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The Swedish National
Board for Youth Affairs

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Summary of report no. 23



One in a Hundred

– the third year of the Development Guarantee



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The Development Guarantee

The Development Guarantee was introduced in Sweden January 1, 1998. It gives municipalities the opportunity to assume responsibility for young people between the ages of 20 to 24 for which the employment office cannot find employment within 90 days. Municipalities that have signed an agreement for the Development Guarantee with the state provide young people who are still unemployed after 100 days with a full-time programme for no more than 12 months. The programme is to be tailored to the individual and may consist of both a traineeship and an education. The Development Guarantee is suitable for young people for whom traditional measures do not work. It provides a new way of working across the boundaries between education, personal development skills and work. The state pays the municipality SEK 150 per day per young person as remuneration for the young persons educational program, but the municipality can add their own resources if they so desire. Young people who refuse to take part in an activity that the municipality offers them can lose their right to compensation as well as their supplementary benefits. During spring 2000 the number of young people in the Development Guarantee program has varied between 4,000 to approximately 6,000. In the same period there were some 3,825 long-term unemployed young people between the ages of 20 and 24. The investigation estimated that about half of the long-term unemployed youth were transferred to the Development Guarantee. Starting from August 1, the programme's

official name was changed and is now called "The Youth Guarantee". As the investigation, which resulted in the report "One in a hundred", was carried out prior to this, the term "Development Guarantee" will be used in this summary.

The Study

When the "Development Guarantee" was introduced, The Swedish National Board for Youth Affairs was executed with a commission from the Swedish Government to follow and assess the development of the reform. In the work with the earlier assessments the Swedish National Board for Youth Affairs has primarily chosen to observe the reform from a youth perspective. In this study however, the main focus was to investigate how the 186 municipalities with activities had organized and developed the reform in relation to the business upturn and declining youth unemployment. How the municipalities interpreted the stipulated central guidelines, their ability to local co-operation and the economical situation was also of great interest. An inquiry was sent to all municipalities and 84 per cent replied. The inquiry was then followed up by a telephone interview in which all active municipalities (except one) participated. The municipalities themselves chose their respondent, who according to the instruction, was supposed to be the person with the best knowledge of the local implementation of the Development Guarantee. Usually this was an employee at the municipal labour market office. The Swedish National Board for Youth Affairs

commissioned Tapio Salonen, associate professor at the School of Social Work in Lund and investigator, Anna Angelin, to carry out the investigation and write the report. An expert panel consisting of the National Labour Market Board, the National Board of Health and Welfare, the Swedish National Council of Adult Education, the Swedish International Program Office for Education, The European Social Fund Council and the Swedish Association of Local Authorities has followed the work and taken part in all major decisions concerning the study.

Target group for the Development Guarantee

The heavy recession that occurred in Sweden during the first half of the nineties led to a very difficult situation for young people with a weak position on the labour market. When the Development Guarantee was introduced three years ago, long-term youth unemployment was considerably higher than today. Despite the recovery in the Swedish economy during the past two years, some youth cannot find a way to either a job or an education and they have thus become the target group for the Development Guarantee. The majority of the municipal employees described that the improvement on the labour market resulted in a distinct difference between their clients. The young people with education and competence got a job and those with a more vulnerable situation stayed within the Development Guarantee. The municipal employees stated that the characteristics among the latter group were low self-esteem, incomplete upper secondary

education and a problematic social situation. One of a hundred in the ages between 20 and 24 were in the Development Guarantee. They were described as a group that needed special support in their transition to adulthood. The municipal employees often expressed a fear that if these youth did not receive the adequate support the outcome for some might be a vicious circle resulting in social exclusion.

Young persons introduction to the Development Guarantee

After 90 days of unemployment at the local employment office, the young person shall be transferred to the municipal Development Guarantee activities. This occurs in 70 per cent of the municipalities, but as many as 22 per cent are assigned even before the 90 days have passed. Prior to this, a three-party conversation between the youth, the employment office and the municipality shall take place. The aim is to write an individually tailored action plan containing the young person's goals for the future and what is needed to meet them. In reality this conversation only takes place in little more than half of the cases. During the entire period of the Development Guarantee the young person shall be able to receive support, guidance and personal involvement from an advisor or mentor. The level of ambition varies considerably in this matter. As many as 67 per cent of the municipalities are cooperating with the employment office when providing this service to the young person. The support ranges from therapy sessions with a social worker to job-oriented counselling at the employment office. To be flexible

and adjustable to every individual's specific needs and aspirations is considered to be two of the most important features of this methodology.

Municipal Administration

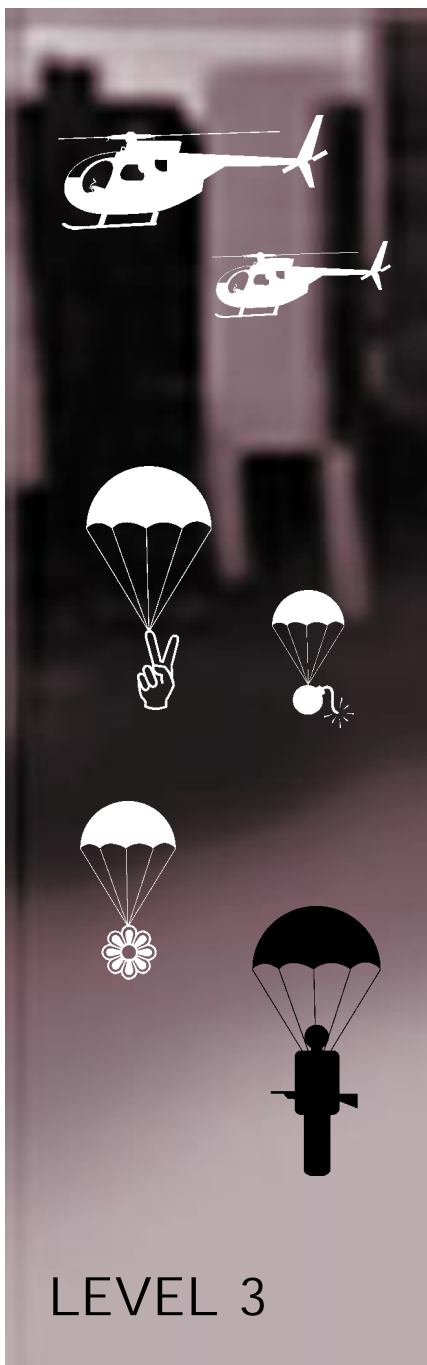
Swedish labour market matters have traditionally been a responsibility for the state and not the municipalities. The heavy economic recession during the nineties and the youth unemployment it resulted in made it necessary to find new solutions. During the nineties Sweden was also inspired by the way other European countries and the US used activation policies and workfare programs to lower the increasing number of young passive benefit recipients. The Swedish Government's response to the problematic situation with increasing numbers of long-term youth unemployment was to implement municipal labour market schemes targeted specifically at young people. The programs held an obligation to be active in order to be entitled to benefits or allowances. The additional tasks demanded the development of new methods, administrations and naturally an extension of the municipal administrations involved. The most frequent solution, used in 72 per cent of the cases, is to place the responsibility of the Development Guarantee on the municipal labour market office. Usually one or a few persons work solely with issues related to the young citizens' situation on the local labour market. They function as advisors and are responsible for educational programs, as well as finding employers willing to accept a trainee. In some municipalities the social welfare office handles the Development Guarantee but



person have social or psychiatric problems or need to apply for benefits. In some cases there has been serious strains in the relationship between these offices as a result of different perspectives and also competition for the responsibility concerning mutual clients. There are municipal labour market offices, which refuse to be involved or co-operate with the social welfare office. Their argument for this was that they did not want their clients labeled or perceiving themselves as social benefit recipients, which these officers considered to be stigmatizing.

Different Remunerations

The young people who participate in the Development Guarantee receive different remunerations depending on what their background is. The remunerations range from unemployment compensation to development allowance or just the development allowance of SEK 1,967 per month. 44 per cent of them have met the entry requirements for unemployment compensation. The remaining group receives development allowance which is divided between those with supplementary benefits, 36 per cent, and those who haven't qualified for this or chosen not to apply and therefore only receives SEK 1,967. The remuneration system has by far been the most disputed issue concerning the Development Guarantee. The reform has been evaluated on several occasions by central authorities and a common feature in all of the assessments, including "One in a hundred", is a strong criticism towards the remuneration system. The majority of the respondents considers the remuneration system as an obstacle in their work. The fact that a big



majority of the young people think that the remuneration is not sufficient to provide a livelihood creates a lack of motivation and incentives. The different remunerations also lead to situations that neither the respondents or the young persons affected can accept as fair. The participant who has qualified for unemployment compensation can receive as much as three or four times more than another young person even if they are in the same traineeship. The municipal employees are also often very upset on behalf of those with the SEK 1,967 compensation. Their opportunities and independence are very limited and according to the respondents this often leads to negative expectations and low quality of living.

Co-operation between Organizations

The Development Guarantee makes it necessary for all organizations in a municipality working in labour market matters to co-operate. To extend this co-operation as a way of increasing quality and efficiency was one of The Government's major intentions behind the reform. More than 80 per cent of the respondents at both municipalities and employment offices claimed that their relation functions well. In many cases it has lead to greater co-operation with lots of advantages both for themselves and the young persons. When asked to define the most important factor for success in working with the Development Guarantee, both parties claimed that they had a good relation to the other. Even though the majority is content, there are municipalities where the Development Guarantee has had to close down activity as a result of conflicts caused by

competition and accusations. The most common criticism from the municipalities was that the employment offices were rigid about rules and didn't take any interest in working with young persons that were in need of special support. The employment offices often thought that the remuneration of SEK 150 to the municipalities were too expensive in relation to their tight budgets. The expanding occurrence of municipal influence on an arena earlier controlled by the employment offices naturally creates rivalry and culture clashes now and then.

Municipalities who chose to use the Reform

It is optional for all municipalities to assume responsibility for the Development Guarantee. Today around 230 municipalities have signed the agreement, which means that the vast majority of Sweden's 289 municipalities are positive to the reform. For different reasons some 50 municipalities have failed or chosen not to start up the Development Guarantee despite a signed agreement with the employment office. The most striking characteristic of the 186 active municipalities is that the majority of them are densely populated. The typical municipality with Development Guarantee is situated in a city or a suburb. These municipalities also have the best employment opportunities for young people due to the recent business upturn. These results seem to be a contradiction in terms but are in fact quite logical at a closer look. Smaller municipalities in sparsely populated areas without the Development Guarantee often explained that they could use it but had problems implementing it for



economical and geographical reasons. With numerically fewer young persons unemployed it would be very expensive to arrange the required broad selection of activities. But even though quite a few municipalities chose not to use the reform as many as 85 per cent of the young persons between the ages of 20 to 24 in Sweden live in a municipality with an active Development Guarantee.

Selection of Activities

The Development Guarantee may consist of both a traineeship and an education. The majority, 59 per cent, was in a traineeship within the municipality or in the private sector. Some, unfortunately very few, ambitious municipalities have set up a multifaceted network where the young persons are provided with possibilities to choose activation at folk high schools, non-profit organizations, international projects and idea- and development centers. As few as 16 per cent of the young persons were activated in solely educational programs. The rest of the participants combined education and traineeship. A broad selection of activities and a flexible attitude are necessary to ensure that every individual in the Development Guarantee will be given the opportunity to take part in an activity within their field of interest. In the majority of the municipalities the responsible advisors really made an effort to provide individually tailored activities. In the municipalities who failed to meet the requirements the interviewed advisors often ignored the stipulated guidelines and replaced them with a local variation of the Development Guarantee where personal skills development, individual

counseling and education hardly existed. It is therefore necessary to keep in mind that since there are local variations in terms of quality and ambition, the Development Guarantee cannot be discussed in general terms. The experiences of the young persons very much depend on their local situation.

Factors for Success

When the Swedish National Board for Youth Affairs concluded the knowledge and experience that assessments and evaluations concerning the Development Guarantee had resulted in, they identified four factors for success. The factors were: time in the Development Guarantee, the job of counseling, and the individual plan of action and supportive surroundings including a higher remuneration to the participants. In the investigation "One in a hundred" at least one advisor in every municipality was interviewed. This was an unique opportunity to see whether they agreed that the identified factors for success were legitimate and relevant according to their own experiences. The advisors were asked to grade the relevance of each factors on a scale from 1 to 5. It turned out that the identified factors were considered legitimate as they all received at least 4,3 in average. They were also asked to identify the three optional factors for success that they considered most important. As many as 65 per cent rated a well-functioning relationship and co-operation with the employment office as an important factor for success. The co-operation with the local trade and industry were the second most important factor as 33 per cent mentioned it. One out of four, 28 per cent, thought that a good

relationship between advisors and participants was one of the most important factors.

Municipal perspectives on the future of the Development Guarantee

The reform has been approved by almost all municipalities. When asked to grade the reform on a scale between 1 to 5 the average grade was as high as 3,9.

97 per cent claims that there is a constant demand for the Development Guarantee in their community despite the fact that the youth unemployment has decreased dramatically since the reform was implemented. Their most frequent explanation was that some young people could not manage the transition to adulthood on their own. The business upturn with its increasing job opportunities does not apply to this group as they often have several obstacles that prevent them from finding a source of income. The majority of the municipalities argued that the Development Guarantee should focus on young persons who cannot manage without public support as its methodology of individual development is very suitable for this group.

Municipal Relation to Swedish National Board for Youth Affairs

In general the advisors are familiar with the Swedish National Board for Youth Affairs previous publications on the Development Guarantee and 40 per cent state that they have applied recommendations and advice from these assessments in their own work. They specifically appreciate that the National Board for Youth Affairs has taken a youth perspective as it has helped them to understand how the participants perceive the

reform. It is not unusual that just one person in a municipality is working with the Development Guarantee, many of those expressed that they felt isolated. The experiences of others are thus very valuable to them as it gives an opportunity to be influenced or inspired by ideas and methodological developments presented in the assessments.

Reform from the Employment Offices Perspective

In addition to the municipal investigation, a representative selection of 60 employment offices were interviewed on their attitude towards the reform and the co-operation with municipalities. The overall conclusion was that employment offices and municipalities agree on almost all important matters concerning the Development Guarantee. A majority of the employment offices, 88 per cent, are positive towards the reform and claim that it is necessary for future needs among long-term unemployed youth. Their descriptions of the young person's situation and characteristics were more or less identical with the municipalities. They also agreed on the fact that the present participants generally have a far more problematic situation that often goes beyond being unemployed. Even though the employment offices recognize that these social problems exist, they are often more reluctant to approach them as they consider these issues to be a municipal responsibility. The employment offices also seem to be less personally involved with the participants. Municipalities were more prone to perceive the reform as a phase in the young person's development whereas employment offices

primarily stressed the importance of finding employment through traineeships. The employment offices were also much more aware and concerned about the negative effects a labour market scheme can result in despite good intentions. As the young trainees are free manpower to the employers they sometimes lose their incentives to employ and pay salary and in the long run this may lead to decreased job opportunities for the participants. Few municipalities addressed this kind of issues. Despite their different perspectives the co-operation runs smoothly in as much as 87 per cent of the cases according to the employment offices.

Concluding Analysis and Reflections

The results of this investigation clearly indicate that the Development Guarantee is a successful methodology that has gained a high degree of legitimacy among the organizations that work with it. As the labour market have opened up for increasing numbers of young persons, the target group for the Development Guarantee has gradually become more vulnerable. The interviewed advisors expressed that they feared a future development towards increased polarization among young people and they emphasized the importance of supporting those with special needs by adjusting the reform to suit them even better. Among the participants there are persons that suffer from psychiatric illness, drug abuse and a problematic social background. Each of them deserves to be treated with respect and consideration and most of all as an individual. It is crucial that the Development Guarantee does not become just another activating labour market scheme

with traineeship as the sole option which sadly seems to be the case in many municipalities. The broad selection of activities and possibilities must remain or even develop, as the increasing number of participants with difficulties requires individual and flexible solutions. There are municipalities that completely ignore the intentions behind the reform and in order to prevent this, it might be necessary to set up some qualitative standards that must be met. It is relevant to raise the question whether it's correct to refer to this reform as a labour market scheme. The fact that these young persons remained unemployed despite increasing job opportunities indicate that the problems they have in establishing themselves on the labour market also can be traced to their social, cultural and economical background. As youth unemployment figures are decreasing it is no longer considered to be a major political issue, as it was when the reform was implemented. The majority of the youth in Sweden are relatively well off. The striking difference between them and this much less privileged group becomes even more apparent as the improved economical situation is not accessible for everybody. This is why it is necessary that this group remains prioritized on the political agenda.

The Swedish National Board for Youth Affairs

- The Swedish National Board for Youth Affairs suggests that the Development Guarantee shall include all young persons between the ages of 18 to 25 who are unemployed or in need of raising their competence in compulsory school subjects. Unitary remunerations similar to supplementary benefits ought to be introduced for those between the ages of 20 to 25.
- All participants should have a personal advisor that, in co-operation with the young person, writes and follow up a mandatory individual plan of action. The advisor is responsible for following the young persons development and provides support until they have a stable situation such as regular employment or education.
- Local councils consisting of the relevant municipal offices and the employment office are needed to ensure that the co-operation functions well and that no young persons are neglected, badly treated or forgotten by the authorities or within their activity.
- To establish a National council, responsible for continuing methodological development as well as creating systems for local evaluation and validation of the quality of the reforms, are of great importance.
- Young people who refuse to take part should not lose their right to supplementary benefits. The use of force shall be avoided within the reform due to its negative effects. Instead, an even stronger emphasis should be put on empowering their self-esteem and independence.

Reform adjustments proposed by

Mission statement of The Swedish National Board for Youth Affairs

The Swedish Parliament's youth policy objectives are that young people in Sweden should be given the pre-requisites to live independent lives, that they should have real influence, and that society should make use of the resources that young people offer. The Swedish National Board for Youth Affairs is a government agency that collaborates with others to achieve these objectives.

- We co-ordinate the follow-up of central and local government initiatives for youth.
- We follow the development, we analyse and we propose measures to improve living conditions for youth.
- We work to encourage regeneration of youth activities organised by local government and organisations.
- We are responsible for the EU programme YOUTH and other forms of international youth co-operation.
- We distribute public funds to youth organisations.
- We supply information and generate public opinion on youth policy issues.
- We provide civic information on our web site Ungdomskanalen (The Youth Channel).

Our target groups are primarily decision-makers and people working with youth issues..



**The Swedish National
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