



Fund for young people entering the labour market

Startersbeurs

**Netherlands**

1 DESCRIPTION

Timespan The measure been active since 2013.

Stage **FULLY OPERATIONAL**

Focus area  **MATCHING SKILLS FOR TODAY'S JOB MARKET**

2 FOUNDATIONS

Policy Area  **ACTIVE LABOUR MARKET POLICIES**

The aim of the measure is to help graduates from tertiary level education to gain working experience, thereby making them more attractive for employers.

Policy Goal The policy instrument aims to solve the issue of graduates from tertiary level education (WO and HBO degrees in the Netherlands) not being able to find work due to lack of work experience. Often employers do not have the financial capacity or desire to take on an employee with no practical work experience. The instrument aims to enable graduates to acquire work experience through subsidized internships at enterprises, thus making them more attractive in the labour market. Without practical working experience, labour market information shows that graduates leaving tertiary education do not have the relevant skills and practical work experience that enterprises are looking for. Therefore, hiring a fresh graduate represents a risk for enterprises, as they must invest time and money to train a graduate to work in their enterprise. The rationale of the instrument is that by subsidizing the training of graduates, it is more attractive for enterprises to hire them. Moreover, graduates gain work experience, making them more attractive on the labour market as a whole. Furthermore, having trained at an enterprise, a graduate has higher chances of being hired there. Overall, the main purpose is to help graduates find work more easily.

Mismatch **PART OF BROADER PROGRAMME, YET WITH EXPLICIT FOCUS**

The measure helps make graduates become more employable by giving them the opportunity to gain practical experience in their field. In this way they gather the practical knowledge and skills required to actually practice the profession they studied for, thereby reducing the mismatch between what graduates know and what they are expected to be able to do when working in their field. The instrument, therefore, contributes to lower the skills mismatch by improving the initial employability of graduates.

Aim of policy instrument



MATCH SKILLS OF YOUNG GRADUATES



UPSILL AND MATCH SKILLS OF UNEMPLOYED



FACILITATE JOB/CAREER TRANSITIONS



ADDRESS SKILL SHORTAGES

Legal basis

OTHER

This is a policy instrument developed by social partners and has been implemented by Dutch municipalities and their social partners.

Administrative level

REGIONAL

Main responsible body

Ministry for Education, Culture and Science

Stakeholders



GOVERNMENT (CENTRAL & REGIONAL)



TRADE UNIONS



RESEARCH CENTRES AND UNIVERSITIES



SOCIAL PARTNERS

The Startersbeurs instrument was developed by the University of Tilburg, in collaboration with the youth employee associations, FNV and CNV, and the enterprise Funding B.V. The implementation and monitoring is carried out by municipal governments in the Netherlands, which get the funding from the Ministry of Social Affairs and Employment. These municipalities set the precise conditions and criteria for paying the subsidy to the employer, usually an enterprise. The municipality where the graduate lives is the municipality that implements and provides the scholarship subsidy. While the municipality monitors how many individuals make use of the instrument in different regions, overall evaluations take place every few years. The first evaluation took place in 2014 and the second in 2015. Both were carried out by an institute within the University of Tilburg, ReflecT.

Funding

No information on how much funds are committed to the instrument is available. In a general sense, the municipalities receive financing from the government (from different ministries, for different fields: the two main budgets are the participation budget and the provincial subsidy budget). However, how the municipalities allocate funding to different programmes in their region varies according to the regional needs. The funding for the Startersbeurs comes from the Ministry of Social Affairs and Employment, and is distributed via participating municipalities. In different regions of the Netherlands, some municipalities have also used dedicated ESF (subsidy category A) funding to help fund their overall youth unemployment measures, and in doing so, also allocate ESF funding to the Startersbeurs. Therefore, it is difficult to say how much funding is required for the Startersbeurs.

Intended beneficiaries

The intended beneficiaries are recent graduates from tertiary education programmes. Enterprises benefit indirectly from having relatively cheap workforce, i.e. recent graduates that they can train according to their business needs. The graduates work a 32 hour work week for 6 months, which entails a significant amount of cheap labour for an enterprise.

3 PROCESSES

Use of labour market intelligence



INFORM DECISIONS ON COURSE FUNDING/PROVISION



ENABLE STRATEGIC BUSINESS DECISIONS



OTHER

The LMSI tool used here centres on connecting unemployed graduates from tertiary education with enterprises. The municipality in a region implements the scholarship subsidy ("beurs") for a graduate who registers and applies to use the policy instrument.

Financial schemes

The instrument is based on a financial incentive for employers to hire graduates who have just completed their education. In this way, the instrument subsidises the costs of hiring a recent graduate by making it attractive for enterprises to hire and train them.

Frequency of updates

Different regions of the Netherlands make varying levels of use of the measure and it is therefore difficult to say which municipalities have adjusted their implementation of the instrument. Municipalities apply to the central government (the Ministry of Education, Culture and Science) to make use of the measure. The measure in its scope and basic form (a grant for enterprises to hire graduates) has not been updated or adjusted since its beginning.

Development

The Startersbeurs instrument was developed by the University of Tilburg, in collaboration with the youth employee associations, FNV and CNV, and the enterprise Funding B.V. The measure does not appear to have been adjusted since its beginning.

Barriers

The Startersbeurs is implemented at the municipal level. As such, municipalities conduct their own local or regional evaluations and in some of these evaluations, barriers come forward. Generalizing these barriers to the whole programme is therefore difficult. The evaluation done by the municipality of the Hague in 2017, for example, showed that monitoring the actual quality of the skills and competences taught at the enterprise, and therefore assess the quality of learning, is difficult to measure. This is something that will receive fresh attention in 2018. On a national level, a challenge surrounding the implementation of the instrument is that the grant is implemented at the municipal level. This means that the funding of the instrument comes from the municipal budgets. Different regions and municipalities have different local priorities and as such, in some municipalities there is no money to implement the instrument. This is a clear barrier to implementing the instrument, and means that potential applicants cannot make use of the instrument if it is not in place in the municipality in which they live (a requirement to participate is that an applicant can only apply in the municipality in which they live and are registered).

Success factors

The success of this measure lies in its twofold objective: 1) graduates gain working experience, which provides them with useful and relevant skills, and makes them more employable on the labour market, and 2) the barrier to hiring a new (inexperienced) employee is reduced for enterprises. In this way, the programme tackles a key bottleneck in the labour market and helps improve mobility. Furthermore, a success factor is that in those regions where the instrument is offered by the municipality, the measure is quite accessible for both enterprises and applicants. According to the municipality of Rotterdam, for example, the administrative burden is reportedly low. The digital portal for making applications and payments facilitates the process, and there is a screening effect, where motivated graduates are the ones who seek out the instrument and get placed at enterprises.

Monitoring

The policy instrument is monitored by the number of graduates who get a job at the enterprise where they did their training, and the degree to which graduates found that their education aligned with the work they had to carry out. The characteristics of the participants are also monitored. Municipal governments monitor the number of participants and their career trajectories. The Reflect institute at the University of Tilburg conducts national level evaluations and has done so for 2013 and 2015. These evaluations also cover the status of graduates who participated in the measure for up to 9 months after completing their traineeship or internship.

Innovativeness

VERY INNOVATIVE

The programme is quite innovative in that it directly addresses a key bottleneck in youth unemployment and labour mobility. The measure reduces the barrier to hiring fresh graduates felt by enterprises, and makes graduates more attractive in the labour market by providing them with work experience. The instrument reduces the financial risk to enterprises and in this way, directly targets a key obstacle to labour mobility and skills acquisition.

④ SUSTAINABILITY

Evidence of effectiveness

In 2014, the University of Tilburg carried out an evaluation of the Startersbeurs. At that point around 1,500 graduates and 152 municipalities participated in the instrument. The evaluation showed that after one year of the programme 52.3% of participants found paid work during or at the end of the internship, and 36.7% found work at the enterprise where they did their internship. The participants evaluated the Startersbeurs and its contribution to their improved position on the labour market with a 7.8 score out of 10, and three quarters of participants felt the work experience was relevant and helped them find a job. Furthermore, 37.5% felt the programme contributed to a broader professional network, and 29.2% felt that the programme contributed to improving specific relevant competences. Between 2013 and December of 2015, 3,000 graduates made use of the measure. The benefits have indeed been as expected, namely to help the employability of graduates, by giving them practical work experience and thereby helping them find jobs. Both these connected goals were reached. No particularly unexpected benefits came forward during the evaluations (from 2013 and 2015). One unexpected benefit of the measure is that it seems to especially help women and graduates from classically female-dominated studies and fields. Around 70% of the total applicants for the grant were female between 2013 and 2015. The instrument also includes a training or education voucher in some municipalities. This can be used by the participant for extra education and training according to their needs. The participant can decide how best to use this to invest in themselves. However, an unexpected issue which came to light during the second evaluation of the grant (in 2015), showed in municipalities where the voucher was available, that 75% were aware of how much they could receive. The other 25% of participants were either not aware of the budget, or were aware, but did not know how much they were eligible to receive. Participants did not make use of the education voucher for different reasons: they forgot they had such a budget, considered it not high enough for a real investment in themselves, did not have time to use the voucher given their work, it was deemed unnecessary, they did not know on what they could spend the voucher, or the personal contribution to training activities was too high. These issues could be remedied by better information provision amongst municipalities, but it is unclear at present whether actions were taken to improve the awareness and use of the training vouchers in those municipalities offering the voucher.

Engagement of stakeholders

The stakeholders involved in implementing the measure are the municipal governments and enterprises who submit their willingness to be a training company. Municipalities apply to the Startersbeurs website and contact the measure's administrators. Enterprises indicate their willingness to participate via the Startersbeurs website. Graduates apply to be placed at such an enterprise. For the development of the measure, the University of Tilburg, CNV Jongeren and Funding B.V. were involved. An institute of Tilburg University, ReflecT is involved in carrying out national level evaluations of the outcomes of the measure in different municipalities. The role of the ministries are not clearly defined, beyond allocating funding to different national budgets, which are in turn used by municipal governments to fund programmes and measures that they have in place at the regional level.

Transferability

EASILY TRANSFERABLE

The measure appears relatively transferable, though a key requirement is to have enterprises willing and able to hire and train graduates, and to have sufficient public resources to offer the enterprises the subsidy to take on the fresh graduates and in doing so, carry the financial risk on behalf of the enterprises. Depending on the political priorities and resources available for the national government and the willingness amongst enterprises, the measure could be transferred to another country.

Sustainability

The measure was implemented in 2013 and has been relatively successful and effective. The measure is to be reintroduced in different municipalities which suggests it is an effective instrument, though this leaves questions regarding its sustainability (given that it was stopped in the first place in some areas of the Netherlands before being started up again).
