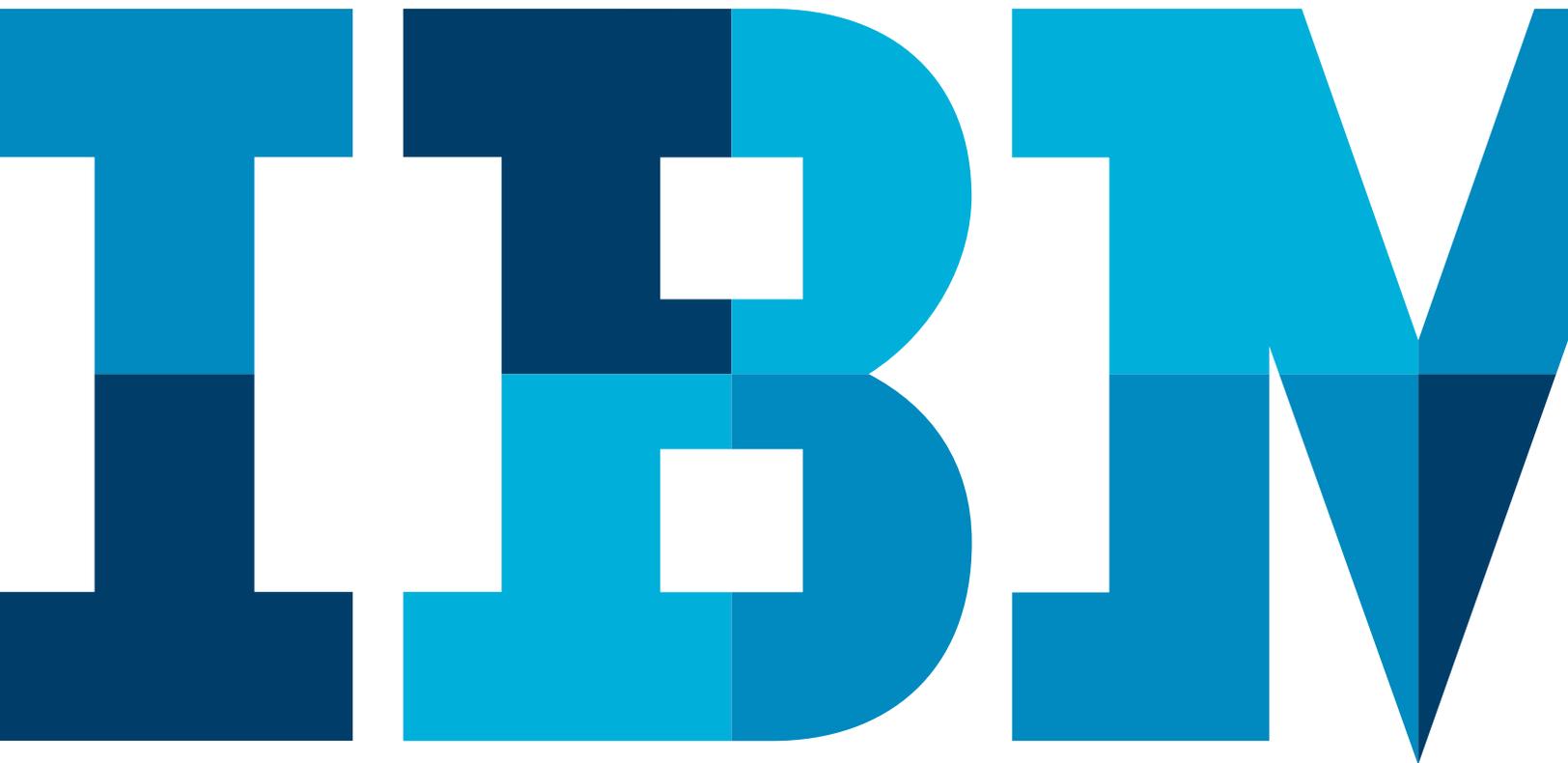


Sustainable employment: Youth, economic vitality and why government needs a new approach



By Nicole Gardner, Andreas Gollner and Paul Pateman

Unemployment and its ripple effects create challenges for governments and citizens worldwide. In addition to lost wages and tax revenues, unemployment also results in negative societal consequences, affecting citizen well being and health. Today, growing numbers of unemployed young citizens have increased the urgency to find innovative solutions to this age-old challenge.

We suggest governments evolve from a “curbing unemployment” mindset to a “managing employability” approach by embracing technology solutions that help identify unemployment patterns, drive personalized employability solutions and integrate services to support sustainable employment. As the European Commission suggests, public employment services must become “transition management agencies” that take citizens from education or economic inactivity to long lasting, sustainable employment. Doing so will further empower citizens to take command of their careers and, ultimately, their lives.¹

A global, growing and persistent problem

The availability of a workforce – both willing and able – is an important pillar of modern society and government. Employment contributes to the economic vitality and overall quality of life for a community, region or nation. For most citizens, employment provides the means for financial stability and security and the basis for leading an autonomous life, including raising a family. Along with engagement in a meaningful occupation and sense of personal fulfilment for citizens, employment also generates the tax revenues fundamental to public services. Without **citizen employment**, the proposition of citizens providing funding to government to produce public services breaks down, jeopardizing the social contract.

Unemployment across different population segments presents ongoing challenges to governments worldwide. One of the most threatening for today’s global economy is the youth workforce segment, between ages 16 and 25 years. Many from the media, and various business and government sources,

believe youth unemployment could lead to the next global crisis. Describing the situation, the International Labour Organization (ILO) issued a report, which included the following:

“By 2018 the global youth unemployment rate is projected to rise to 12.8 per cent, with growing regional disparities, as expected improvements in advanced economies will be offset by increases in youth unemployment in other regions, mainly in Asia.

“Global youth unemployment is estimated to stand at 73.4 million in 2013, an increase of 3.5 million since 2007 and 0.8 million above the level in 2011....

“...young people therefore continue to be almost three times more likely than adults to be unemployed, and the upward trend in global unemployment continues to hit them strongly.”²

A detailed look at individual regions and countries reveals different degrees of the same challenge – and provides further proof that the problem is truly a global one:

- The European Union reports that of its 7.5 million NEETs – or young people who are “not in education, employment or training” – 5.5 million are unemployed with another 2 million not in education or training either.³ The youth unemployment rate in the EU-27 was more than double the overall unemployment rate in 2012. At 22.8 percent, more than one out of every five young persons in the labor force was not employed, but looking and available for a job. In the euro area, the youth unemployment rate was even higher at 23.1 percent. The unemployment rate among young persons was higher than the rate for those between 25 and 74 years in all member states.⁴ Worst off are Croatia, Spain and Greece, with youth unemployment rates of over 50 percent. With the exception of Austria and Germany, there are no EU member states with youth unemployment rates below 10 percent.⁵
- In the United States, one in seven people between the ages of 16 and 24 is neither working nor in school. This cohort numbers 5.8 million – roughly equivalent to the population of U.S. states Wisconsin or Maryland.⁶
- Africa has a specific challenge, as some of its regions are among the “youngest” in the world. With more than two thirds of the population younger than 25 in 2010 in Sub-Saharan Africa, young people are out of work in alarmingly high numbers.⁷
- And Asia is not an exception: Youth unemployment rates were projected to reach 10 percent in 2014 in East Asia and stood at 13.1 percent in Southeast Asia and Pacific.⁸

In many countries, the central or federal public employment service (PES) provides the foundation for policy makers to foster a viable national workforce through job placement and unemployment benefits while also giving guidance and funding to provide assistance to citizens in finding work. At the

regional and local levels, there might be vocational and rehabilitation services, job matching and job counseling. However, citizens are not likely to discover why their personal circumstances might be constraining their ability to find employment. Nor are they likely to learn what services are available to address those circumstances so they can eventually succeed in finding long-term, sustainable employment.

How employable a person might be is not posed as a precursor to becoming fully employed for life. Services to help citizens find the right pathways to develop their skills or to channel their passions into viable and sustainable career paths are not easily or clearly accessible.

So how can governments foster sustainable employment and address the rising cost of not doing so?

- First, they can leverage big data and analytics to truly understand the individual inhibitors to employment and the root causes and patterns of unemployment, as well as the complexity of multi-agency and cross organizational services and benefits.
- Second, they can transform the front office and harness innovation and technology to drive new citizen-centric solutions.
- Third, they can break down the restrictive silo-based model of traditional organizations and lead the integration of a true cross-agency collaborative network to support and encourage early intervention and prevention, while ensuring accountability for the outcomes of service programs and plans.

Only by rethinking the current landscape can government successfully address the rising cost of unemployment both from a public budget perspective as well as a societal one. Transformation is essential to capturing the younger generation as it enters the workforce and aspires to take its place in the rhythm and cycles of economic vitality and independence.



The costs of unemployment

A case study of a young offender revealed that failure to prevent the drift into persistent and serious offending is shown to cost tax payers in excess of £2million, while a modest investment – approximately £7K – could prevent this drift.⁹

Cost to the unemployed

The unemployed are obviously affected by a reduction in income, which is sometimes sudden and severe. But there is more: A study by the Center for American Progress estimates that for a six-month unemployment period, an unemployed young person could miss out on wages not only for the six-month period, but also for the long term by having to accept reduced wages after that period. Young people who have been unemployed for six months can expect to earn about US\$22,000 less over the next 10 years than they could have expected to earn had they not experienced a lengthy period of unemployment.¹⁰

Estimates from the same study show that young Americans who experienced long-term unemployment during the worst of the recession will lose more than US\$20 billion in earnings over the next 10 years.¹¹ These young Americans will increasingly be forced to delay moving out of their parents' homes, will struggle to make payments on ballooning student-loan debt and will fail to save adequately for retirement.

The effects are not purely financial, as unemployment also brings huge emotional and health costs.

The World Health Organization and the University College London Institute of Health Equity draw a strong link between unemployment and health issues leading to reduced life expectancy. In discussing the findings of a major two-year review he led, public health expert Professor Sir Michael Marmot said, "...persistent high levels of the number of young people over 18 not in employment, education or training is storing up a public health time bomb waiting to explode."¹²

Pessimism among unemployed youth

A BBC article focusing on the emotional toll of youth unemployment includes insights from a 23 year-old from Brighton:

"I rarely go out and I feel so down about myself. I've tried so hard to find work but I feel no one wants me. I am 23 with a visual disability. I have been looking for part-time and full-time work since I was 16 and have completed training courses as well as volunteering in charity shops. People advised me that if I went through training courses and did volunteering that I would get a job, but I haven't."¹³

The findings of the report are clear in identifying a link between mental health issues, such as depression and suicide; major chronic diseases such as cancer, heart disease and stroke; and long-term unemployment, particularly in young people. Naturally, these impacts will also increase the financial strain on public health provision.

Cost to government

Governments face immediate costs as unemployed citizens are typically entitled to benefit payments and enabling programs. Take the United Kingdom as an example:

- From 2011 to 2012, £2.5 billion was spent on out-of-work benefits for those under 25: £1.2 billion on jobseekers allowances (JSA), £439 million on employment and support allowances (ESA) and incapacity benefits, and £848 million on income support.¹⁴
- A further £6 billion was spent on other benefits and tax credits for this group.¹⁵

It is also worth noting that over half (52 percent) of young people claiming ESA (and incapacity benefit) have been doing so for over a year, as have 61 percent of those under 25 on income support.¹⁶ This indicates a clear risk to government should these payments evolve from being temporary enablers for re-integration into self reliance to ongoing payments to an ever larger group of individuals.

In the United States, according to the Congressional Budget Office (CBO), paying emergency and extended unemployment benefits has cost taxpayers about US\$520 billion in the years 2007 to 2012.¹⁷ Additional money is also being invested by governments to structurally attack the reasons for unemployment. The EU has initiated the Youth Guarantee, a program to help member states offer all young people up to age 25 a quality job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed by leveraging best practices from individual member states.¹⁸ ILO has estimated the cost of setting up these Youth Guarantees at €21 billion per year.¹⁹

Finally, consider a German city where it is estimated that an unemployed population of 39,000 people can generate a cost of over €3 billion every year. For this city, each unemployed person costs about €57 thousand per year from lost productivity and lost consumption (spending).²⁰ The cost to the federal government includes lost tax revenue and the costs of cash benefits and assistance to help the citizen pay for daily living expenses.

While there is sometimes debate about the strength of the connection, studies for the World Bank and the Organisation for Economic Co-operation and Development (OECD) commonly discuss the aggregation of tax policy and tax decisions as directly affecting the rate of growth of an economy.²¹ Clearly, if full employment is not realized and the tax base in an economy is threatened, growth and stability must also be in jeopardy.

Cost to society

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) has estimated the economic loss in the EU associated with having 7.5 million young people out of work, education or training at over €150 billion every year (1.2 percent of EU GDP) in terms of benefits paid out and lost output.²² Cost estimates go even higher when additional unemployment costs are included, such as crime and health costs, the erosion of skills and the psychological costs to unemployed citizens.²³

In addition, the wider social care and public service system is also impacted. Youth unemployment has been connected with increased levels of crime, antisocial behavior and substance abuse and also has an impact on homelessness, teenage pregnancy and sexual health.²⁴ Overall, any significant intervention aimed at youth unemployment must also recognize and react to the wider network of challenges created.

“The youth represent the future of every European nation, holding the potential to unlock prosperity and dynamism for the continent. In the face of record-high unemployment in Europe, with a decline in household incomes and an increase in the risks of poverty and social exclusion, both EU institutions and respective governments should put more thought into the welfare and growth of young people and come up with new ideas to integrate them into the labour force.”²⁵



The traditional framework

As discussed, every unemployed person presents challenges for society across many different dimensions. Therefore, public employment services and similar organizations have invested in infrastructure and staff to support citizens as they seek employment. The traditional frameworks rely on static job matching/counseling and some training to supplement cash assistance benefits.

When young people cannot find jobs after finishing school, they do not successfully manage the transition from the educational system to the workforce. As a result, they do not acquire specific vocational or professional experiences and skills. This leads to ever-diminishing opportunities in the labor market over the longer term and difficulty in developing a pattern of reliable work habits. In addition, in times of economic crisis, young inexperienced employees risk being laid off first, promoting a downward spiral of cost to society and disillusionment for the young.

Not being able to find employment, and thus not being able to sustain oneself, can lead to frustration and even alienation from society. Those in the NEET category at a very young age could be on their way to exclusion from mainstream society – perhaps unconsciously doing so themselves. The NEET risk is identified across the world through local variants that express the concept, such as “ni ni” in Spanish (ni estudia, ni trabaja).

Although the consequences are similar, specific underlying challenges vary by country and geography. For example, the state of a region’s economy contributes significantly to the job landscape, while an education system that is not attuned to new fields that require new technology or scientific skills cannot successfully prepare students for innovation or progress in different industries. Large-scale economic and demographic shifts produce significant gaps in people trained with the right skills in the right locations to take advantage of new jobs.

Report identifies factors that increase chances of being NEET²⁶

The Audit Commission, whose role is to protect the public purse in England, produced a report in July 2010 focused on the NEET issue. The report examined NEET characteristics, the geographic distribution of NEET people and how government can work effectively to help NEETs. The report includes a table that summarizes the increased likelihood of young people becoming NEET associated with certain risk factors. Each of the below factors were found to increase the chance of being NEET for six months or more:

- Being NEET at least once before: 7.9 times more likely
- Pregnancy or parenthood: 2.8 times more likely
- Supervision by youth offending team: 2.6 times more likely
- Fewer than three months post-16 education: 2.3 times more likely
- Disclosed substance abuse: 2.1 times more likely
- Responsibilities as a carer: 2.0 times more likely

In mature economies, the core challenge is transitioning from the educational system (school, high school, university) to the workplace. A mismatch between the educational system’s curriculum and fields with available jobs can create long waiting periods for a first job. The inability to find a reasonably paying job for which a young person is qualified, and through which he or she can build a long-term career with stable employment, can lead to frustration and disillusionment.

In developing countries, young people often do not have the economic support or infrastructure to finish their education. This limits their ability to build skills and climb the pay scale ladder. People who cut short their education to take low-skill jobs – perhaps with the intention of it being a temporary situation – often find themselves there for the long term, becoming part of the unofficial, marginal economy where paying taxes may not be the norm.

The challenge for society as a whole, and for labor organizations in particular, is to address the structural problems and offer a roadmap to full-time, long-term and sustainable employment that nourishes a healthy and growing economy.

It is also the case that in tough economic times, there are more problems to solve, including:

- How to analyze and understand how to keep young people engaged in the process of managing their own development
- How to foster and enable self sufficiency – innovation can be key here
- How to integrate all stakeholders to make sure that all problems that inhibit full employment (e.g., health, family, etc.) are addressed

U.K. program aims to help troubled families²⁷

The U.K. government's Troubled Families initiative is a good example of how central government, local government and other organizations can work together to deliver a common approach and improved outcome. The Department for Work and Pensions is a key contributor to the program, as putting adults on the path back to work is one of the actions used to lift families out of their existing situation.

Specifically, as part of the Troubled Families program, the government will work alongside local authorities to:

- Get children back into school
- Reduce youth crime and anti-social behavior
- Put adults on a path back to work
- Reduce the high costs these families place on the public sector each year

In addition, the government encourages local authorities to work with families in ways proven most effective, such as:

- Joining up local services
- Dealing with each family's problems as a whole rather than responding to each problem, or person, separately
- Appointing a single key worker to understand the family's problems and work intensively with them to change their lives for the better for the long term
- Implementing approaches that support families and challenge poor behavior

The government is increasing local authority budgets by £448 million over three years (FY 2012/2013 to 2015/2016) on a payment-by-results basis.



Redefining the future

Government organizations worldwide are implementing a wide array of measures to reverse the trend and reduce the number of young unemployed people. The ILO has proposed a global framework to tackle the youth employment crisis on a macroeconomic level, including propositions for job creation and supporting entrepreneurship for young people.²⁸ Individual countries have put job guarantees in place for young people, typically accompanied by additional measures, such as the Austrian “Dual Program” that combines apprenticeships in companies with classroom education.²⁹

However, even more can be done. This implies bold steps for governments, including questioning some of their established structures and modes of operation. We propose that government organizations refocus their core activities from curing unemployment to managing employability. The current modus operandi of many public employment agencies is to wait until people are unemployed and then intervene in a transaction-oriented process. However, helping the unemployed find jobs should be viewed as a “last remedy.” The primary goal should be to focus on the desired outcome and to support individuals in the ongoing challenge of keeping or raising their individual employability.

For example, governments could offer employability checks for citizens, identifying the “distance” between a citizen and the labor market in terms of skills or experience – and subsequently identifying training or programs targeted at closing the distance.

We suggest three areas that governments should focus on in order to explore this new strategic option:

1. Government should leverage advanced analytics to design and deliver citizen-specific early intervention services based on documented analysis of root causes. Rather than adopt a one-size-fits-all approach or a narrow training strategy, government should aim to understand the challenges for each individual. There might be family dynamic issues, addiction or abuse issues, or cognitive or language challenges, as well as geographic or transportation issues. Understanding individual deficiencies and opportunities can lead to early interventions, as well as to more efficiency and effectiveness in changing outcomes. For young people specifically, an individualized approach could help identify the right training courses and qualification measures to ease the transition from general education to the workplace. Knowing exactly why certain training makes sense and what job opportunities will be available after investing the time and effort into acquiring new skills can enhance confidence and engagement levels. The end result is better use of public money and a more effective, efficient system.

Analytics can also play a big role in early prevention of developing intractable problems. Analytics solutions help uncover underlying patterns of unemployment, which can lead to identification of those at high risk. Those identified could then be targeted with early intervention actions. This approach is particularly promising for problems with various and complex reasons – such as identifying young people at high risk of becoming NEETs.

2. Labor organizations should transform the front office and harness innovation and technology to drive new citizen-centric solutions. Current technology can be leveraged to raise citizens' levels of engagement with their own careers. Examples include communities to exchange experiences, online assessments to explore and understand skills (including so called soft skills), and serious games to reduce barriers.

Because individuals vary in their abilities to manage their own career and development, the “employment fitness” program could be tailored based on an individual's level of self sufficiency. For example, it might be used by a government case worker as a tool during one-on-one counseling or used by citizens as an enablement service at their discretion.

3. Labor organizations should act as orchestrators, managing a whole social ecosystem to promote full employment and economic development. Government can play a critical role in designing early intervention plans and managing the myriad of players who might be involved in a citizen's employment life. Such plans could include all organizations that offer services, integrating differing levels of government, nongovernmental organizations (NGOs) and for-profit organizations to address specific weaknesses or needs. Citizens ultimately own their own success, but ownership of the plan could be managed in a single place, potentially by a public entity or an NGO. Specifically, when targeting young unemployed or potentially unemployed people, there is huge opportunity to join forces with organizations that provide family services or specialize in coaching and supporting young people.

A natural ally for inclusion is the educational system – and not just schools, colleges and universities. In many countries, there is a huge sector offering specific vocational training or general skills. “Nudging” this sector into providing offerings targeted at individual needs, integrated into individualized plans, could help reduce an over- or under-skilled workforce. In this environment, the PES can exploit its central role by moving to be a service provider for all the relevant parties, hosting and delivering the technology capability required to support the multi-disciplinary teams on a shared service basis.

These strategic areas offer huge opportunities for government to structurally attack and reduce the problem of youth unemployment. While benefits can be reaped in each individual area, the highest value will ultimately be achieved when all three are integrated into a comprehensive vision (see Figure 1):

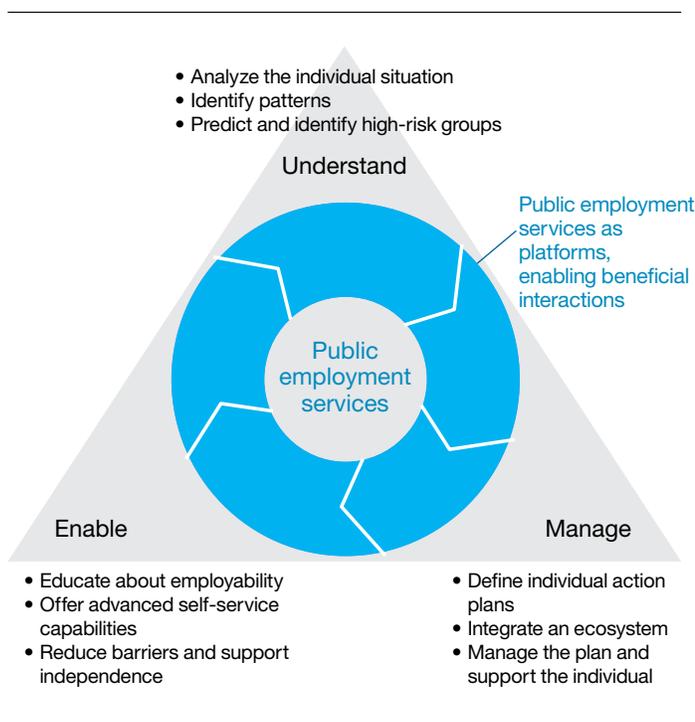


Figure 1: A new approach to unemployment focuses less on curing unemployment and more on managing employability.



The road to transformation

Digging deeply into data to take an integrated view and working across organizational boundaries to focus on long-term outcomes versus short-term transactions represents a new way of thinking. This challenges labor organizations to master new conceptual and operational models to successfully tackle unemployment in general – and youth unemployment in particular. To prepare, labor organization leaders should focus on the following:

- 1. Big data and analytics:** Harvest insights from historical patterns and underlying triggers to develop a better diagnosis of the full picture of contributing conditions and develop strategies to address conditions at the macro and individual levels.
- 2. Innovation:** Shift from reactive to proactive and from transaction to outcome focused and constantly reduce barriers to enable people to independently manage their lives and careers.
- 3. Integration:** Facilitate the seamless coordination and collaboration of a wide range of contributors inside your own organization, across other government entities and across other types of institutions, who can help achieve better outcomes for the long term.

Some organizations have already put these concepts into action (see sidebars: *Early intervention – Medway Youth Trust keeps young people on course* and *Managing the ecosystem – Community Link, Ministry of Social Development, New Zealand*).

In many countries, there are some key early indicators and reference points that help determine the propensity of an individual to become a NEET. Usually, two points in time are considered: 1) During secondary education and 2) at the entry point into the labor market.

In the United Kingdom, the Risk of NEET Indicator (RONI) is used to identify students in secondary education that might be at risk of becoming NEET in the hopes of providing intervention. Indicators used include:³⁰

- Attendance levels
- School exclusions
- Eligibility for free school meals
- Attainment at specific “key stage” indicator education levels
- Language – is English an “additional” language?
- Medical conditions
- Special educational needs
- Hard to reach and underprivileged groups (e.g., Roma, migrants)
- “Looked after” children (i.e., foster children, children living with friends/relatives other than parents)

In a post education environment, many U.K. councils gather a range of data to assess the reasons why young individuals are in the NEET group. There is no defined standard for this, but factors include:

- Ethnicity
- Age group
- Qualifications
- Criminal or antisocial behavior issues
- Addiction
- Teenage mother
- Geographic location
- History of being in the government care system
- Family situation and family employment history

Early intervention – Medway Youth Trust keeps young people on course³¹

Using analytics to guide interventions that help young people remain in education, employment or training

Although unemployment in the United Kingdom has been in decline, the situation has gotten worse for many young people. In the Medway area, 6.2 percent of young people between the ages of 16 and 19 are not in education, employment or training – a status known as NEET.

NEETs are a major concern for the Medway Youth Trust, a charity that aims to improve the life chances of young people in the Medway area. The Trust wanted to find a way to identify young people at risk of becoming NEET and intervene earlier to give them support. To do that, the charity uses data analytics.

After looking at various solutions on the market, the Trust decided that IBM SPSS Modeler was the best option for its needs. The Trust’s database includes both structured data and unstructured text, and SPSS Modeler offers both text and data mining.

The statistical analytics application uses the software to analyze structured data, such as education records, to build a statistical model that could predict the likelihood of a young person falling into unemployment after leaving education. It also uses the text analytics capabilities of SPSS to analyze notes made by advisors during their meetings with clients, which are entered into a CRM application. Sometimes the most accurate and detailed information comes from interviews and is written as free text in the database. Therefore, only looking at structured data would

not provide a full picture of an individual’s situation. It also helps spot things the client might have said that could be a predictor for unemployment.

Graham Clewes, CEO for MYT, explains, “We wanted to gain insight into why one young person was in work or learning – and his next door neighbor was not – and to identify the different inflections in their life curves. Bringing all the data together provides a 360-degree view of each young person, a comprehensive view of the individual.

We developed a profile of our current NEET – our disengaged – cohort of young people based on a deeper understanding of their characteristics and of our data. This has been used to identify key words and features associated with this group, which we can then apply to new cases – which are identified for analysis.”

In 2012, Gartner awarded MYT its EMEA Business Intelligence Excellence award. Despite limited resources, the organization has been able to effectively apply advanced predictive analytics to transform decision making.

Clewes summarizes MYT’s success, “These are the key features we have developed and embedded: An outcome-focused client service; a comprehensive view of the client; a collaboration with other agencies; better decision making, targeting resources to the right clients; increased efficiency; and creation of a culture where staff is hungry for information.”

Government agencies and surrounding third-sector organizations agree that the quantity of data is not an issue, nor is the base-level understanding of the indicators pointing to NEET status. However, as yet there are very few cases in which automation of analysis of data is done in a structured way to plan and deliver specific outcome-driven interventions.

Also, there are very few “joined up” groups of cross-discipline agencies working together in this sector. We believe there are lessons to be learned from the use of cross-disciplinary teams in wider social and health care provision, such as child welfare and chronic disease management.

Managing the ecosystem – Community Link, Ministry of Social Development, New Zealand³²

“Social services in New Zealand are moving towards a new way of working with and in the community that takes a wider view of people and families in need. Community Link is part of this new approach and is a model for the future.”³³

Community Link applies a new approach to service delivery. The model aims to achieve sustainable outcomes for people through collaborating with the community to provide a more holistic and people-centered service. Collaboration is achieved through co-locating a broad range of social services so that people can get help for a range of needs from a variety of agencies. These services can range from simple financial assistance to advocacy, support, education and counseling services. Community Link brings the “one-stop shop” approach to the next level by applying “shared case management” to fully integrate services.

“Community Link is a place where you should only tell your story once because services will work together, and with you, to help you reach your goals.”³⁴

The Community Link model is based on the belief that joining services to provide assistance based on a person’s whole-life needs is more efficient and effective for all involved and can lead to longer lasting solutions for the client. The approach allows partnering agencies to work together to address agreed

goals with clients within a cooperative relationship. The flexible model design allows Community Link to support varying levels of need. All clients are catered for, from straight forward cases to more complex ones.

New Zealand’s Ministry of Social Development understands that complex cases require more comprehensive solutions and that “...many people... have a wider range of needs than just the support they get from Work and Income.”³⁵ As such, case workers are given more time to work on complex cases and an interagency facilitator is put in place to enable the development of a collaborative “shared case management” approach to service delivery. Client entry, assessment and case management processes have been revised over time to be more responsive and simpler for clients and workers with a single reception area, open-ended appointment times, adoption of a simple “whole of life” screening tool and rapid referral to partnering providers for specific needs through an on-line appointment calendar.

New Zealand Ministry of Social Development:

“He aha te mea nui o te ao? He tangata! He tangata! He tangata!”

What is the most important thing? It is people! It is people! It is people!”³⁶

Conclusion

In the end, a forecast that includes the loss of a large portion of the world's workforce as happy, health citizens and reliable taxpayers does not paint a rosy economic picture, not to mention the implications for a harmonious and stable society. Governments must act quickly to change developing dynamics and maximize every citizen's opportunity to be a productive member of an economy. In particular, they need to focus on youth unemployment to avoid a downward spiral of lost wages and, potentially, a lost generation.

To succeed, policy makers need a deep understanding of the problems and their underlying causes. They need to embrace big data and analytics to drive innovative welfare models. By integrating across agencies and organizations, governments can reduce barriers and empower people to take charge of their careers and, ultimately, their lives. The economic prosperity of cities, regions and countries is at stake.

About the authors



Nicole Gardner lives in the United States and is Vice President and Global Industry Leader for Social Services, Government Healthcare and Tax for IBM Global Business Services. She leads a worldwide team of subject matter experts who help government organizations develop modernization strategies, innovative

models for service delivery and best practices for improved efficiency and effectiveness across a broad range of program areas. Nicole works with senior government leadership on some of the world's most challenging social issues including modernization for social assistance programs, unemployment, disability, homelessness and child welfare and has published numerous books and articles on human capital management, e-business and organizational change management. Nicole can be reached at nicole.gardner@us.ibm.com.



Paul Pateman lives in the United Kingdom and is the IBM Global Social Services team leader for Global Business Services. Paul leads a worldwide team that helps social services organizations develop modernization strategies and implement best practices and new business processes. His 30 years of experience

include expertise in large-scale eligibility systems, financial management of benefits budgets and programs, and the use of analytics to fight fraud. Paul advises clients on challenges including how to move from a transactional to an outcomes-focused model, how to use predictive analytics to design early interventions that prevent adverse incidents, and how to break down information silos to promote a collaborative approach to care and service plans. For the past three years, Paul has been heavily engaged with supporting European clients to deliver the European Union's Social Policy objectives as part of IBM's team working alongside the Commission. He can be reached at paul_pateman@uk.ibm.com.



Since 2010, Andreas Gollner has been part of the IBM Global Government Center of Competence, where he currently acts as the Public Employment Service Lead. With more than 20 years' experience as a strategy consultant and IT expert, Andreas advises senior leaders in social services organizations

on strategic matters connected with and leading to organizational and technological transformations. Based in Vienna, Austria, he has a strong focus on working with Central European Public Employment Services. Andreas has worked specifically with European Public Employment Services to leverage Internet technology and social media to enhance the level of service for citizens and increase cost efficiency and effectiveness for the agencies involved. He can be reached at andreas_gollner@at.ibm.com.

References

- 1 “Roadmap: Modernisation of the Public Employment Services – action on the network of PES.” European Commission. May 2013. http://ec.europa.eu/smart-regulation/impact/planned_ia/docs/2013_empl_009_public_employment_services_en.pdf
- 2 “Global Employment Trends for Youth 2013: A generation at risk.” International Labour Office. International Labour Organization. 2013.
- 3 Thompson, Spenser. “States of Uncertainty: Youth Unemployment in Europe.” Institute for Public Policy Research. November 2013. http://www.ippr.org/images/media/files/publication/2013/11/states-of-uncertainty_Nov2013_11453.pdf
- 4 “Unemployment statistics (data up to January 2014).” European Commission, Eurostat. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics
- 5 “Employment: Commission urges Member States to urgently implement Youth Guarantee to help young jobless.” European Commission press release. November 12, 2013. http://europa.eu/rapid/press-release_MEMO-13-984_en.htm
- 6 “One in Seven: Ranking Youth Disconnection in the 25 Largest Metro Areas.” Measure of Media. September 2012. <http://www.measureofamerica.org/one-in-seven/>
- 7 “Accelerating the AfDB’s Response to the Youth Unemployment Crisis in Africa.” African Development Bank Group. November 2013.
- 8 “Global Employment Trends for Youth 2013: A generation at risk.” International Labour Office. International Labour Organization. 2013
- 9 Coles, Bob; Christine Godfrey; Antonia Keung; Steven Parrott; and Jonathan Bradshaw. “Executive Summary, Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training.” Department of Social Policy and Social Work and Department of Health Sciences. The University of York. July 2010.
- 10 Ayres, Sarah. “The High Cost of Youth Unemployment.” Center for American Progress. April 5, 2013. <http://www.americanprogress.org/wp-content/uploads/2013/04/AyresYouthUnemployment1.pdf>
- 11 Ibid.
- 12 Cooper, Charlie. “UK warned that youth unemployment is ‘public health time bomb waiting to explode.’” The Independent. October 30, 2013. <http://www.independent.co.uk/life-style/health-and-families/health-news/uk-warned-that-youth-unemployment-is-public-health-time-bomb-waiting-to-explode-8913672.html>
- 13 Coughlan, Sean. “Third of young unemployed rarely leave house.” BBC News. Education and Family. July 16, 2013. <http://www.bbc.com/news/education-23315438>
- 14 Cook, Graeme. “No more NEETS, A plan for all young people to be learning or earning.” Institute for Public Policy Research. November 2013. http://www.ippr.org/images/media/files/publication/2013/11/no-more-neets_Nov2013_11516.pdf
- 15 Ibid.
- 16 Ibid.
- 17 Longley, Robert. “Unemployment Benefits Cost Taxpayers \$520 Billion.” US Government Info. About.com. December 3, 2012. <http://usgovinfo.about.com/b/2012/12/03/unemployment-benefits-cost-taxpayers-520-billion.htm>
- 18 “Employment: Commission urges Member States to urgently implement Youth Guarantee to help young jobless.” European Commission press release. November 12, 2013. http://europa.eu/rapid/press-release_MEMO-13-984_en.htm
- 19 “Studies on Growth with Equity, EuroZone Job Crisis: Trends and Policy Responses.” International Labour Organization and International Institute for Labour Studies.” 2012. http://www.ilo.int/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_184965.pdf
- 20 IBM analysis based on data from European city; IDEA Consult. Eurostat ALMP.
- 21 “Globally, Tax Rate Policies Vary As Economies Continue to Reform Tax Compliance Systems.” The World Bank Press Release. November 19, 2013. <http://www.worldbank.org/en/news/press-release/2013/11/19/tax-rate-policies-economies-reform-tax-compliance-systems>; OECD (2010), Tax Policy Reform and Economic Growth, OECD Tax Policy Studies, No. 20, OECD Publishing. The Organisation for Economic Co-operation and Development. <http://www.oecd.org/ctp/tax-policy/oecd taxpolicy studyno21 taxation and employment.htm>
- 22 “Eurofound contributes to EU Presidency conference on ‘Developing sustainable youth employment policies in an era of fiscal constraints’ 22-23 October 2012: Economic cost of Europe’s youth not in employment, education or training estimated at over €150 billion.” Eurofound Press release. October 22, 2012. <http://www.eurofound.europa.eu/press/releases/2012/121022.htm>
- 23 “Review of social determinants and the health divide in the WHO European Region: final report.” World Health Organization. UCL Institute of Health Equality. 2013.
- 24 Coles, Bob; Christine Godfrey; Antonia Keung; Steven Parrott; and Jonathan Bradshaw. “Executive Summary, Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training.” Department of Social Policy and Social Work and Department of Health Sciences. The University of York. July 2010.
- 25 Anannya, Osmi. “The EU’s £8bn Youth Unemployment Fund: Can it work?” The New Federalist. July 12, 2013. <http://www.thenewfederalist.eu/The-EU-s-L8bn-Youth-Unemployment-Fund-Can-it-work,05880>

- 26 “Against the odds, Re-engaging young people in education, employment or training.” Audit Commission July 2010. <http://www.audit-commission.gov.uk/2014/01/finish-line-in-sight-for-audit-commission/>
- 27 “Helping troubled families turn their lives around.” Department for Communities and Local Government. GOV. UK. <https://www.gov.uk/government/policies/helping-troubled-families-turn-their-lives-around>
- 28 “Global Employment Trends for Youth 2013: A generation at risk.” International Labour Office. International Labour Organization. 2013
- 29 “Labour market policy in Austria: essential features, functions and tasks.” Sozial Ministerium. http://www.sozialministerium.at/siteEN/_Labour/Labour_Market/Labour_market_policy_in_Austria/; “Apprenticeships and Vocational Training.” BMWFW. Federal Ministry of Science, Research and Economy. <http://www.en.bmfwf.gv.at/Vocationaltraining/Apprenticeshipsandvocationaltraining/Seiten/default.aspx>
- 30 Maguire, Sue and Becci Newton. “Top tips for local authorities implementing Raising the Participation Age (RPA).” Department for Education. Institute for Employment Studies (IES) and Centre for Education and Industry (CEI), University of Warwick. September 2013.
- 31 Green, Chloe. “Medway Youth Trust tackles unemployment with visual analytics.” Information Age. September 27, 2013. <http://www.information-age.com/technology/information-management/123457377/medway-youth-trust-tackles-unemployment-with-visual-analytics>; “Medway Youth Trust keeps young people on course.” IBM. November 2011. <http://public.dhe.ibm.com/common/ssi/ecm/en/yt03359gben/YTC03359GBEN.PDF>; “International Social Sector Forum 2012: Report on Proceedings, IBM Smarter Government, Warsaw 2012.” IBM Corporation. March 2013. <http://public.dhe.ibm.com/common/ssi/ecm/en/gdj12346usen/GDJ12346USEN.PDF>
- 32 Brian Lee-Archer. “Rightservicing – A new business approach for enabling a differential response in social program management.” Cúram Research Institute. April 2012; “Community link. What is community link?” Ministry of Social Development Web site, accessed February 26, 2014. <http://www.msd.govt.nz/what-we-can-do/community/community-link/index.html>; Horn, Michael. “Community Link in New Zealand.” Brotherhood of St. Laurence. May 2010. http://www.bsl.org.au/pdfs/Horn_Community_Link_in_New_Zealand_2010.pdf.
- 33 “Community link. What is community link?” Ministry of Social Development Web site, accessed February 26, 2014. <http://www.msd.govt.nz/what-we-can-do/community/community-link/index.html>
- 34 Ibid.
- 35 Horn, Michael. “Community Link in New Zealand.” Brotherhood of St. Laurence. May 2010. http://www.bsl.org.au/pdfs/Horn_Community_Link_in_New_Zealand_2010.pdf
- 36 Maharey, Steve (Minister of Social Services and Employment). “Forward.” Ministry of Social Development Web site, accessed February 26, 2013. <http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/planning-strategy/te-rito/foreword.html>



© Copyright IBM Corporation 2014

IBM Corporation
Route 100
Somers, NY 10589

Produced in the United States of America
May 2014

IBM, the IBM logo and ibm.com are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at "Copyright and trademark information" at www.ibm.com/legal/copytrade.shtml.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.



Please Recycle
