

## 6. ROMA AND YOUTH-CENTERED EMPLOYMENT ACTIVATION

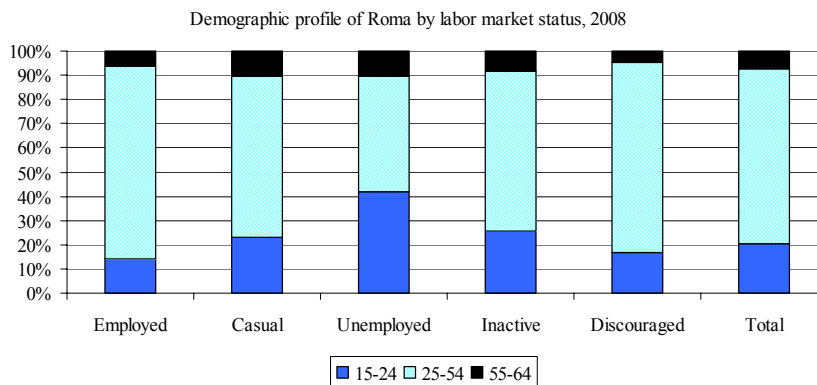
*The Roma population in the Czech Republic is young, suggesting the need to focus particular attention on education and the school to work transition. Roma have been suffering from substantially worse education outcomes, being over-represented in schools for children with special needs and leaving school often with only nine years of schooling and less. The legacy of low educational attainment among young Roma persists, leaving them at greater risk of being neither in employment nor in education or training and therefore heading straight into long-term unemployment. Indeed Czech youth with low educational attainment fare significantly worse in the labor market than their peers elsewhere in Europe. While youth has been identified as a risk group among the unemployed in the Czech Republic as in many other OECD and EU countries, effective early intervention mechanisms are still lacking to prevent long-term unemployment among the young, in particular those with low educational attainment. Given the demographics among the Roma, a new approach to promote employment among Roma has to have a strong youth focus to stem the flow of young Roma into long-term unemployment. The policy directions are threefold: First, to improve access to quality education for Roma at all levels from early childhood education through tertiary education; Second, to work on preventing early school leaving of young Roma to keep them in school for as long as possible; Third, to focus on developing an intensive youth-centered activation approach in the Labor Offices, with outsourcing of the full range of activation services to qualified agencies.*

**6.1 Children and youth from disadvantaged background are more at risk of leaving school early and heading into unemployment.** Overcoming social exclusion of the Roma in the Czech Republic requires a life cycle approach that starts by investing in early childhood development and translating into improved school outcomes and lifelong learning. Research shows that family background has profound impact on an individual's development. Whether or not children and young persons grow up in a poor family determines later chances in life. Children who grow up in poverty and disadvantaged circumstances have lower life chances: They enter school insufficiently prepared, do worse in school, leave school earlier and have lower employment chances. The stress of experiencing poverty, lacking stimulation in particular at very young age, lacking positive role models and a lacking learning support environment at home all contribute to worse school outcomes and subsequent failure in the labor market. For example, the experience of sustained joblessness of parents affects work motivation of their children. Low educational attainment and high drop-out rates are often linked to insufficient

preparation at the time of entering primary school. Research<sup>105</sup> shows that preparation fosters cognitive, language and behavioral skills, which are vital to exploit one’s full potential in later school education. Insufficient school readiness is also associated with the large enrollment of Roma children in schools for children with special educational needs.

**6.2 The large share of youth among the Roma population in the Czech Republic suggests the need for a youth focus of policies supporting Roma employment.** Young people in general have been identified as a vulnerable group in the labor market in the Czech Republic, but young Roma are particularly at risk. According to the 2008 labor force survey in marginalized Roma localities, a sizable share of the population of jobless Roma is below the age of 25, in particular among the unemployed, i.e. those in the labor force (see Figure 33). With a high share of Roma having only primary education and less, young Roma are particularly at risk of being neither in employment nor education or training (NEET). This chapter sheds light on aspects of the school to work transition of Roma youth and provides recommendations, based on international examples, for elements of a youth focused activation agenda.

Figure 33: **A sizable share of jobless Roma are below the age of 25**



Source: Excluded Roma Labor Force Survey 2008; Bank staff calculations

## EDUCATION AND SCHOOL-TO-WORK TRANSITION

**6.3 Roma in the Czech Republic have been suffering from low education outcomes for a long time, worsening their labor market prospects.** The evidence from the survey in marginalized Roma localities presented in Chapter 2 confirms the low education status of socially excluded Roma in the Czech Republic, with the majority having completed only primary education – or even graduated from special schools for children with special learning needs<sup>106</sup>. The legacy of segregation of Roma into special schools has recently triggered a decision of the European Court of Human Rights against the Czech Republic over a case in Ostrava, ruling that the case of disproportionate

<sup>105</sup> Campbell FA; et al (2002 ); Sylva, K., Melhuish, E. C., Sammons, P., Siraj-Blatchford, I. and Taggart, B.(2004); Carneiro P. and J. Heckman: Human Capital Policy (with James J. Heckman), in J. Heckman, A. Krueger, Inequality in America: What Role for Human Capital Policies, MIT Press, 2003.

<sup>106</sup> Special schools were transformed into “basic practical schools” in 2004.

streaming of Roma children into special schools in Ostrava constituted as violation against fundamental rights. This decision follows research in 1999 by the European Roma Rights Center (ERRC) in the Ostrava region on segregation of Roma. The research found that Roma children in Ostrava were substantially more likely to be in special schools than non-Roma children. While representing less than 5 percent of all primary school children in the Ostrava region, Roma children made up more than 50 percent of special school pupils. Further ERRC research in 2002 confirmed the situation for the towns of Teplice, Kladno and Sokolov<sup>107</sup>.

**6.4 While Czech pupils have consistently performed above average in successive PISA assessments, the Czech education system retains high variation in education outcomes between schools.** As presented in Figure 34, data from the 2006 PISA assessment indicates that the Czech Republic is one of the OECD countries with the highest variation in student performance between schools. Moreover, a lot of this variance can be explained by economic, social and cultural status of students or schools in the Czech Republic. At the same time the variance in student performance within schools is substantially below the OECD average. This suggests that, while having highly successful schools which produce high learning outcomes, the Czech Republic also maintains highly unsuccessful ones with low learning outcomes and where the lacking success owes to the children's social status, among others. In effect, this means that the Czech education system does not appear to make up for unequal starting positions resulting from social-economic inequities. The evidence presented in Figure 34 is also entirely consistent with the continued existence of “basic practical schools” – former schools for children with special learning needs with a disproportionate enrollment of Roma children. This study does not analyze the effect of the education system on Roma education outcomes. However, given the finding on dramatically low educational attainment among Roma in marginalized localities, further analytical work on identifying the drivers for bad education outcomes is of high priority.

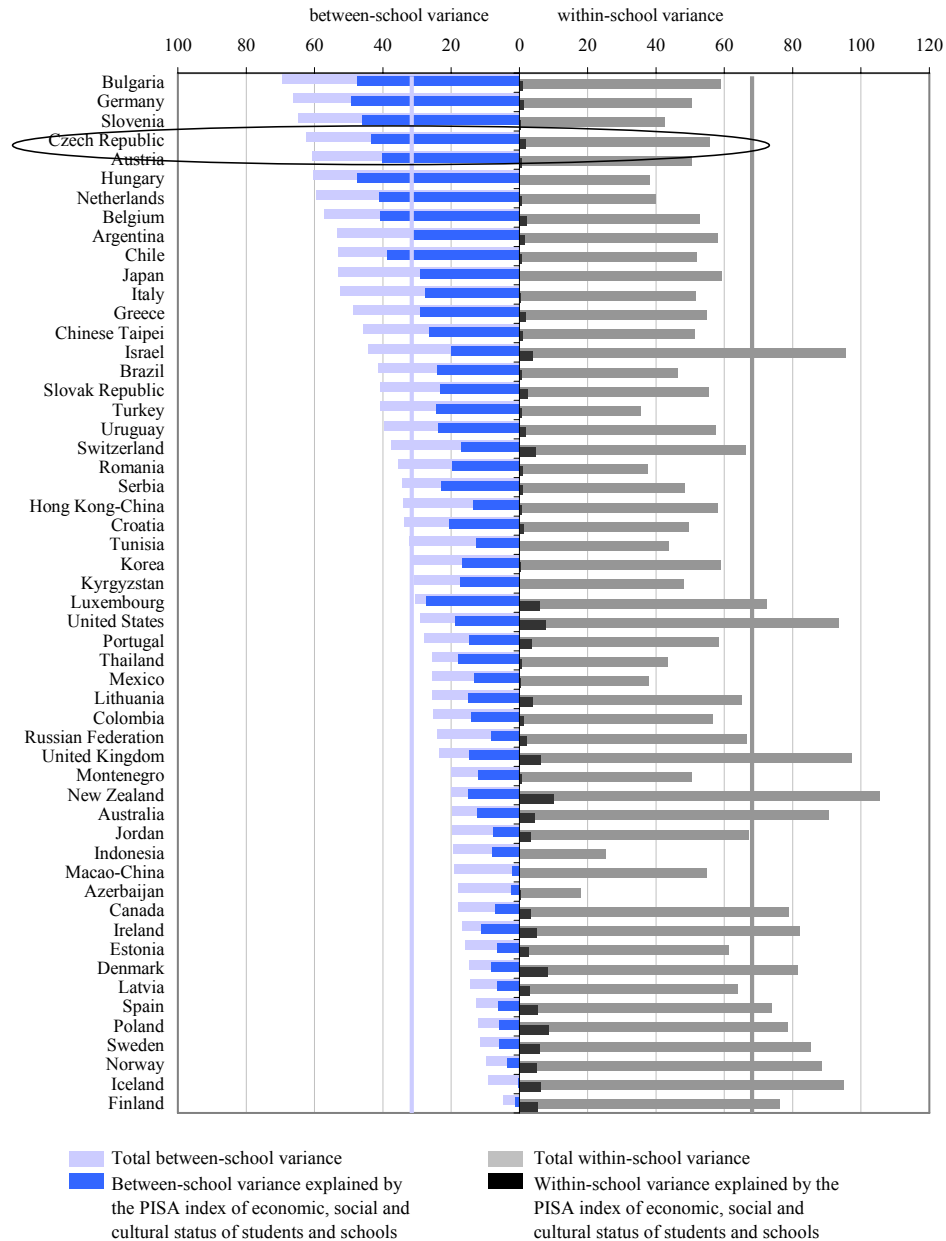
**6.5 The Czech education system appears to have been unable to break the intergenerational transmission of exclusion among the Roma: There is very little upward educational mobility among Roma but substantial downward mobility.** As reviewed in Chapter 3, the current generation of Roma youth has not been able on average to achieve higher educational attainment than their parent's generation. If anything, there is evidence of a worsening of the situation. Only 21 percent of sons of fathers with primary education or less received post-primary education (mainly basic vocational training), yet more than half of the sons (54 percent) of fathers with post-primary education received less education.<sup>108</sup> This finding confirms the picture from the PISA assessment on the strong role of the economic, social and cultural status of students or schools in explaining variation in learning outcomes between schools.

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<sup>107</sup> European Roma Rights Center (2005)

<sup>108</sup> A very similar pattern emerges when on compares educational attainment of daughters with that of their mothers.

**Figure 34: The Czech education system remains unequal**  
 Variance in Student Performance Between Schools and Within Schools, OECD 2006 PISA Assessment, Science Results



Source: OECD (2007).

**6.6 Unsatisfactory education outcomes and early drop out of Roma students appear to be driven also by the lack of positive role models for Roma youth as well as a lacking supportive environment for education.** Educators and social workers from the majority of localities investigated for this study have noted in their work pressure on

the part of parents for children not to continue with further education after completing elementary school. While schooling is often seen as costly – given expenses such as for school lunches, clothes and books – Roma youth in marginalized localities are instead typically encouraged to join the labor market and contribute to family income. This is confirmed by the finding on higher labor force participation among Roma youth than youth on average in the Czech Republic (see Chapter 2). In turn, they typically also register at the Labour Office in order to qualify for free health insurance and continued assistance in material need. Some experts interviewed for this study knew of multiple cases where Roma youth applied for apprenticeship school after completing elementary school and, while accepted, never began attending after the summer holidays or dropped out within the first year. While the financial burden of studying may account for such decisions to some extent, experts primarily blamed the lack of personal motivation as a result of a number of basic factors. On the one hand it is the negative example of the parents, who, themselves being without work and education, do not encourage their children’s learning and, in some cases, even systematically discourage their children from becoming educated. On the other hand, experts also reported of discouraging cases where young Roma graduated from secondary school yet still failed to find employment.

**6.7 Low educational attainments and bad labor market outcomes among Roma youth suggest parallel policy measures to improve supply of quality education for Roma and stimulate demand.** This would imply the following:

- *On the supply side, the Czech Government’s attention should focus on a sustained effort to raise the quality of education services available for children from disadvantaged backgrounds.* This would entail enhanced accessibility to and provision of high quality services at pre-school and primary and secondary school levels and, crucially, involves addressing the disproportionately high share of Roma in “basic practical schools”. Expanding access to pre-school as well as early childhood education programs can raise school readiness of Roma children and reduce the early streaming into basic practical schools.
- *On the demand side, there is a need to do outreach work in marginalized localities to work with parents to incentivize them to send their children to kindergarten, pre-school and school and to create a more conducive learning environment at home.* The Social Inclusion Agency will be a crucial actor in promoting and facilitating such community outreach work. Family cash transfers conditional on behavioral change (i.e. whether or not children go to school) can raise the demand. This could either involve adjusting the eligibility threshold of the Minimum Living Standard (MLS) for children depending on whether they go to school (lower if they do not, higher if they do) or experimenting with a designated conditional cash transfer (CCT) which has been used in many countries to provide incentives for behavioral change and break the inter-generational transmission of social exclusion<sup>109</sup>. Targeted youth work in cooperation with the schools, including through providing good role models, can help address low performance and lacking motivation of Roma youth in school.

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<sup>109</sup> For a detailed review of the conditional cash transfer experience see Fiszbein and Schady (2008).

**6.8 Making cash benefits to youth conditional on continued school enrollment and completion may help raise employability of Roma youth.** Demand side measures should be focused on retaining young Roma in school beyond compulsory education. International experience suggests that this requires a complex approach, linking community outreach work focused on youth and parents as well as monetary incentives. A monetary incentive could include linking the level of social benefits for the family to whether the child enrolls and remains in secondary education even beyond the compulsory level, for example through raising the monthly subsistence amount for a dependent child from age 15-26. The United Kingdom has introduced an education subsidy program for youth from low-income families to incentivize them to stay in education beyond compulsory education – the Education Maintenance Allowance (see Box 10). Meanwhile, the Netherlands have recently extended mandatory schooling until the completion of upper secondary education (ISCED 3) or until the age of 18. Moreover, there are plans to introduce an obligation to study or work (“leerwerkplicht”), according to which youth aged 18 to 27 who have not completed the equivalent of upper secondary education (ISCED 3) are required to continue education or work. Under this rule those that are neither in employment not in education or training (NEET) can be considered ineligible to social benefits<sup>110</sup>. Compared to the UK, the Netherlands model therefore sanctions failure to remain in school beyond lower secondary education.

**Box 10: The Education Maintenance Allowance (EMA) in the United Kingdom: A Conditional Cash Transfer to reduce the number of youth NEET**

In 1999 the United Kingdom Government introduced a pilot program in ten Local Education Authorities to address the low participation of youth in post-compulsory upper secondary education as well as the high share of youth not in education, employment or training (NEET). The Education Maintenance Allowance (EMA) is a means-tested conditional cash transfer (CCT) available to 16-18 year olds from low income families who remain in full-time education, academic or vocational, after the 11<sup>th</sup> year of schooling, typically after 16 years of age, when schooling is no longer compulsory. Available for a maximum of two years, EMA consists of (i) a weekly allowance available during term time, (ii) an annual retention bonus and (iii) a one-time achievement bonus paid at the end of the course the person has enrolled on, provided he/she meets the outcomes of a learning agreement signed at the time of entry into EMA. EMA is available to youth whose parents’ incomes were below a certain threshold. The level of the allowance depends on family income and at the maximum level the allowance is the equivalent of about a third of average net earnings for the target age group.

The pilot was associated with a series of rigorous multi-year evaluations of the impact of EMA on participation in education programs as well as retention and completion. All studies show unanimously that EMA has had a significant impact on the participation in post-compulsory upper secondary education. EMA was found to have raised participation rates by between 4.5 and close to 6 percentage points for the first year of participation and by even more for the second and subsequent year, suggesting that the program was

<sup>110</sup> OECD (2008), Jobs for Youth: Netherlands

effective in retaining those young people that had enrolled under EMA and even after the end of the allowance eligibility. EMA was found to be particularly effective for youth coming from the poorest socio-economic backgrounds as well as for young people at year 11 who had previously been low achievers. Moreover, the program drew as many young people from inactivity (NEET) as from work or training, suggesting it was a very effective tool to reduce youth inactivity, particularly among the most disadvantaged. Recent studies have also found a substantial increase in attainment of participants relative to a control group.

Given the demonstrated success of the pilot program, the UK Government rolled out the program nationwide in 2004.

Source: Chowdry et al (2008); Dearden et al (2005); Middleton et al (2004)

## YOUTH –FOCUSED EMPLOYMENT ACTIVATION

**6.9 Many countries have adopted a targeted activation framework for young people not in employment or in education or training to address educational deficits and promote sustainable employment.** International experience suggests that youth employment activation policies require careful design to be effective. Evaluations of international best practice suggest a number of key design lessons<sup>111</sup>. First, job-search assistance programs are typically most cost-effective for youth, leading to higher earnings and employment, as are wage and employment subsidy programs. Second, reaching those youth that are most at risk of social exclusion requires making participation in programs compulsory for youth after a period of job search of no more than six months. Third, it is important to introduce a differential targeting approach for youth employment activation programs, in particular to early school leavers, distinguishing between those close to school age and young adults. Lastly, training programs that are tailored to local or national labor market needs have proven more effective.

**6.10 In line with international good practice, the Czech Labor Office has introduced mandatory action plans for job-seekers below the age of 25 but implementation appears to have been patchy and not focused on the most disadvantaged.** Initially piloted as a program called “First Chance” in 2004, a priority focus on the below 25 is now stipulated in the Employment Act. However, implementation appears uneven, according to research conducted for this report (see above). At the same time, individual action planning is not targeted to the most disadvantaged youth, but universally applied to the below 25s as well as to recent university graduates – who should stand a good chance of finding employment on the Czech Republic’s currently buoyant labor market. The experience from several EU Member States suggests that a mandatory application of individual action plans, tied with intensive job counseling and focused training or work experience interventions are needed to have an impact (see Box 11).

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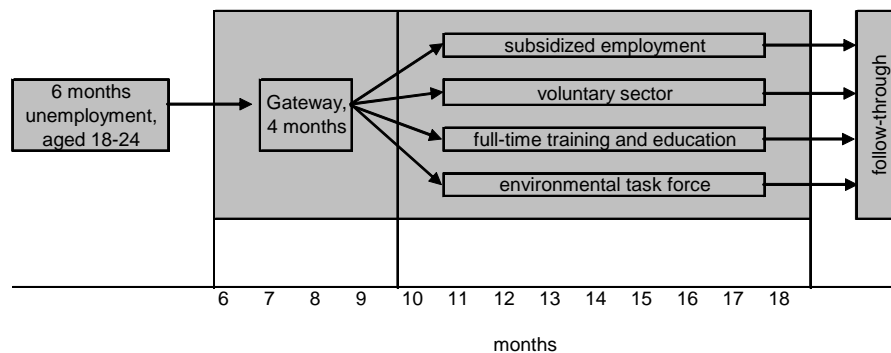
<sup>111</sup> see OECD Employment Outlook 2006, Martin and Grubb, 2001; and Betcherman et al., 2004

### Box 11: Youth Employment Activation in the United Kingdom, Ireland and Germany

The **United Kingdom**, through its “New Deal for Young People”, emphasizes early, continuous activation and contact as well as more specific help after 6 months of unemployment. Participation in the New Deal for Young People (NDYP) is mandatory for young people between the age of 18 and 24 who have been unemployed for 6 months and who receive Job-seeker Allowance (JSA). The program has multiple stages, with an initial four months period of intensified job search and job referral through job counselors (“gateway”) to place the job-seeker in the primary, unsubsidized labor market. If unsuccessful, the “gateway” is followed by a period of up to eight months of targeted programs and a shorter period of “follow-through”, again devoted to intense job search (see Figure 35). As for programs, job-seekers can choose from a menu of subsidized employment, voluntary sector employment, full time training and education and work on environmental task forces. In an innovative feature, the NDYP promotes partnerships with employers to encourage the training and employment of young people, facilitated by training grants (up to £750) and employment subsidies (up to £60 for six months). An individual training plan is agreed by the Jobcentre Plus adviser with the young person. In addition the employer signs an agreement that he/she will be expected to pay the going rate for the job and that states the employer will (i) keep the employee on as long as they show the aptitude and commitment needed and provide or arrange for their training as appropriate and (ii) monitor and record their progress and identify areas of action, in the same way that the employer would for any other employee to help them settle in and make progress. A range of evaluations have found that the program has been returning young unemployed to the labor market faster than without.

Meanwhile, several long-term studies have found evidence of churning between NDYP participation and unemployment spells and some worsening of performance. As a result, the UK Government is in the process of reforming the program to strengthen its ability to place clients into sustainable jobs with more focus on employment retention and progression through more personalized and flexible service provision, in particular for disadvantaged job-seekers and NEETs, and through greater partnerships in service provision with private and third sector providers<sup>112</sup>.

Figure 35 : The New Deal for Young People in the United Kingdom



<sup>112</sup> OECD (2008), Jobs for Youth: United Kingdom, Paris

In **Ireland** the PES has been putting emphasis on preventing early school leaving and encouraging young drop-outs back into training and education, through a program called “YouthReach”. The program aims at improving employability through training and education rather than placement into employment in the first instance. The ‘YouthReach’ program is intended to facilitate young people’s return to learning and preparation for employment and adult life. It is run in special community training centers dedicated to the training of Early School Leavers. Its general objectives are as follows: (i) personal and social development and increased self-esteem; (ii) second-chance education and introductory level training; (iii) the promotion of independence, personal autonomy, active citizenship and a pattern of lifelong learning; (iv) integration into further education and training opportunities and the labor market; (v) the promotion of social inclusion. In the experience of YouthReach, the key features of successful interventions with early school leavers are a focus on the development of the individual, his or her independence and integration. It is to follow a safe, structured yet challenging learning environment through a participant-centered and participant-led process. Programs are seen as most effective if organized on the basis of a curricular matrix in which each teacher or trainer is implementing a range of cross-disciplinary curricular objectives (such as communications skills development, health and safety awareness, etc). Moreover, they are oriented at closing with an appropriate assessment and certification. In YouthReach, the maintenance and in-career development of staff involved is a priority.

In **Germany** the Federal Employment Agency has been considerably increasing the resources available for enhanced career guidance to target the excluded and marginalized. However, these measures must by law be 50 percent co-financed by a third party. In addition, particularly intensive support will be given – in model projects – to students who seem unlikely to complete school or incapable of completing vocational training. The Federal Government has set the objective of having no young person unemployed for over three months. Under current legislation on the basic provision for jobseekers, young people have a binding right – laid down by law – to have work, training or an employment opportunity provided as follows: Within one week of their application, young people must have been given their first counselling session and have their profiles drawn up. Within three weeks of their application, an integration agreement must have been completed. Within four weeks of completion of the integration agreement, the young person must be given a specific offer of a job, training, training preparation, further training or an employment opportunity.

In the German system, unemployed young people are considered as a single target group for integration work. Under current regulations, an integration specialist has a case-load of a maximum of 75 young people to ensure a high quality, targeted service for each young person in their care. Current legislation makes special provision for counseling of young people on an employment-oriented case management basis if there are multiple barriers to their integration (e.g. lack of school-leaving qualifications and drug addiction and debt problems). Employment-oriented case management is provided by specially-trained case managers (partly certified by the German Association for Care and Case Management), who can access a wide network of help and counseling institutions to provide effective support to these most marginalized clients.

## CONCLUSIONS AND POLICY DIRECTIONS

**6.11 The Roma employment agenda is to a large part a youth employment agenda, and it is primarily on young workers where a difference can be made.** Improving access of Roma to sustainable and high quality jobs over the long-term requires greater attention to the making the education system work for Roma and

developing a youth-centered employment activation approach. Policy direction include the following:

- *Address inequities in the education system affecting Roma, by systematically implementing an educational integration policy from early childhood to tertiary education.* This entails an expansion of childcare supply and measures to work with Roma parents to incentivize them to send their children to child care and kindergartens so as to prepare them better for school and avoid early channeling into low quality basic practical schools. Incentive measures could also include experimenting with conditional cash transfers (CCTs), for example through adjustments in the MLS threshold for children and youth, depending on whether they go to school (higher threshold) or not (lower threshold).
- *Incentivize young Roma to stay in school beyond the minimum mandatory school age, i.e. into upper secondary education, instead of entering the pool of registered Labor Office clients.* The Education Maintenance Allowance (EMA) program from the United Kingdom could serve as an example, and a Czech adaptation could entail applying a higher minimum subsistence level for a dependent child aged 15-26 that remains in non-compulsory education for a maximum of, say, two years and depending on retention and completion of education levels. Alternatively, scholarships for post-compulsory education for children whose parents are on social assistance could help boost retention of Roma children in education and training.
- *Promote early outreach through school counseling and professional orientation to identify and counsel those youth at risk of drop out.* Prevention of early school leaving, and retention in formal education and training requires early outreach to and advisory services for those at risk of drop-out. The experience of the United Kingdom's "Connexions" services tasked with providing guidance to 13-19 year olds, in particular disadvantaged youth, suggests that the Social Inclusion Agency could, in a formalized manner, support schools in engaging youth at risk and counseling them about their options to remain in school or training beyond compulsory schooling.
- *Develop the individual action plan approach for young people further into a mandatory and intensive youth-centered activation approach focused on NEETs.* Following the UK example, this would be centered around intensive counseling, with job placement services, training and remedial or second-chance education for older youth and back-to-school programs for the younger. It could also entail outsourcing of the full range of activation services to qualified agencies with experience in working with disadvantaged youth.
- *Pilot and test apprenticeship, internships and wage subsidy programs for young workers.* Facilitating the school to work transition and preventing the NEETs phenomenon will require testing proactive measures like apprenticeships, internships, placement and job subsidies programs for young people to help them not only get into the labor force, but build some relevant skills. This is an agenda

that requires active contributions and partnerships between the Government and employers and trade unions. For example, experience from across the OECD shows that wage subsidy programs can have positive employment effects for young workers<sup>113</sup>.

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<sup>113</sup> Kluge, J (2006)