for information and learning and a “Youth Passport” as a tool to recognise non-formal educational experience. The Ministry of Youth and Sports provides support for youth/children organisations based on open competitions.

Georgia and Ukraine have established a legal basis for Validation of Non-formal Learning (VNFIL) and have started its implementation in pilot occupations. There are still many aspects related to preparing candidates, capacities of validation practitioners (mentors, assessors, etc.), the availability of standards and the certification methods that need additional work.

**Work experience** - In Georgia, in all VET educational programs 40% is compulsory to practice. In recent years, the importance of Work-based Learning (WBL) and dual education has gained lots of attention. WBL is a broader concept and refers to an educational strategy that provides real work experience to students to develop their employability. A concept note on WBL was developed in 2016. Dual education system combines apprenticeships in a company and vocational education at school. WBL programmes are small-scaled so far and their impact on systemic development is limited. There is a need for development of the capacity of both vocational schools and employers to implement WBL programmes, such as a lack of equipment and materials in schools. There are not enough big companies that are interested to be involved in dual TVET, and small companies are not motivated because of the administrative burden, such as to involve their staff in the provision or provide apprenticeships.

Although the current law on VET does not define WBL in Ukraine, it provides forms of practical training and the new Education Code introduces the concept of dual education and defines the relationships between the educational institutions and the enterprises. Because of a lack of technical equipment in most vocational schools, there are limited opportunities to gain practical experience.

In Georgia and Ukraine, there is an absence of a regulatory framework for the development of internships (ETF, 2018d). The Internship in Public Service programme was launched in 2015 in Georgia. Internships

<sup>26</sup> PISA 2018 Global Competence, OECD

are subsidised by the state – up to a maximum of 3 months and with a grant of GEL 150 per month. The program had 47 beneficiaries in 2016. A Share of youth was 40%. Among the 193 beneficiaries in 2018 about 92 are youth. SSA also provides subsidised employment to Job seekers with disabilities since 2015. It provides a 50% wage subsidy (max 460 GEL) for up to 4 months. In 2018 about 26 people have been engaged in the subsidised program, 4 of them were young. University students and graduates have Internships in public service since 2014. Up to 100 students get this service each year.

A new initiative for education–business partnership – the Ukrainian Pact for Youth 2020 – was launched in 2016, to unite the efforts of companies, government and education to contribute to the employment of young people. In 2016–17, based on the partnerships 11 414 places for apprenticeships, traineeships or entry-level jobs were created. The main labour-market initiative for young people is the first-job guarantee. By law, every young person aged 14 -35 is guaranteed their first job for two years after finishing education or military service. Local authorities have quotas for young people for companies and if companies do not follow this regulation they will be penalized (for example 5% of working places are reserved for disabled youth). For one year, an employer receives benefits not having to make tax contributions for those individuals.

The concept of youth volunteering is new and under development in both countries. This might be explained by the inheritance from the Soviet past where volunteering did not exist. Though youth have positive attitudes towards volunteering, their involvement in volunteering activities is low in Georgia. The main reasons are a lack of information or time and motivation, a lack of volunteering activities<sup>27</sup>. In 2015 the Parliament of Georgia adopted the Law on Volunteering that regulates the relationship between volunteer and the organisation. Though many young people are involved in collecting provisions for the army or taking care of wounded people in Ukraine. There are other initiatives too such as the Orphanage Volunteer Programme and United Nations Volunteers. In Ukraine, the Government is planning to create a National Volunteer Service as the first work experience of youth.

**Career guidance Services-** Career guidance services were introduced in 2015 in Georgia, that is provided by the MoLHSA, MoESCS and ex Ministry of Youth and Sports. Career counselling is weak in Georgia. Students at school have limited access to counselling services and students often have to make uninformed decisions<sup>28</sup>. Career counselling is available in all public VET colleges, though it is not comprehensive career guidance, the aim is to attract students to their college and work with existing students<sup>29</sup>. Universities also have career guidance services. Georgia has developed an online career guidance platform (<http://myprofession.gov.ge/>). The portal contains self-assessment tests, description of professions (text and videos), links to education institutions. In Georgia, PES provides a limited scope of services and deals only with registered unemployed people on Worknet platform. In 2018 about 530 got career guidance services and 295 were young among them (SSA information, 2019).

Careers guidance is a task assigned mainly to the State Employment Centre under the Ministry of Social Affairs in Ukraine, whose key role is to increase the level of awareness of labour market possibilities. But in Ukraine, there are also 17 Youth Work Placement Centres (YWPCs) that operate at oblast level and two in the cities with special status (Kyiv and Sebastopol). There are also four YWPCs at the regional level, 10 in towns and 100 student employment branches in universities and institutes. With the support of the UNDP, a career guidance website has been created ([www.mycareer.org.ua](http://www.mycareer.org.ua)). PES in Ukraine provides youth vocational guidance, such as a provision of information sessions in the general schools, organisation of open days and master classes, and tours of enterprises. In Ukraine, PES has created a living library – a place to meet people with different experiences. The aim is to give young people the knowledge about a variety of experiences and introduce them to the role models for their career progression.

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<sup>27</sup> Youth Attitudes towards Volunteering - “Hand in Hands”-, Eurasia Foundation, CRRC. 2013

<sup>28</sup> Kitiashvili, Abashidze, Zhvania (2018).

<sup>29</sup> Youth Transition in Georgia, ETF

## 2.1.4. School to Work Transition (STW) and Active Labour Market (ALMP) Policies

About 40% of young people in Georgia found their first job after 6 months of graduation (Youth Employment Study, MoLHSA, 2016). The transition periods for another 40% is longer, 1-5 years. On average, the transition period lasts 1-2 years. In Ukraine, the average length of transition from school to the first job is 4.9 months, that is longer for a woman than for man (6.6 months versus 3.6 months). The transition length is twice as long for young people with elementary education level compared to those who hold a higher-level degree (Libanova et al., 2016).

Young people often try to find jobs in informal ways, through personal connections. Many of them also use a proactive approach, such as job search on the internet ([www.jobs.ge](http://www.jobs.ge), [www.hr.gov.ge](http://www.hr.gov.ge) and in Georgia) and attending job fairs. Less often, young people use public or private Employment Services. Only 1% of the graduates found a job with the help of the PES in Georgia and 12% through the VET college, while 62% found a job themselves (tracer study, 2016). In Ukraine, only 2% of students expect help from the employment centre while about half expect support from parents and relatives.

Both countries have ALMP, that is more preventive than proactive. There are no passive LMP in Georgia. Since May 2006 unemployment benefits are not provided in Georgia. Various ALMPs have been put in place since 2013 given in Table 4<sup>30</sup>. Continuous VET makes up the largest ALMP in Georgia. The number of participants in the training and retraining programs of job-seekers during 2015 -2016 increased by 25% although the total number is not big, i.e. 2908 in 2018 (1138 youth). The goal of the programme is to train registered job seekers in the most demanded occupations and increase their employment. VET colleges provide courses for 3-4 months. The programme does not have a focus on young people, but it prioritises disadvantaged groups of the population, i.e. people with special needs, ex-offenders, etc. Individual consultation service got 16 275 persons in 2018 and 4113 were youth among them. 1479 people received group consultation services and 585 were youth among them.

Georgia has drafted an Employment Services Act to transform the current employment support service into a modern and efficient public employment service. In 2017, the country, with support from the EU-funded twinning project, piloted a new service model in 10 employment offices in Tbilisi.

Ukraine has ALMP since 2000. It offers various measures given in Table 4. The evaluation shows training and public works programs have a significant positive effect on employment<sup>31</sup>. In Ukraine, individuals registered as jobseekers with PES must actively search for a job and participate in events organised by PES, such as seminars, career days, and visiting the employment centre. In 2017, Ukraine started to reorganise employment services to simplify access to services by introducing electronic services for job searches, online job interviews, and piloting new approaches to better integrate people from vulnerable groups into the labour market by a methodology of UNDP.

**Table 4. Active labour market programmes in Georgia and Ukraine (2018)**

#		Georgia	Ukraine
1.	Employment services and job search assistance	X	X
2.	Intermediation programmes (job fairs)	X	X
3.	Career Guidance	X	X
4.	Employment incentive program		X
5.	Training programs	X	X
6.	Support to gain work experience/internships	X	
7.	Support for entrepreneurship		X
8.	Public works programmes		X
9.	Support for employment of vulnerable groups	X	X
10.	Support for women		
11.	Support for labour mobility		X
12.	Support for internally displaced people	X	X

<sup>30</sup> A comprehensive overview of ALPMs is given in the ETF's (2011) Labor Market and Employment Report: Trends and Challenges in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine

<sup>31</sup> Dmytrotso, I. (2003). Evaluating the efficiency of active labor market policy implementation in Ukraine. Economics Education and Research Consortium

Source: ETF, 2018

In Ukraine, PES provide training for job seekers at the request of employers. In 2017, over 53 000 young job seekers were trained. The other relatively new measure is a voucher for training in occupations in priority economic areas. Initially, only persons older than 45 years of age were entitled to this support. In 2015, the scope was expanded by adding new groups of persons: ex-soldiers, veterans of anti-terrorist operations and internally displaced people of working age. Although young people are not a direct target group, many young people participate in the programme as they belong to these groups.

Though are some challenges relates to ALMP in both countries such as, ALMP do not have the relevant measures of effectiveness and efficiency or it does not go through regular M&E process; capacity (regarding number and expertise) is insufficient, including Inadequate technical equipment of employment service, including an insufficiently functional information system; due to the limited financial resources and low registration rates at PES (ETF, 2018) ; there is a weak cooperation with employers crucial for closing a mismatch. Programme participants are mostly left alone in their search for employment, as limited further job search assistance, intermediation with the employers is offered.

During the interviews, the various stakeholders in Georgia named more or less the similar barriers of youth employment that are related to both demand and supply side. Educational institutions agree that though one barrier is a lack of skills of graduates, they think the main barriers are a lack of jobs and employers' expectations about the experience of new graduates. The representatives of the NGOs and Employment Support Service pointed out that the main barriers are related to the lack of skills and competencies of the graduates as well as their expectations towards employment. SSA is planning institutional restructuring that should improve the quality of ALM services including for youth and vulnerable youth.

All the respondents agree that there are no extra barriers to the employment of IDPs. The main barrier for the IDP youth is a lack of skills because of low socio-economic conditions. Sometimes IDP gets extra support because of their status for example in the entrepreneurship support program, for example, subsidies VET IDP students travel expenses, grants to support self-employment ad etc. provided by the Agency of Livelihood Sources Support.

Future steps that should improve youth employment covers the whole process starting from a better understanding of LM needs, to support the development of skills and providing work-related experience as well as promote entrepreneurship opportunities.

The various stakeholders named more or less the similar barriers of youth employment in Ukraine that are related to both demand and supply sides, such as: a lack of jobs, lack of skills, limited access for the people with disabilities, a high level of migration. IDP youth do not have extra barriers but it should be taken into consideration that after finishing education they come to Ukraine with Russian certificate and have to continue education in Ukraine if they need to have Ukrainian Diploma. IDP's might have adaptation difficulties; there are mobility programs to help them in adaptation.

According to the interviews with the stakeholders in Ukraine the difference by sex is not so significant regarding employment barriers as the place of residence makes difference; people in urban areas have more access to services than in rural areas.

The following future steps have been identified to support youth employment in Ukraine: strengthening the youth support and entrepreneurship projects; more financial support and grants for youth to start their work, as a support of start-ups; improve career counselling, improve employment centre capacity and programs, strengthening PPP as well as communication between stakeholders.

Based on the interviews the mechanisms to support youth employment in Ukraine can be: guaranteed employment at the first job; partial compensation to employers of the costs of remunerating young people in priority areas and sectors (for example, during the first year of employment); introducing a systematic approach to vocational guidance for young people to reduce the imbalances between the professional structure of demand in the labour market and the structure of occupations that young people receive in educational institutions; popularisation and increasing the prestige of vocational education (at the moment these professions are the most in-demand in the regional labour market);

### 2.1.5. Entrepreneurship in Georgia and Ukraine

Entrepreneurship key competencies are integrated into the formal VET since 2015 and general curricula in Georgia. Social entrepreneurship education is being conducted through non-formal educational activities, mainly through civil society organisations. One of the main institutions supporting entrepreneurship is LEPL “Enterprise Georgia “(2014). It runs a state programme “Produce in Georgia”, that provides grants (5 000- 15,000 GEL) and technical support to applicants. By January 2019 within the frames of this programme 466 businesses were supported, with total investment value amounting to more than GEL 1,11 billion and totally more than 17 000 new jobs were created. 45% of the applicants are women. Through the “Entrepreneur and Small Business Loan Guarantee Program,” the State can provide loan guarantees in specified rural communities. The Academy of the Ministry of Finance offers free training for women, and “Startup Georgia”. A new grant programme “A Step for a Better Future” was launched by the Office of State Minister for Reconciliation and Civic Equality in Georgia on January 1, 2019 aimed to enhance economic relations and opportunities across dividing lines. The beneficiary of the programme may be a person who lives in the occupied territories of Abkhazia or Tskhinvali region, as well as a person from territory controlled by the government of Georgia.

In Ukraine, the regulatory environment has not been favourable to entrepreneurship, but it has been improving due to the cooperation with the EU. In 2017 a simplified tax regime for business was introduced, such as the tax of 5% of turnover and easier reporting for small businesses. Agricultural producers have income incentives. Employment and youth entrepreneurship programmes are mainly coordinated by the Ministry of Labour and State Committee. In 2017 the Entrepreneurial Learning strategic projects covered a review of curricula in line with the Entrepreneurship Competence Framework (EntreComp). Ukrainian legislation does not define social enterprise or is not included in any normative acts. Social entrepreneurship course has been included in the programme of a master's degree in various universities, such as Lviv Business School, Kharkiv National University of Economics, etc. But social entrepreneurship is not yet integrated into the education system. It is being provided also through non-formal education.

In Georgia, PES will implement the Supporting Youth Entrepreneurship project, with EUR 111 000 from Slovak Aid. The project will target unemployed young people under 35 years of age. In Ukraine, PES provides information and consultation services in the form of individual consultations and group seminars. PES also provide a one-off unemployment allowance for starting an enterprise equal to the annual sum of unemployment benefit.

Compared to other European countries and the average worldwide indicators, Ukraine has a low position in: support of entrepreneurship in society; the willingness of entrepreneurs to take a risk; the level of competition; opportunities to start-up business and to produce innovations<sup>32</sup>.

In countries with similar levels of GDP per capita, about 5% of workers are entrepreneurs, but in Georgia only 1 %of total employment (World Bank, 2018). 5% of Ukrainian youth are entrepreneurs while 6% intend to become one (UNFPA 2010, p.164).

In stimulating youth entrepreneurship the main stakeholders in both countries identified facilitating the access of young people to financial resources for organising and developing their own business (for example, through concessional lending); implementation of projects aimed at improving the financial literacy of young people and improving their business planning skills; implementation of non-formal education and distance education projects; implementation of internship projects for young people to exchange experience and master the best practices in organising and running a business; implementation of informational events dedicated to the promotion of entrepreneurship among young people.

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32 Entrepreneurship development strategy- Expert Vison. 2014

### 2.1.7. Projects for Supporting Employment and Entrepreneurship of Internally Displaced Youth

The project EU4Youth aims to enhance the livelihoods of internally displaced and conflict-affected youth and foster their meaningful participation in society – targeting two regions (Shida Kartli, Samegrelo) in Georgia, and Donetsk oblasts in Eastern Ukraine. The duration of the project is 2018-2020 and the budget 1.58 Mln Euros.

The project covered various activities, such as Established and Operated 2 Entrepreneurship Schools in Georgia; VET training and retraining, business mentoring, coaching and consultations for young people. Implementation of trainings in Ukraine; start-up grants to young IDPs. One of the activities is the development of capacities of Georgian and Ukrainian government institutions and conduct advocacy actions. NGOs in Georgia implement various employment and entrepreneurial support projects for IDP youth.

Within the Strategy of Integration of Internally Displaced Persons (2017), Ukraine implemented various activities including support of youth employment and entrepreneurship;

Within the state program of training and retraining of jobseekers about 226 IDPs were involved in Georgia. About 1995 IDPs had access to individual and group career counselling services in 2018. Agency of Livelihood Sources Support –provides employment, self-employment, subsidise support services to IDPs such as: subsidies a VET IDP students travel expenses; grants to support purchasing equipment/tools for starting self-employment, Grants in agriculture, such as for greenhouses; Mini-tractor and motor block for land preparation, etc.

## 2.2. The main Conclusions of the Situational Analysis of Georgia and Ukraine

- Youth unemployment rates are higher than adult rates in Georgia and Ukraine. Youth unemployment rate is lower in Ukraine than in Georgia; Transition period of youth from education to labour market is shorter compared to Georgia that should be related to the more ALM measures that Ukraine offers to youth.
- Though employment rate is higher in Georgia that shows that economically active' population (people are in work or 'have been actively seeking work and are available to start work if a job is offered') has grown faster than employment has. Creating jobs is not enough to tackle the unemployment problem
- According to the interviews with the main stakeholders IDPs do not have extra barriers to employment, but their main barrier is a lack of skills because of low socio-economic conditions. In these regards, there is no difference between IDPs and other youth with low socio-economic background.
- There is a lack of permanent and temporary jobs for youth. The working conditions, low salaries, etc. force youth to change job frequently; the level of informality employment is high<sup>33</sup> because of poor employment conditions; youth entrepreneurship in both countries is less supported compared to entrepreneurship in EU countries.
- There is room to continue rethinking youth employment policy more broadly, and to clarify the roles and responsibilities of various stakeholders, including government, social partners, local governments, civil society, providers. Many of the policy interventions lack evidence on their target on youth specifically or the influence on the youth.
- Youth policy needs coordination as there is no one interinstitutional body. Youth employment and transition are complex issues; Governance and policy development requires special attention.
- According to the Pohl and Walther, (2007) School to Work Transition regime Georgia and Ukraine belong has similar characteristics with the cluster of Post-socialist/ Transitional; this cluster is characterised by a predominance of general education, low prominence of VET (school- or company-based), weak linkages between an education system & labour market and a high incidence of temporary/low-quality employment and a skills mismatch.

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<sup>33</sup> Involvement of individuals and their employers in productive activities that are not taxed or registered by the government

- Skills development needs improvement. Education attainment is high but educated people do not mean skilled workforce; youth rarely has relevant technical, transversal, digital, linguistic and entrepreneurial skills. Youth need to increase access to VET and other programs. Non-formal education programs need strengthening to reach young people who left the school system.
- Although good examples exist, there are limited opportunities for young people to gain work experience. WBL opportunities are limited. Besides WBL young people need to be exposed to first work experience, internships, traineeships, volunteering, and piloting self-employment and entrepreneurship initiatives.
- Because of a lack of the Career counselling opportunities youth have to make the uninformed decision about their education and career progression. Career guidance mechanism needs strengthening though LLL context in schools, college, HEIs, PES through formal or non-formal learning.
- Overall, the measures supporting youth transitions directly are limited. Youth support services are not always personalised or youth friendly. The number of beneficiaries in the existing youth-related programmes are low, pointing to weak coverage and no visible impact. ALMP services require improvement, broadening especially in Georgia and additional public awareness; In both countries there is a lack of targeted programs on youth needs especially for NEETs.

## Chapter 3. Analysis of the European Practice

In this chapter, 3 case studies are discussed: Estonia, Poland and the UK. All of them are European Union countries, Estonia and Poland since 1 May 2004 and the United Kingdom since 1 January 1973. For the time being, the United Kingdom remains a full member of the EU and rights and obligations continue to fully apply in and to the UK. The general information by countries is given in table 5 below.

**Table 5. Selected EU countries at a glance**

Parameter	Estonia	Year	Poland	Year	UK	Year	EU -28	Year
Population size (million)	1,319,133	2018	38,433,600	2017	66,959,016	2018	512.5	2018
Growth rate	-0.2%	2018	0	2014	0.7	2014	0.35	2016
GDP per capita	35 796	2018	32001	2018	45256	2018	25288	2018
Real GDP grow rate	3.9	2018	5.1	2018	1.4	2018	1.5	2019
Inflation (%)	3.19	2019	1.67	2019	1.8	2019	1.57	2019
Population under Poverty line	21.3	2018	17.6	2018	15	2018	9.8	2018
Employment rate	75.8	2018	67.7	2018	74.9	2018	68.9	2018
Employment rate of 15-24	41.7	2018	31.0	2018	50.7	2018		
Unemployment rate	4.6	2019	5.9	2018	3.8	2018	6.4	2019
Unemployment of youth	9.1	2019	11.6	2019	11.5	2019	14.9	2018
Self-employment	9.6	2018	20.3	2018	5.1	2018	15.4	2018
NEET	14.1	2017	17.1	2017	13.7	2017	14.3	2017
Literacy rate (% of population)	100	2015	99.8	2015	99	2019	99.19	2019
Global Innovation index	50.51	2018	41.7	2018	60.10	2018		
R & D index	1.69	2016	1.29	2016	0.97	2016		

Source: OECD, 2019

### 3.1. The Case of Estonia

Estonia has one of the lowest youth unemployment rates among the EU member states (9.1% in 2018). Since 2004 the youth unemployment rates fell by 12% in 4 years, that is related to high migration and the macroeconomic situation that led to a certain stabilisation of labour market by 2014. Estonia has been the most advanced in economic transition, illustrate the prominent role that economic policy plays on the structure and level of labour demand. Estonians could benefit from their small size, a favourable popular mentality and strong external assistance<sup>34</sup>.

<sup>34</sup> Nesporova, An Employment Strategy Department, International Labour Office, Geneva  
Unemployment in the transition economies1

According to Statistics Estonia, in 2018, the labour force participation rate was 71.9% while among 15-24 only 46%. The NEETS rate was 14.1% in 2017 (14.3% in EU-28)<sup>35</sup>.

About one-third of employed people in Estonia are over-educated. The probability of over-education is higher among older people and people with higher education. Workplaces in Estonia require lower skills: secondary or lower education is sufficient in more than half of all workplaces. “Blue-collar areas” of economic activities demand lower education levels.

The higher unemployment rate of youth compared to the population shows that there are obstacles for youth in the entry into the labour market. Among them is a lower level of education and a lack of professional education, insufficient knowledge of Estonian language among the Russian population; in North-Eastern Estonia, women spent more time in inactivity status caused by care responsibilities and fulfilling domestic tasks compared to men.

### 3.1.1. Youth Employment Policy and Governance Structures

The Estonian Employment Contracts Act (2009) introduced significant reforms aimed at increasing labour market flexibility. These measures are: easier dismissal procedures, decreasing the financial burden of redundancies for the employer by sharing the payments of redundancy benefits between the employer and the Estonian Unemployment Insurance Fund (EUIF), and promoting the use of flexible employment forms by allowing the use of fixed-term contracts in all cases. To increase social security, the unemployment insurance benefit was increased, compensations for the unlawful termination of an employment contract were introduced, parental leave was counted into the reference period when calculating the unemployment insurance benefit, etc. In Estonia, the use of temporary employment is among the lowest in the EU together with the UK. The low EPL in Estonia and associated greater labour market flexibility – contributes to the low incidence of temporary employment.

There is no single body responsible for youth employment and entrepreneurship as the domain covers several policy areas. The main governmental authorities are Ministry of Economic Affairs and Communications responsible for developing entrepreneurship and economic affairs, Ministry of Social Affairs responsible for labour market policy, social protection and services; Ministry of Education and Research and Youth Affairs Department responsible for youth policy and education policy; Local Government that is responsible for youth work. There is good coordination among the different stakeholders involved in youth employment-related policy including governmental, nongovernmental institutions, social partners.

### 3.1.2 Skills development

**Skills Anticipation-** Skills anticipation does not have a long history in Estonia, but the country in recent years has made a large investment in the reform of its skills anticipation activity.

There is an ongoing initiative by the Government to develop OSKA - a system of labour market monitoring and future skills forecasting. The initiative is under the responsibility of the Ministry of Education and Research and the implementing agency is the Estonian Qualifications Authority. OSKA provides accurate information on labour market opportunities and the existing skills at the level of individuals for developing educational choices in the key sectors of Estonian. OSKA analyses the needs for labour and skills necessary for Estonia's economic development over the next 10 years. Also, there are some ad hoc activities, such as carry out sector-specific studies<sup>36</sup>. The occupational barometer is a qualitative method of forecasting short-term labour demand by occupation. The estimates are compiled by the regional departments of the Estonian Unemployment Insurance Fund.

**Education** –appears to be the best protection against unemployment, including youth and ethnic non-Estonians. Literacy rate for 15 + is 99.9%; 100% of the population with age 25 or more have at least some secondary education. 89.2% is considered as a skilled labour force<sup>37</sup>. 89% of adults aged 25-64 have upper

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<sup>35</sup> Average of 28 member states the European Union consists of  
Statistics on young people neither in employment nor in education or training, Eurostat, 2017

<sup>36</sup> Skills Panorama (2017), Skills anticipation in Estonia. Analytical highlights series

<sup>37</sup> Human Development Report, UNDP, 2019



secondary education, larger than the OECD average of 74%. 50% of youth aged 25–34 participated in formal and non-formal education, while it is up to 64% in Estonia (Eurostat, 2018).

Estonia is a top-performing country in terms of the quality of its educational system. The average student scored 524 in reading literacy, math and science in the OECD's Programme for International Student Assessment (PISA) in 2015 that is much higher than the OECD average of 486<sup>38</sup>.

The only ¼ of learners enrol in VET after completing basic education, though the country has an ambition to increase this share to 35% by 2020<sup>39</sup>. Recent years VET reform is extensive. The Soviet VET system was transformed into the school-based VET system. Theoretical studies take place at school and practical training at school workshop and in the enterprises. The share of company training is increasing. The qualifications system has been revised and occupational standards have been agreed with employers that are the basis for vocational qualifications. The VET school network has been re-organised, and facilities modernised, WBL and an apprenticeship system have been introduced. VET teachers are qualified; National Qualification Framework (NQF) Level 5 programmes<sup>40</sup> are well developed. In 2018, 79.1% of vocational secondary school graduates without disabilities and 53.5% with disabilities were employed<sup>41</sup> after the training; it shows the quality and relevance of VET.

Estonia has an effective vocational reintegration programme for early school leavers. This is a course programme which, for example, provides additional study places in the VET schools for the target group.

**Youth Work Experience-** Youth Work that has a long tradition in Estonia can be one of the best practices. Youth worker training programmes started in 1992. The importance of youth work in Estonia has increased and during the last 15-20 years,<sup>42</sup> modern youth work in Estonia was created as an independent sector (different from social work or education). Youth work programs, funded by the State, are well suited to reducing skill mismatch by allowing employers to train potential employees in line with specific company needs, and to provide youth with the first period of work experience. Youth work has the following areas of activities: special youth work (with risk groups); hobby education (extracurricular activities at spare time, incl. youth work in schools); information on youth and for youth, counselling and studies; training, further training and re-training in youth work; recreational holidays and leisure activities (activities of youth camps); work education for the youth (work brigades); and international youth work. Young people can volunteer in the activities of youth organisations in Estonia outside. Each year, over 4,000 young people aged 13-26 can participate in work camps for youth. Estonia is a good example of how work in charity organisations and the voluntary sector is beneficial for one's development of professional skills.

Estonia supports the development of quality assurance for apprenticeship places. Since 2012, enterprises have been exempted from income tax if they finance the formal education of their employees (Parliament, 1999a). Internship schemes, which improve the labour market performance of participants through practical on-work training, are particularly successful in Estonia.

Measures supporting the preparation of young people for managing and coping on the labour market have been targeted to 1) improving the quality of education, supporting the successful study experience and bringing those who have dropped out back to education by special programs and by providing access to VET; 2) improving youth work experience 3) systematic development of career services; 4) offering labour market services to unemployed young people.

**Career Guidance** - Career guidance is a part of the curricula. Career management has become an integral part of VET. There are professional standards for 'career counsellors', 'career information specialists' and 'career coordinators at schools'.

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<sup>38</sup> OECD, 2015

<sup>39</sup> Vocational Education and Training in Estonia, 2017, OECD

<sup>40</sup> NQF level 5 consist of chartered, professional, and senior management occupations.

<sup>41</sup> OESCD, 2019

<sup>42</sup> Beilmann M. and Bogdanova O. (2014), Working with young people: the value of youth work in the European Union. Country Report Estonia

Career services enable young people to make informed decisions and increase their readiness for long-term participation in the labour market. Besides the guidance provided in the curriculum's framework, there are centres to implement the service outside the school for young people.

Cooperation and information exchange between institutions dealing with education, training, youth work and the labour market is strengthened. The development of the career guidance system in Estonia shows innovative elements in method. ICT applications are an option to deliver basic career guidance to larger groups.

### 3.1.3 School to Work Transition (SWT) policies & ALMPs

**ALMP-** Estonia, has started PES restructuring to provide young people with individualised support, foster better links with both employers and education and training providers and adopt a more targeted and pro-active approach towards supporting NEETs (European Commission, 2015b).

There are both preventive and reactive measures, but reactive measures dominate. There are various LM services through face-to-face consultations, self- services, telephone; The unemployed young people are offered personalised services to support their job search. Estonian Unemployment Insurance Fund is responsible for the provision of labour market services, Youth York Centre is responsible for the development and organisation of youth work within youth policy. Estonia has an unemployment benefit amount to 50-60 percent of the income. In most countries the amount of unemployment benefits depends on previous income. The percentage decreases the longer the unemployment persists to 50-40%. The duration of the unemployment benefit is 3 months. Unemployment assistance provides continued benefit entitlements once insurance benefits expire.

Estonia introduced various early intervention and activation measures such as: PES workshops introducing labour market and taking life, raising young people's awareness about handling life and supporting entrepreneurship of young people via youth work to support young people at entering the labour market, supporting NEET youth return to education or entry into the labour market; In addition, Estonia has program 'My First Job' to support young people with insufficient or no work experience. A more detailed description of programmes or measures is provided in table 6. below.

Estonia has a promising policy for providing support and outreach to youth under the Youth Guarantee scheme. Over 4000 workshops have been organised during 2015 -2017 for young people aged 15 or above about the labour market functions or planning a career, etc. Partnerships bring together the public employment service with employers and education providers<sup>43</sup>. In Estonia most of the measures are not youth-specific; only vocational guidance and career counselling are partly youth-specific.

**Table 6. Measures to ensure early intervention and activation**

1. PES workshops introducing labour market and working life	Raising the awareness of young people about labour market, preparation for planning a career or looking for a job, and what are the possibilities to get labour market-related help if such a need arises. Students from grades 8-12.
2. Supporting young people at entering the labour market and coping there	Preventing the exclusion of young people - Increasing young people's awareness about working life and supporting the entrepreneurship of young people via youth work. Young people aged 7-26; 70% of participants (aged 15-26) in services raising their employment-readiness and relevant skills. Estonian Youth York Centre (EYWC), organizes youth work in the youth's framework policy; it was founded in 1999 as a national centre for youth work under the administrative authority of the Ministry of Education and Research (MER) and its main aim is to develop and organise youth work in the national's framework youth policy. Estonian Unemployment Insurance Fund provides Labour Market services. Estonian Youth York Centre (EYWC).
3. Supportive measures for NEET youth that help to bring them back to	The Ministry of Education is a responsible body. Youth York Centre identifies young people through mobile youth work and networking. Youth workers approach young people in different places they gather to establish trust and share information about youth work possibilities. Youth centres carry out different activities, which may last up to 6 months; young people are helped to decide whether to continue studying or work. Centres help to create contacts with schools, the Unemployment Insurance Fund,

<sup>43</sup> Youth Guarantee country by country, Estonia 2018

education and/or the labour market <b>Youth Tugila</b>	career centres and employers. After participating in the programme, the contact with the young person is preserved for another 6 months to give extra help if needed. 55% of NEET youth who participated in the supportive measures are, in 6 months following the activities, are no longer in the NEET situation.
<b>Supportive measures for labour market integration</b>	
<b>My First Job</b>	Estonian Unemployment Insurance Fund is a responsible body. It supports employers who employ young people aged 17-29, with primary or secondary education, and who do not have work experience. The fund provides subsidy; the employer can receive 50% of the salary of the young person for 12 months. 70% of the participants are employed 6 months after the measure. Employers are also compensated for work-related training to a value of up to 2,500 euros over two years from the date the young employee starts work. The aim is to facilitate the development of the young person's skills and competitiveness on the labour market.

The website Stardiplats ("Startline" [www.stardiplats.ee](http://www.stardiplats.ee)) has been set up, helping young people to describe the gained knowledge and skills to employers.

Estonia was one of the successful countries where governments and private actors have been involved in reducing youth unemployment focusing especially on NEETs, at least since 2000. Three main approaches can be identified in these regards:

1. Social benefit payments for those who are unemployed;
2. Services provided by public employment agencies and private actors (civil society organisations and businesses) to help to find work and to learn new skills;
3. Working on vocational training and providing courses in corresponding to the needs of the businesses; also working hard on improving the image of vocational training institutions.

### 3.1.4 Entrepreneurship in Estonia

One strength of Estonia is that it has an integrated approach to entrepreneurship, that includes the development of skills, improve access to information and capitals. The purpose is to raise awareness on entrepreneurship in the society, among specific target groups and support the development of established entrepreneurs. The development of entrepreneurship has been at the centre of the economic development of Estonia over the last 25 years.

Entrepreneurship is a part of formal and non-formal learning. The Entrepreneurship skills development is a part of International Standard Classification of Education (ISCED) 1-3<sup>44</sup> including school-based VET. The target group of the plan includes educational institutions and students.

**Table 7. Entrepreneurship education in Estonia**

ISCED	Description
ISCED 1	students are expected, for example, to understand that money pays for things and is earned by working and to know how to cooperate with others;
ISCED 2	students understand labour market opportunities for those with different educational levels, and know what it means to be an owner, entrepreneur, employer, employee or unemployed person;
ISCED 3	students are expected, for example, to understand entrepreneurship as a career choice and understand that they can become entrepreneurs

"Enterprising School" is an education programme, which was launched in Ida-Viru County in 2006 and focuses on integrating business studies into the school system. Universities and other providers – Foundation Innove, NGO Junior Achievement Estonia and Association of Teachers of Economics etc. support non-formal entrepreneurial learning. Estonia further strengthen cooperation with employers and consider giving subsidies for offering apprenticeship places for youth in vocational education.

The information and counselling on entrepreneurship are part of the guidance and counselling system for youth. For raising awareness about entrepreneurship there are government programs and Start-ups. Young people have access to various capital: loans, credit insurance, start-up grants, etc. Estonia has been known for its entrepreneur-friendly policies for youth. Starting a business is easy in terms of time and

<sup>44</sup> ISCED 1- Primary education or first stage of basic education, between the ages of 5-7  
ISCED 2- Lower secondary education or second stage of basic education  
ISCED 3- Upper secondary education

costs. A private limited company can be established without initially contributing to share capital. A special feature of the tax system means that profit is not taxed until it is taken out of the company as a dividend which results in a high share of unreported business-related income. Approximately 1/5 of the working-age population are early-stage entrepreneurs or established business owners; and there is also the same share of potential entrepreneurs<sup>45</sup>.

The initial Start-up Estonia program was launched by the Ministry of Economic Affairs and Communications in 2011. The program aims to improve the business environment for start-ups and increase the development of innovative products and services.

### **3.2. The Case of Poland**

The 2019 Youth Unemployment Rate in Poland is 11.50% (11.30% in 2018), which is approximately the EU average, however the overall rate of unemployment is only 5.9% (March 2019). Unemployment is very high for 15-24-year-olds who have only basic vocational education. University graduates show the lowest unemployment rates. The 15-24 NEET rate is lower than in the EU and for 25-29-year-old youth, it is at the same level.

Unemployment rates in Poland dropped about 23% between 2004 and 2008. The average youth unemployment rate was 25.2% from 2000 to 2008, and dropped to 15.3% from 2009 to 2017, which is just below the EU-28 average. These figures are related to a high level of youth migration, which increased with the EU enlargement of 2004. The macroeconomic situation in Poland has improved, leading to a certain stabilisation of the labour market.

The disparity between the NEET rate for young women and young men is above the EU-28 average in Poland (5.9). In Poland over a quarter of the young people with a part-time job took it involuntarily. Women may take on a part-time employment to preserve the family's living standards in times of crisis, or accept less demanding positions to work convenient hours and lower wages, regardless of their qualifications, to balance work and family obligations.

The leading reasons for youth unemployment are the limited number of jobs; problems resulting from sector changes caused by economic transformations; and the sectors in which many young people are employed (trade, hotel industry) show moderate saturation. Other sectors that are popular among the young, but in a way absorptive (agriculture, mining, construction), display stable or falling trends in employment. A mismatch distinguishes Poland from other OECD states. It is not purely a matter of educational choices for youth, but it's the offer from the education sectors. Home and care responsibilities are signs of 'hidden unemployment'. During their early career these are linked very much to youth with the lowest levels of education (ISCED 0–2). Temp contracts also have a negative effect on youth employment (European Commission, 2017), however 53.3% of workers aged 15–29 worked on such contracts in 2016 compared to 27.5% for the total working population.

Poland is very successful in terms of employment duration rates, scoring in the middle-below the employment of youth in the UK, but better than in Southern Europe<sup>46</sup>. Over 92% of youth who were employed in 2012 were still employed in 2014 regardless of their educational attainment. Because of the high unemployment rates, youth with poorer education are likely to accept any job, yet once they enter the workforce their employability is no less than those with a secondary education.

#### **3.2.1. Youth Employment Policy and Governance Structures**

Poland is among the few that avoided a recession in the post-2009 period only an economic slowdown. Poland is among the few countries that avoided a recession in the post-2009 period and only experienced an economic slowdown. Employment Protection Legislation in Poland is stronger than the OECD average (for example in Germany or Finland). However, there is no specific legislation for youth employment apart

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<sup>45</sup> Masso, J., & Paes, K. (2015). Business Start-ups & Youth Self-Employment in Estonia: A Policy Literature Review. STYLE  
46 Youth Labour Market in Central and Eastern Europe, 2017

from the general Polish Youth Strategy 2003 – 2013 adopted by the Council of Ministers, which describes the aims of youth policy in Poland.

The Polish Council of Youth Organizations is a national-level umbrella group established in 2011, representing 26 Polish youth organisations and over 250,000 young people. It aims to empower youth to influence policy and society.

The competencies of the Minister of Family, Labour and Social Policy, include the reduction of unemployment and labour market policy. These are based on legislation on the promotion of employment and labour market institutions in the Act of 20 April 2004.

Employment protection legislation (EPL) is universal rather than youth-specific, especially where it concerns protection against dismissal. Nevertheless, young people are over-represented in certain forms of employment, such as fixed-term contracts and part-time or other atypical forms of employment. For example, Poland and Estonia are two of the most successful countries where governments and private actors have been involved in reducing youth unemployment, with a focus on NEETs, since 2000. Activities carried out include the support of youth employment and support for entry into the labour market for NEET youth, in cooperation with employers.

### 3.2.2. Skills development

**Skills anticipation** - Skills anticipation at local levels has been more developed than at the national level though it is often undertaken on an ad hoc basis. At the end of 2016 methodologies were provided, to be implemented at the local level. However, no integrated system for skills anticipation has been embedded in national legislation or coordinated at the national level, or take out according to the above-mentioned method.

**Education** - In 2015 Poland had the lowest rate of under-qualified youth and the highest level of medium ISCED attainment for the age group of 20-24, as the age for compulsory education is 18. Compulsory education in Poland is comprehensive and the education system performs well, with good results. Poland has an average PISA score of 503.5<sup>47</sup>; 40% of people aged 25–29 in Poland have tertiary education, which is above the average in the EU-28 (Rokicka et al. 2015: 21). In 2016 tertiary education reached 44.6% for the 30–34 age group, while the EU average was 39.1 % (CEDEFOP, 2016).

“Post-compulsory education” is more popular than VET, though in Poland VET has high enrolment rates and is more school-based than other countries. However, youth with this level of education have more barriers when entering the labour market. Poland now adapts the curricula of VET programmes to include a core curriculum, thus ensuring continued labour market relevance. The focus is on improving the link between VET and the labour market. In addition, dual education in VET is a new approach. Diplomas from vocational education are not widely recognised by employers since there is more emphasis on theoretical knowledge and employers only have a limited interest in taking part in VET certification or in seeking skills<sup>48</sup>. Despite financial incentives by the government, Polish employers are the least active in their cooperation with the education system.

In 2015, the percentage of upper secondary students following VET was 50.4%, well above the EU average of 46.7%. Similarly, in 2016 the employment rate of these VET graduates (73.5%) was slightly higher than the EU average. Practical vocational skills amount to 60% of the total class time in basic vocational programmes, and 50% of class time in the upper secondary and post-secondary vocational programmes (CEDEFOP, 2016).

Poland has one of the few Second-Chance Schools that have good results in empowering NEETs and working to integrate them into the labour market. The country also has very good results in reducing the

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<sup>47</sup> PISA 2018 Global Competence, OECD

<sup>48</sup> Youth Employment in Poland. Hebert Foundation, 2013

number of youths leaving their school and training too early. In 2014, only 5.4% of Polish youth were not in education or training<sup>49</sup>.

Poland has the lowest number of early leavers from school education and training compared to EU – only 5.4% of those aged 18 to 24 in 2015 had lower secondary education or were not in further education and training. Educational attainment in Poland is remarkable, as the system produces the lowest proportion of youth with low educational attainment who may face a crowding-out effect by higher-educated youth, leading to over-qualification.

Educational attainment in Poland is very important. Polish educational system, produces the lowest proportion of young people with low educational attainment who may face a crowding-out effect by higher-educated youth, leading to over-qualification.

**Career Services** - The Ministry of National Education is responsible for vocational guidance for children and young learners. In the labour sector, basic vocational guidance services are provided by Local Labour Offices (LLO) acting within the Public employment service (PES). Since 2014, vocational guidance has been increased and Information and Career Planning Centres (ICPC) have become specialised organisational units of the Regional Labour Offices. Both the unemployed and job seekers, and all interested persons over 18, may use services provided by ICPCs. They also offer psychological consultations, information and workshops.

Vocational guidance in the education sector is carried out by schools and other educational institutions; It includes a diagnosis of the students' demands, individual consultations to students and families, psycho-pedagogical assistance to students, parents and teachers, and career guidance classes. Vocational guidance is carried out in universities by Academic Career Offices (ACO) that offer services for students and graduates.

### 3.2.3. School to Work Transition (STW) and Active Labour Market (ALMP) Policies

Poland has a post-socialist/transitional approach that adopts a mix of liberal and/or employment-centred approaches. A liberal SWT focuses more on a young person's rapid labour market entry, while employment-centred SWT has a different transition focus: mass (company-based) apprenticeships (dual training) or school-based SWT.

A low share of WBL increased the need of implementation of ALMP to increase youth employability. Poland tries to increase the employability of youth and remove barriers to entering the labour market. Time spent on the job search is age specific, with over 50% of youth from 18–24 who find a job within six months. However, 25% spend over 13 months looking for work (Czarnik and Turek 2012). Poland has a low transition rate for under-educated youth: Only 19% of these unemployed young people could find a job within two years.

One strong point of Polish policy is the fact that it spends more than the EU average on ALMP (0.86% of GDP, like Germany and Austria, but is lower than Northern Europe which spends 1% of GDP). However, these investments are not youth-specific<sup>50</sup>. The coverage of ALMPs in Poland increased from 25.6% to 37.1% between 2013 and 2015, which included 32.7% for youth (MLSPRP, 2015). Measures are proactive-ALMP focuses both on under-qualified people like in Estonia, and on highly qualified youth.

In 2015, the proportions of beneficiaries included within different categories of ALMPs was: 1) traineeship with an employer, 49.7%; 2) non-school educational activities, 15.4%; 3) public works, 7.4%; 4) interventional employment, 11%; 5) refunding costs of employment to employers, 6.8%; and 6) co-financing of economic activities, 9.7% (MFLSARP, 2017).

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<sup>49</sup> Lessons Learned and New Plans. Overcoming challenges of Youth Unemployment in the Baltic Sea Region. NORDEN ASSOCIATION IN SWEDEN. 2015

<sup>50</sup> Youth Labour Market in Central and Eastern Europe, 2017

One of the best practices is that youth-oriented policy follows leading EU youth employment initiatives such as Youth Guarantee and Youth Employment Policy (YGI). Poland published its first YGIP in 2014 and updated it in 2015. These programs contained seven initiatives to ensure early intervention and 24 activation programs as well as 13 additional measures and initiatives to enable integration in the labour market. Early intervention was focused on young people 15 - 25, and in 2015 the age was extended to 29 (MLSPRP, 2014; MLSPRP, 2015). There are other interventions designed to take into account national priorities. The main instruments are found in Table 8.

**Table 8. Labour Market instruments**

Instruments	
LM instruments aimed at the acquisition of experience required by the employers	Acquisition or completion of professional experience through i.e. internships and apprenticeships under standards stated in the European Quality Framework on Traineeships. Internships are the dominant policy measure; 14,8% of young unemployed under 25 years participated in internships in 2015 <sup>51</sup> . Provide incentives, such as the costs of subsidised employment of young people, a refund of additional equipment costs (only together with subsidised employment)
Labour market instruments supporting the cross-sector and geographical mobility	Supporting cross-sector mobility for those who have unemployment problems in the sector i.e. changing or completing qualifications in other sectors through i.e. internships, apprenticeships and trainings Supporting the geographical mobility of young people who have problems of finding employment-covering the costs of commuting to work or the initial development of the new place of residence
Labour market instruments aimed at disabled people	Through i.e. financing the costs of the assistant of the disabled person
Instruments that support entrepreneurship and self-employment	Through grants, business counselling and trainings to setting up and running a business <sup>52</sup> . Life tramp is a private start-up initiative established in 2014 as an IT platform that allows people to try different careers and lifestyles by training with and learning from a mentor

The most popular measures of support offered for young people by employment offices are internships, followed by trainings. From 2016 to 2019 it's possible to reimburse the employer for part of the cost of salaries and social security contributions for full-time employment for unemployed persons under 30. The refund covers 12 months if the person has been employed 18 months.

In Poland where early school drop-out rates are associated with household poverty, and many children leave school because of financial difficulties, financial support mechanisms include subsidies such as study books, free school meals, allowances and scholarships.

Poland has established job quotas for groups of the population who are particularly disadvantaged in the labour market, especially for persons with disabilities. The fulfilment of quotas is regularly checked, and levies imposed on enterprises that do not observe the quota are collected into a special fund. The fund then finances the creation or adaptation of jobs for disabled people with another employer, or offers ways to increase their employability, such as vocational rehabilitation and training, or providing alternative employment opportunities such as sheltered employment, subsidised self-employment, etc<sup>53</sup>.

The focus is on strengthening PES capacity. In Poland the YG implementation has involved PES restructuring to provide young people with individualised support, foster better links with both employers and education and training providers, and to adopt a more targeted and pro-active approach towards supporting NEETs (European Commission, 2015b; González-Menéndez et al, 2015a). The YG has stimulated enhanced cooperation between local-level employment offices (Poviat) and a wide range of organisations such as the Academic Career Center, local Voluntary Labour Corps (OHP) units, social welfare centres and schools (Weishaupt, 2014).

<sup>51</sup> Jeliazkova, M., Inev, D., Draganov, D. (2018) Assessing youth employment policies in 28 European countries

<sup>52</sup> First Results of the Implementation of the Youth Employment Initiative, Poland, 2016, PPMI, ECORYS

<sup>53</sup> Nesporova, A., Koulaeva, O., Advisory report on vocational rehabilitation and employment of people with disabilities in Eastern Europe and Central Asia. ILO, Moscow 2014.

### 3.2.3. Entrepreneurship in Poland

Entrepreneurship is embedded within the National Qualifications Framework for Higher Education. The Academic Incubators of Entrepreneurship make up a wide-reaching network of support centres. In 2014, 73 centres provided support for -pre-start-up, start-up and growth phases. Junior Achievement leverages its international experience to implement high-quality training and support for youth entrepreneurs. A culture of entrepreneurship is promoted and supported including e-services.

The Polish Agency for Enterprise Development provides business development support for youth with innovative entrepreneurship projects. There are an established grant and micro-finance system that will be continued in the 2014- 2020 EU funding programming period.

If the young person (up to 30) wishes to found its firm, the Bank of National Development offers credit with a reduced interest rate (0.44%) equal to 16 000 euro. Additionally, the young debtor enjoys one year of credit vacations, which enables him or her to focus on managing the firm.

### 3.3. The Case of the United Kingdom (UK)

Youth unemployment has been an increasing problem in the UK since 2005. It has fallen, though it is still high. Young people are more likely to be unemployed than adults (11.7% vs 3.9%). In 2018, the unemployment rate for 16 -24 years old group was 11.7%, lower than for a year earlier (12.2%). The youth employment rate is 51.6% (2017) compared to OECD average 50.6% and the overall employment rate of the UK 76.1% (80.5 Men and 71.8 Woman, 2019). NEETS rate for 16-24-year-old age group was 13.1% in 2018 (10.2% man and 16.2% women)<sup>54</sup>.

The reasons of youth unemployment are: lack of jobs- some employers developed jobs for youth but this is not widespread, recruitment methods and employers perceptions of young people; a mismatch between education and employment, poor vocational options; lack of quality vocational pathway; a lack of skills needed for work. The UK has lower levels of 'technical' or intermediate skills, but it performs well on higher education. Young people think their barriers to employment are a lack of work experience, anxiety and skills. Finance is the biggest challenge for having an apprenticeship or university pathways.<sup>55</sup>

#### 3.3.1. Youth Employment Policy and Governance Structures

There are no specific arrangements to govern youth employment. The employment and labour market policy set the conditions. The Department of Work and Pensions (DWP) is responsible for welfare, pensions and child maintenance policy including for young people. It also administers the Jobseeker's Allowance (JSA). Youth policy is one responsibility of the Minister for Civil Society. This Minister joint to the Cabinet Office Department for Digital, Culture, Media and Sport (DCMS) following machinery of government changes announced in summer 2016. The Government created Jobcentre Plus that is the part of the Department for Work and Pensions; it delivers working-age support service in the United Kingdom, such as helps the unemployed of all ages prepare for, find and stay in work by providing: universal job match, training, guidance and work placement programmes, work experience, volunteering and job trialling schemes, help with starting a business. The Department of Education (DfE) that is the department of the Government is responsible for education, higher and further education policy, apprenticeships, wider skills, and equalities. The portfolio for the Minister of State for Apprenticeship and Skills includes careers education/guidance in schools and apprenticeships.

The UK has developed a strong relationship with all stakeholders including formal partnerships across the Cabinet Office and the Departments for Education, Work and Pensions, Digital, Culture, Media and Sport. UK employment policy is well-coordinated and consulted on in local and national government. The UK has also ensured that their companies receive many long and short term social and financial benefits by hiring

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<sup>54</sup> Youth not in employment, education or training (NEET), OECD

<sup>55</sup> Youth Voice Census Report, 2018. Youth Employment UK



adolescents, which drastically improved youth unemployment. Besides, entrepreneurship culture supports self-employment opportunity of youth.

The UK launched the annual Youth Voice Census in 2017, that benchmarks the experiences of 14-24-year-olds transitioning between education and employment. This initiative supported some improvements to the careers information young people are receiving in schools including a raised awareness of apprenticeships and the quality level young people are rating their work experience placements.

### 3.3.2. Skills Development

**Skills anticipation** – The Employer Skill Survey (ESS) and Public Employment Services (EPS) contribute to the UK’s labour marketing forecasting. Both are biennial surveys, carried out in alternate years. The ESS provides insight into the skills issues employers face and the action they are taking to address them. The EPS provides views and actions of 18,000 employers in the UK about how to engage with training providers, in the wider skills system, to get the skills they need.

**Table 9. Measures to ensure early intervention and activations in the UK**

The UK has strong Sector Skills Councils that aim to understand future skills in their industry and contribute

Measures to ensure early intervention and activation	
1. New Deal for Young People’ (NDYP)	The New Deal for Young People (NDYP) was introduced in the United Kingdom in 1998 and aimed to help the young unemployed to work and to increase their employability by combining different interventions, especially job-search help and subsidised employment. Participation in the programme was compulsory and every eligible individual who refused to cooperate faced a loss of their entitlement to benefits. The New Deal options offered were: i) A subsidy equal to £60 per week for 26 weeks to be provided directly to an employer; ii) A job for 6 months on the Environment Taskforce with a wage or an allowance equal to Jobseeker's Allowance plus £400; iii) A job for 6 months with a voluntary sector employer with a wage or an allowance equal to Jobseeker's Allowance plus £400; iv) Entry into full-time education or training for 12 months without loss of benefits for those lacking basic qualifications (NVQ Level 2 or below). The program increases the employment of its participants by about 5 percent.
2. The Future Jobs Fund (FJF)	As part of the Youth Guarantee scheme the FJF was announced in 2009; it aimed to provide around 150,000 six-month-long work experience contracts for young people. These contracts were predominantly provided by local authorities or within the voluntary and community sector. The FJF represented a shift in emphasis towards a demand-side approach by targeting those between the ages of 18-24 who had been on Jobseeker's Allowance for at least six months.
3. Youth Contract Wage Incentive Scheme	Provides new workplaces for 18 to 24-year-olds. This offer makes it easier for employers to take on young people. It offers unemployed people between two and eight weeks work experience, with an optional extension to up to 12 weeks if the employer decides they would like to offer the participant an apprenticeship and that offer is accepted.
4. Youth Obligation	A welfare programme for an 18-21-year-olds to take work-based learning and move into employment. Payment of benefits depends on the person taking part in a work placement or preparing for an apprenticeship or traineeship after 6 months.
5. Sector-based work academies	Were introduced in 2011. It offers pre-employment training, a work experience placement and guaranteed job interview for aged 18 years or over, or lone parents aged 18-24 whose youngest child is under 4. Job seekers take up a place, but they must complete the pre-training element, attend the job interview and accept any subsequent offer of a job.
6. Skills Conditionality	Started in 2011. It is split into three categories: support to gain skills through training Coverage of ALMP for youth unemployment has been assessed high in the UK. The school leavers having the secondary level education spent 26–27 months out of 36 in employment on average in the UK. support via the National Careers Service; and Initial Provider Interview with a training provider. Training includes basic skills (English, numeracy, literacy), occupational skills, employability skills and English for Speakers of Other Languages; an individual can be referred to one or more aspects of training.

to the development of National Occupational Standards, the design apprenticeship frameworks. There are 19 SSCs, covering about 80% of the British workforce.

**Education** - skills policy is a responsibility to the Department for Education since government changes in 2016. UK has an average of 500 in PISA in 2015<sup>56</sup>.

UK governments have attempted to use large-scale VET schemes, starting with the Youth Training Scheme and introducing competence-based Vocational Qualifications in the 1980s. VET centres are focused on how to prepare young people for a specific job<sup>57</sup>. UK position is to put vocational education back on the front-burner and share the experience of Germany, Austria and Finland – where youth unemployment is not an issue. Non-formal and informal education also supports young people's learning.

Since 2013 the UK (liberal cluster) has been implementing a major VET and apprenticeship reform to address long-standing issues around VET and its role in STW transitions. The Apprenticeships Trailblazers reforms attempt to put employers at the heart of the apprenticeship system and - represent a potential paradigm shift within the UK context (Tassinari et al., 2016). The reforms aim to promote VET and associated career pathways as a high-quality option (Hadjivassiliou et al, 2015a).

Education system focuses on the skills, qualifications, careers advice, work experience and networking opportunities to prepare young people for employment or self-employment – at school. Educational institutions have been working with companies and cooperation to meet the labour markets demand and to inform students where employment is needed.

**Career Services** - Career services include free information, advice and guidance to help people decide about education and work opportunities, including apprenticeships. Whilst young people aged 13-18 have access to the National Contact Centre or the National Career Service (NCS) website, individuals 19 years and over can access the service via all its delivery channels. Local branches of the NCS try to provide them with the knowledge they need to succeed in their chosen careers. Besides the telephone channel, face-to-face advice is delivered through eleven prime contractors in 12 geographical areas.

Schools and colleges have to provide pupils in Years 8-13 (ages 12-18) career advice about post-16 education and training options, including apprenticeships. For those over full-time compulsory school age, information includes higher education and employment. Provision can include web-based and telephone services and/or face-to-face guidance. All HEI's have their careers service<sup>58</sup>.

### 3.3.2. School to Work Transition (STW) and Active Labour Market (ALMP) Policies

The UK is characterised by fast but unstable STW transitions. Because of low EPL for permanent contracts, temporary contracts are rarely used.

**ALMP**- There are various LM services through face to face consultations, self- services, via telephone; The young people are offered personalised labour market services to support their job search.

ALMPs are not targeted at young people, although there are important measures for youth such as the Youth Contract and measures designed for disadvantaged vulnerable youth, including NEETs.

With the expansion of Active Labour Market Policies passive labour market policies has reduced including unemployment benefit for young people and the long-term unemployed (Alcock et al., 2014). UK policy is an individualised tailor-made integrated support towards the most vulnerable groups.

More young men (55%) than women (49%) have had work experience in secondary school<sup>59</sup>. Work experience has been available since January 2011. It is targeted at 18-24-year-olds who have little or no work experience. Local authorities use public sector procurement to support youth employment. For example, Leeds City Council places employment and skills obligations in procurement contracts worth over £100,000. This has led to the creation of 82 apprenticeships into the construction of Leeds Arena. Essex County Council has created 200 new apprenticeships using clauses in public procurement contracts. Problems for young people do not end once they reach the workplace. They face declining earnings and

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<sup>56</sup> PISA 2018 Global Competence, OECD

<sup>57</sup> Youth unemployment in Europe: lessons for the UK, 2013

<sup>58</sup> Youth policies in the United Kingdom (England), 2017, Youth WIKI

<sup>59</sup> Youth Voice Census Report -2018, Youth employment UK

training and are much more likely to be seeking additional hours or looking for another job. This is a major concern for decreasing the motivation of youth.

In the UK unemployment benefits differ for different age groups. Those aged 16-24 receive £56.80 per week, and those aged 25 or above receive £71.70 per week. The duration is six months. The unemployment assistance finished once insurance benefits expire.

### 3.3.3. Entrepreneurship in the UK

Although there is no formal strategy for entrepreneurship education, elements of business enterprise policy filter into schools. Schools may also include entrepreneurship in their non-statutory Personal, Social, Health and Economic education classes. Elements of entrepreneurship are being integrated into primary education (age 5-11), in secondary school, (age 11-16). Students can participate in hands-on business experiences. They include, amongst others:

- Tycoons in schools, allows students to start a business whilst at school/college, to get experience.
- The Tenner Challenge which gives young people aged 11-19 a chance to think of a new business idea and make it happen, using real money to take calculated risks in the business field.
- MyBank, which is an award-winning UK charity that teaches young people how to manage their money.
- Fiver Challenge 5, giving - 11- year-olds across the UK £5 to set up mini-businesses to create products or services they can then sell/deliver at a profit and engage with their local community.

Youth work organisations, local authorities, the third sector and uniformed organisations also support the development of entrepreneurship competence. Young Enterprise is a business and enterprise charity which helps young people learn about the world of work through a range of programmes.

### 3.4. Summary of EU practice

The international practices show that countries are improving their governance structures and support stronger and broader stakeholder engagement to strengthen the youth-related policies. Among them can be emphasized the strengthening of ALMPs and PES capacity, the decentralisation and localisation of governance and reforms of VET and apprenticeships reforms.

In Estonia and Poland, compulsory education systems are inclusive where post-compulsory general education is more popular than VET; the UK is characterised by a comprehensive education system and high flexibility and fragmentation in post-compulsory education. The reputation of VET is inferior and so-called 'academization' is highest for both 20-24 and 25-34-year-olds among all three countries reviewed.

VET in Poland is mostly school-based, while in Estonia the more focus is on company-based training within a school-based model. VET delivery models are not standardised in the UK, while VET is accessible through school-based programs combining academic study with vocational elements; the UK's VET provision has been criticised as being too focused on basic skills and relatively low-level qualifications. Employers see themselves as more 'customers' of the VET rather than partners (Tassinari et al, 2016). The de-coupling of the education system and labour market has made skill mismatch a reoccurring concern.

Estonia has low EPL for permanent and relatively high EPL for temporary employment. Poland, EPL is much stricter for permanent rather than temporary employment, making the latter more attractive to employers. As a result, the incidence of temporary employment in 2015 among 15-29-year-olds was high in Poland (54%) and it is the lowest (8%) in Estonia. The UK's EPL is one of the lowest in the OECD, resulting in a less segmented labour market. It is common having a zero-hours contracts, where working hours are set by employer demand, leading to unpredictable/unstable income. Thus there is a transfer of business risk from employer to employee (ONS, 2016).

Youth unemployment and long-term unemployment rates are comparatively low that can be explained by low EPL. It reduces rigidities harmful for STW transitions, it also creates unstable working conditions. the UK is characterised by fast but unstable STW transitions. Because of low EPL for permanent contracts, temporary contracts are rarely used. The UK's labour market seems to have performed relatively well in

the recent crisis, although long-term unemployment remains considerably above the pre-crisis level and is recovering more slowly than short-term unemployment.

The youth employment rate within three years after completing education corresponds to the EU average in both countries, when considering all education levels together. However, educational attainment in Poland is much more important than in Estonia. Those with the lowest levels of educational attainment face labour market entry barriers in Poland. This relates to the Polish educational system, which produces the lowest proportion of young people with low educational attainment who may face a crowding-out effect by higher-educated youth, leading to over-qualification. In Estonia and the UK, NEET rates are slightly below the EU average for those aged 15-24, while in Poland it is higher.

Low rate of work-based training in all countries increases the need for ALMPs, that aims at enhancing youth employability, especially by providing financial incentives for employers to hire young people. In Estonia and Poland, the policy instruments used to support the STW transition include training and/or employment subsidies to increase the supply of work experience placements. ALMPs in Estonia mainly concentrate on less-educated youth, while in Poland they also target highly qualified young people.

Recent reforms in the UK – especially the Apprenticeship Trailblazer reforms – have attempted to increase employer involvement in designing and delivering apprenticeship standards (Hadjivassiliou et al, 2015a). UK tries to improve the STW transition by expanding apprenticeships. Poland has a better experience of apprenticeships than Estonia.

ALMPs are not specifically targeted at young people, though there are some initiatives - such as the Youth Contract - targeting unemployed youth in the UK. The role subsidies are relatively minor compared to other countries experience (Hadjivassiliou et al., 2015a).

Estonia has a wide variety of LM services and personalised services to support job search of youth. Estonia has effective measures to improve work experience of youth, such as Youth Work, well planned apprenticeship; Well-developed career counselling services in school and outside helps youth to make informed career progression decisions.

One strength of Poland is that it spends on ALMP more than the EU average; ALMP measures are proactive and various, such as traineeship with an employer; non-school educational activities; public works; interventional employment; refunding costs of employment to employers; co-financing of economic activities. One of the best practice is that youth-oriented policy follows the leading EU youth employment initiatives such as Youth Guarantee and Youth Employment Policy (YGI).

A combination of different interventions, especially job-search assistance with welfare-to-work strategy makes the UK approach to youth employment successful. The UK ensures internships and apprenticeships opportunities for youth with companies, which gives them working experience and increases their chances of getting employed. Work experience in its broadest sense is one of the key elements in successful transitions. Youth unemployment in the United Kingdom has dropped to a company's willingness to hire and work with young people, because of all the positive benefits and large income they get by doing so.

**Table 10. School to Work Transition in Estonia, Poland and the United Kingdom**

	SWT Type	Education system & VET	Focus of STW transition policies & ALMPs	EPL & labour market regulation	Speed & quality of STW transitions
<b>Estonia and Poland</b>	Post-socialist/ Transitional	Comprehensive education systems, predominance of general education Weak linkages between education system & labour market	Combination of liberal & employment-centred policies ALMPs relatively underdeveloped Focus on acquisition of employability skills (supply side) & stimulus of labor	High EPL dualism, but considerable differences within cluster Minimum wages set with social partners involvement, not	Variable-length & stability High incidence of temporary/low-quality employment Skills mismatch

		High levels of educational attainment	demand through wage subsidies	differentiated by age	
<b>United Kingdom</b>	Liberal	The comprehensive education system, predominance of general education Fragmented post-compulsory training Low status & standardisation of VET Limited employer involvement	The supply-side, workfare activation model Focus on acquisition of employability skills & rapid labour market entry Targeted remedial interventions for NEETs and vulnerable young people	Low levels of EPL Universalistic but minimal social protection Minimum wages set by legislation (differentiated for young people)	Fast but unstable; high incidence of low-quality employment Skills mismatch

## Chapter 4. Recommendations for Georgia and Ukraine

Evidence from other countries shows that multi-stakeholder partnership plays an important role in the development of a policy framework conducive to the promotion of the youth employment. Multi-stakeholder partnerships ensure that the individual is supported at all stages of their pathway into education, helping to maintain trust in the system, and motivation and to get employment. To be successful, such partnerships must bring together governmental institutions, public employment services (PES), the education sector and employers, youth organisations, non-governmental organisations (NGOs), and social and health services. Strengthening SP is important for closing a mismatch.

Policy interventions need to address both labour supply and demand sides. Georgia and Ukraine need to develop mechanisms that will support the creation of jobs for youth on the one side and on the other side to improve youth skills and support a transition of youth to work (like in the UK, Estonia) as well as ensure stability once they enter labour market (like in Poland).

### Demand-side

The creation of highly skilled jobs in the modern sector is required to absorb highly educated, unemployed young workers. Job creation outside low productive areas should be fostered in order to reallocate labour from subsistence farming to more productive activities. Policies must be reinforced that enable companies to create more inclusive and high-productivity jobs for youth.

The government should design policy instruments that foster innovation to achieve high productivity and create jobs. It is important to offer innovative programs that will facilitate the development of a culture of innovation for youth in Georgia and Ukraine. Synergy between industry and research (R &D) should be expanded.

Support should be provided to create permanent and temporary jobs for young people, with safe working conditions and wages. International experience shows (e.g. UK) that when companies receive benefits for creating more jobs and other working opportunities for young people, youth employment increases. Similarly, incentives that encourage enterprises to provide work experience for young people can have a significant impact on youth employment.

International experience shows that a lack of youth jobs is well balanced by youth entrepreneurship; it requires a favourable investment climate, sustainable long-term economic growth, and industrial restructuring. Though there is some experience of entrepreneurship skills development in Georgia and Ukraine the entrepreneurship culture needs development in both countries, but especially in Georgia where youth entrepreneurship is less developed. Georgia and Ukraine can share an experience of Estonia and the UK that have a long experience of development of the integrated approach to entrepreneurship; that includes the development of skills, awareness-raising of youth, coaching and mentoring improve access to information and capitals. Entrepreneurship should become a part of formal and non-formal learning as well as of the guidance and counselling. Establishment a company without initially contributing to share capital like in Estonia as well as provide support for youth with innovative

entrepreneurship projects like in Poland or providing hands-on business experiences from the early age like on the UK would be helpful for the development of youth entrepreneurship.

Entrepreneur policies should become more youth-friendly and starting a business should be rather easy for youth in terms of time and costs.

### **Supply side**

**Education and skills** can be considered as the best protection against unemployment. To prepare young people for employment and self-employment, education systems must focus on skills, qualifications, career advice, work experience and networking opportunities. Tools and Policies in Georgia and Ukraine lack skills anticipation policies. Both countries would benefit by upgrading their Labour Market Information Systems and duplicating best practices of countries such as Estonia and the UK.

International experience has shown that successful measures provide new or additional learning opportunities for those pursuing education or training. These include the implementation of dual systems in Poland, new apprenticeship programmes in the UK, and a programme for early school leavers in Estonia. Given the PISA results, Georgia and Ukraine need to place greater emphasis on quality in education.

Georgia and Ukraine should fast-track reforms in the vocational education system, including work- and school-based learning and dual education. Skills acquisition should be offered more widely to vulnerable groups, including IDPs. VET reforms require strong and unequivocal employer support to create a pool of offers for quality placements and associated training (Eichhorst, 2015). Public information and attitude changes will help young people and their families understand that apprenticeships/VET systems are not “second-best” options (Eichhorst, 2015).

**Supporting transition and staying in the labour market**– successful practices address the labour market risks faced by youth in their earliest stages. Results are better when these interventions are complemented by preventive measures such as early career guidance, fostering entrepreneurship and work-based learning

Since Georgia and Ukraine have characteristics common to the cluster of post-socialist/transitional systems, the reproduction of certain school-to-work policies from Estonia and Poland appear most pertinent. In those countries, policy instruments supporting STW programs include training and employment subsidies to increase the number of work experience placements. The focus of the UK for improving STW is to increase apprenticeships. VET/apprenticeship reform is a priority for Estonia too (2013).

Work experience is a key element for successful STW transition, together with VET reforms. Both must include early exposure to high-quality work experience and internship placements, including WBL, workplace visits, mentoring, mock interviews, competitions, project activities. Employers should be encouraged to provide work experience and training in college-based or dual programmes. Reforming VET must improve linkages between education and the labour market to address skills mismatch.

Effective management and coordination of career education as well as guidance policies and practices in schools/VET; colleges/HE institutions; and employment support centres is essential. It must introduce comprehensive career education programmes and guidance; capacity development for career advisors and counsellors; high quality methodological materials; and regularly updated career information. This information must include self-knowledge (understanding personality, interests and skills); occupational familiarity (job opportunities; how skills, interests and qualifications link to job opportunities) and decision-making skills (including how to make realistic career decisions according to their own skills, interests, abilities and qualifications).

**Strengthening public employment services** to implement youth employment policies. Public Employment Services (PES) can offer important support to youth, especially by targeting youth in need of assistance and addressing the needs of young people, and taking into account labour market disadvantages. Measures that increase the know-how of employment services to address the needs of young people would help to improve their outreach to this clientele.

Early intervention includes profiling young people's interests, aspirations and options in terms of education, training and employment opportunities to help them understand the realities of the work world. Individual action plans for all youth must contain recommendations tailored to their situation and outline the steps for their advancement.

**Providing financial support.** A monthly allowance or other form of financial support (social benefits, coverage of related costs– e.g. commuting) increases the retention rate of NEETs in active labour market programmes (ALMPs).

**ALMP** – international experience shows that ALMPs, which mediate between labour supply and demand, have increasingly been used to improve the labour market integration of young people. Both Georgia and Ukraine should take international experience into account, where increasing the budget (Poland) and focusing on youth (the UK), coupled with effective monitoring and evaluation mechanisms based on clear indicators, have made ALMP effective against unemployment. ALMPs should target both less-educated youth like in Estonia, as well as highly qualified young people. In both cases unemployment is high.

Experience shows that Youth Guarantee is an effective mechanism to reduce unemployment among young people. The same can be said about Youth Contract in the UK and My First Job in Estonia. A similar scheme can be created in Ukraine and Georgia. Guaranteed employment for the first job is recommended, and youth should be offered personalised services to support their job searches, especially for vulnerable groups like NEETS. Taking into account the gender disparity in Georgia in the labour market and a longer transition period for women, specific measures should support young women's access to employment.

Georgia and Ukraine need to develop outreach strategies towards its NEET population, especially in Georgia where the NEET rate is higher. This might include registering NEETs and creating specific measures to include them in employment, education and training, drawing on the Polish and UK experiences. Goals must include supporting their reinsertion into formal or informal education, training and work with an accent on eliminating barriers to self-confidence and motivation. Successful schemes target listening and responding to the individual needs of each young person. Investments in prevention include quality early education and keeping young people in school.

Creating pathways to successful careers for new entrants means making work attractive and ensuring decent work conditions and sustainable employment practices. Understanding how young people learn is key to helping them choose the right path and maintain their engagement.

This is particularly important for those who might have already had negative experiences with employment. When dealing with young people in vulnerable situations, it is important to measure the 'distance travelled' by the individual before they accessed support, rather than purely focusing on outcomes, for example whether they have integrated into the labour market, returned to education or become socially active. Innovative performance indicators and support for qualities such as a personal 'level of autonomy' are important for ensuring that NEETs do not have to re-enter support programmes. These indicators can also allow for the adjustment of programmes to improve cost-effectiveness.

Annexes.

**Annex 1.**

**School to Work Transition Regimes in Europe**

Regime	Education system & VET	Focus of STW transition policies & ALMPs	EPL & labor market regulation	Speed & quality of STW transitions
Universalistic	1. Inclusive education system 2. High investment & high transitions in tertiary education 3. Secondary role of VET	4. Supportive activation (Youth Guarantee) 5. Human capital investment	6. Flexicurity model: moderate/low EPL, inclusive social protection system 7. Corporatist tradition whereby minimum wages, including youth-related ones, are collectively agreed & vary by sector	8. Fast & stable



Employment centered	<p>9. Selective and standardised education and training</p> <p>10. Prominence of VET (company or school-based), including prevocational training &amp; apprenticeships</p> <p>11. High levels of employer involvement ‘</p>	<p>12. ‘Train first’ approach: focus on VET &amp; apprenticeships as main labour market integration route</p> <p>13. Targeted ALMPs for vulnerable youth</p> <p>14. Occasional use of wage incentives &amp; demand-side measures systems or VET take-up</p> <p>High levels of temporary employment Cyclical problems of low labour demand</p>	<p>15. EPL dualism between permanent &amp; temporary employment</p> <p>16. Segmented social protection</p> <p>17. Corporatist tradition, but minimum wages set by legislation</p>	<p>18. Variable, but fast &amp; stable for countries with large apprenticeship systems or VET take-up</p> <p>19. High levels of temporary employment</p> <p>20. Cyclical problems of low labour demand</p>
Liberal	<p>21. Comprehensive education system, predominance of general education</p> <p>22. Fragmented post-compulsory training</p> <p>23. Low status &amp; standardisation of VET</p> <p>24. Limited employer involvement</p>	<p>25. Supply side, workfare activation model</p> <p>26. Focus on acquisition of employability skills &amp; rapid labour market entry (‘work first’ approach)</p> <p>27. Targeted remedial interventions for NEETs and vulnerable young people</p> <p>28.</p>	<p>29. Low levels of EPL</p> <p>30. Universalistic but minimal social protection</p> <p>31. Minimum wages set by legislation (differentiated for young people)</p>	<p>32. Fast but unstable; high incidence of low-quality employment</p> <p>33. Skills mismatch</p>
Mediterranean/ Sub-protective	<p>34. Comprehensive education system</p> <p>35. Low status &amp; take-up of VET</p> <p>36. High levels of early school leaving</p> <p>37. Weak linkages between the education system &amp; labour market</p>	<p>38. Under-developed ALMPs &amp; low PES capacity</p> <p>39. Focus on acquisition of first work experience</p> <p>40. Wage subsidies</p>	<p>41. High EPL dualism between temporary &amp; permanent employment</p> <p>42. Segmented social protection with high protection gaps; high familialism</p> <p>43. No age-related minimum wage</p>	<p>44. Lengthy &amp; uncertain High levels of temporary employment</p> <p>45. Skills mismatch</p> <p>46. Low labour demand</p>
Post-socialist/ Transitional	<p>47. Comprehensive education systems, predominance of general education</p> <p>48. Low prominence of VET (school- or company-based)</p> <p>49. Weak linkages between the</p>	<p>51. Combination of liberal &amp; employment-centred policies</p> <p>52. ALMPs relatively underdeveloped</p> <p>53. Focus on acquisition of employability skills (supply side) &amp; stimulus of labour demand through wage subsidies</p>	<p>54. High EPL dualism, but considerable differences within cluster</p> <p>55. Minimum wages set with social partners involvement, not</p>	<p>56. Variable length &amp; stability</p> <p>57. High incidence of temporary/low-quality employment</p> <p>58. Skills mismatch</p>

	education system & labour market 50. High levels of educational attainment		differentiated by age	
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Source: Adapted from Pohl and Walther in Assessing the Performance of School-to-Work Transition Regimes in the EU, The Institute for the Study of Labor (IZA), 2016

## Main policy documents and legal acts in Georgia and Ukraine

Georgia	Ukraine
<ul style="list-style-type: none"> <li>• Four Point Reform Plan of Government of Georgia (2016-2020)</li> <li>• The National Georgian Youth Policy Document (2014)</li> <li>• Strategy for VET Reform 2013–2020</li> <li>• State Strategy for the Formation of the Georgian Labour Market 2015–2018</li> <li>• Development of Employment Promotion Services 2015–2018</li> <li>• State Strategy and Action Plan on Active Labour Market Programmes (2016)</li> <li>• SME Development Strategy for 2016–2020</li> <li>• Regional Development Strategy 2015–2017</li> <li>• Agriculture Sector Strategy 2012–2022</li> <li>• Poverty Reduction Strategy (2006)</li> <li>• IDP Livelihood Support Strategy (2014)</li> <li>• Labour Code (2006)</li> <li>• Employment and Labour Market Policy Strategy 2019-2023</li> </ul>	<ul style="list-style-type: none"> <li>• Parliament Declaration on the Overall Background of the State Youth Policy in Ukraine (1992)</li> <li>• The strategy of Development of National Youth Policy for 2013–2020, Roadmap for Reform: Youth Policy in Ukraine</li> <li>• Concept of the State Target Social Programme Youth of Ukraine 2016–2020</li> <li>• National Strategy for Development of Education in Ukraine for 2012–2021</li> <li>• Law on Promotion of Social Development of Youth in Ukraine (1993)</li> <li>• Law on Higher Education (2014)</li> <li>• Law on Science and Scientific and Technology Activities (2015)</li> <li>• Law on Education (2017)</li> <li>• Labour Code (1971)</li> <li>• Law of Ukraine on Employment of Population (2012)</li> <li>• The Strategy of Integration of Internally Displaced Persons (2017)</li> </ul>

### Annex 3.

#### Summary of interviews with the main stakeholders in Georgia

	<b>Main activities to support youth employment /entrepreneurship</b>	<b>Main employment barriers for youth</b>	<b>Institution's future steps</b>
<b>Policy Level – Ministry of Education, Science, Culture and Sport of Georgia</b>	Implementation of VET programs that are developed in cooperation with employers; 40% of the VET curriculum is a practice based; WBL and dual education gained attention. Dual education has at least 50% practices in a company. Entrepreneurship is a compulsory module for VET programs. Regular Tracer studies with employers are used for planning VET programs. Public-Private Partnership have been piloted.	<ul style="list-style-type: none"> <li>• Lack of skills including general skills, IT, foreign language</li> <li>• Attitudes/mindset of graduates towards employment</li> </ul>	<ul style="list-style-type: none"> <li>• Introduction of VET training and retaining short-term courses by SSA and VET department of the MSCS</li> <li>• Improve entrepreneurship culture at VET colleges through the support of economic activities</li> <li>• International organisations support start-ups of VET graduates</li> <li>• Improve on-job training opportunities</li> </ul>
<b>Policy and implementation Level – Ministry of IDP, Labour, Health and Social Affairs</b>	<p>Livelihoods Agency – established in 2014 is focused on IDP livelihoods; provide employment, self-employment, subsidise services, such as subsidies for VET IDP students to cover travel expenses; Grants to support purchasing tools for self-employment for VET graduates; Grants in agriculture, such as greenhouses; Grants for “rural household beneficiaries”</p> <ul style="list-style-type: none"> <li>• The Agency provides permanent information campaigns through SMS, face-to-face meetings, forums/fairs, volunteers</li> </ul>	<ul style="list-style-type: none"> <li>• IDP youth has a problem of a lack of skills because of their socio-economic conditions</li> <li>• Lack of experience</li> <li>• Expectations of youth towards having well-paid jobs</li> </ul>	Restructuring of a public employment office and integration of the activities of the Agency with other SSA services
<b>Implementation level - SSA</b>	<ul style="list-style-type: none"> <li>• The employment department is implementing ALM programs, that includes youth</li> <li>• Training- and retraining of job-seekers; Internships; Subsidies</li> <li>• Individual and group career counselling</li> </ul>	<ul style="list-style-type: none"> <li>• A mismatch</li> <li>• Employers expectation about a good experience of newly graduates</li> </ul>	<ul style="list-style-type: none"> <li>• More work-related experience and internship opportunities</li> <li>• Good coordination among stakeholders including SSA</li> <li>• The SSA employment department is restructuring,</li> </ul>

	<ul style="list-style-type: none"> <li>Organizes job-fairs supports communication between jobseekers and employers</li> <li>Job fairs</li> <li>By 2023 in all units should be implemented a new service model that aims to improve ALMP and employment of job-seekers, profiling jobseeker to provide targeted services.</li> </ul>		Implement a new model, improve human capacity to improve quality services focused on youth and other vulnerable groups
<b>VET Educational Institutions</b>	<ul style="list-style-type: none"> <li>Understand employers' expectations; collect information about job vacancies</li> <li>Teaching entrepreneurship skills; implementing WVL with employers</li> <li>Support employability and employment of youth through: <ul style="list-style-type: none"> <li>-Communication and contracts /memorandums with employers</li> <li>-Invite sectoral associations to organise open days. Training and meetings.</li> <li>-Offer career guidance services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Lack of information on employment opportunities</li> <li>Lack of vacancies</li> <li>Negative attitudes towards VET graduates</li> <li>a lack of practical experience</li> <li>Employer's low-paying and inappropriate job</li> <li>Poor working conditions offered</li> <li>Employers' request about the experience</li> </ul>	<ul style="list-style-type: none"> <li>Development of the labour market - access to human resources for the private sector</li> <li>Empowerment and financial availability to start a business</li> <li>Offer more internships to youth</li> <li>More support of entrepreneurship</li> </ul>
<b>NGO's</b>	<p>Offer short-term course where participants improve their general skills, learn to write a business plan and practically work on their plans;</p> <p>trainings to develop professional and general skills;</p> <p>They have a partnership with business organisations and educational institutions to improve the quality of education</p>	<ul style="list-style-type: none"> <li>Lack of qualification of graduates</li> <li>A lack of personal/professional skills</li> <li>Lack of jobs</li> </ul>	<ul style="list-style-type: none"> <li>systematic trainings and adjustments to new requirements on the labour market</li> <li>get finances to expand interventions</li> <li>more focus on entrepreneurial skills development and culture</li> </ul>

#### Summary of interviews with the main stakeholders in Ukraine

	Main activities to support youth	Main employment barriers for youth	Institution's future steps
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	<b>employment and entrepreneurship</b>		
<b>Family, Youth and Events department of the Ministry of Youth and Sports of Ukraine</b>	<p>Implement programs that support youth employment, Inform youth about the programs; implement measures to improve access to programs</p>	<ul style="list-style-type: none"> <li>• Lack of jobs and education</li> <li>• People with Disabilities have limited access</li> <li>• Migration</li> <li>• IDP- get an education in Russia and come here; and difficult to continue here.</li> <li>• Offer to continue at a higher level to get Ukrainian Diploma.</li> <li>• Experience of working</li> </ul>	<ul style="list-style-type: none"> <li>• Continue project for youth; Youth and family;</li> <li>• New 20 youth centre will be opened;</li> <li>• extend trainings; UNICEF and Save the children, DRC provides grants including covering entrepreneurship;</li> <li>• employment center will offer programs.</li> </ul>
<b>System-level-Ministry of Youth and Sports of Ukraine</b>	<ul style="list-style-type: none"> <li>• Various programs supporting youth employment and entrepreneurship</li> <li>• business sector partnership with educational institutions for practice;</li> <li>• in 15 regions 130 campaign with 35 000 place</li> <li>• These are effective camping</li> </ul>	<ul style="list-style-type: none"> <li>• Parents' influence</li> <li>• Weak professional orientation</li> <li>• Lack of LM of the qualifications</li> <li>• Small villages, cities have less access information</li> <li>• Career counselling and professional orientation;</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy development</li> <li>• Regional focus</li> <li>• Improved coordination between various ministries</li> <li>• More focus on skills development</li> </ul>
<b>Department of Economics of Donetsk Regional State Administration</b>	<ul style="list-style-type: none"> <li>• two-year regional programs for the development of SME in Donetsk</li> <li>• hold regional contests "Entrepreneur of the Year in Donetsk Region"</li> <li>• to increase the professional competencies of entrepreneurs, educational activities are being implemented</li> <li>• since 2017, the region has been providing financial support to small businesses</li> </ul>	<ul style="list-style-type: none"> <li>• According to the results of the survey of the region's population about the problems and prospects for its development., the problem of the lack of decent work and wages for youth aged 14–25 years is the second most urgent after military actions (54% of respondents in this age group noted this problem as one of the most acute problems in the region).</li> </ul>	<ul style="list-style-type: none"> <li>• Donetsk Chamber of Commerce and Industry in 2017 started the holding of the Regional Contest of Youth Female Entrepreneurship "Why I choose my business".</li> <li>• The main goal of the Competition is to search and award young entrepreneurs who have a constructive vision of their own capabilities and market environment</li> </ul>

