

JOBNET

YOUTH

UNEMPLOYMENT:

CASE OF LATVIA

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Abstract

"JobNet" is an international research program whose main goal is to draw attention to youth joblessness and to provide up-to-date solutions applied successfully in the fight against youth unemployment across Europe. Within the program, a researcher group from Latvia carried out research „YOUTH UNEMPLOYMENT: CASE OF LATVIA”. This survey report summarizes findings of the survey that was carried out in Latvia, Vidzeme planning region. This research includes a literature review which includes the main information about politics, policy planning documents and legislation which regulates the area of youth employment in Latvia. Research methods were a questionnaire of Vidzeme planning region youngsters and 25 interviews with employed and unemployed young people, profit-oriented, public and non-profit sector representatives, youth employment policy experts.

1. LITERATURE REVIEW

This literature review will include the main information about politics, policy planning documents and legislation which regulates area of youth employment. Significant changes in youth employment trends brought the economic crisis in year 2008. For this reason we will describe youth unemployment trends before and after economic crises till today, crises impact on employment and the current events in this field. Information was obtained from the most important studies in the field of employment, also from statistical databases like Eurostat, Central Statistical Bureau of Latvia etc. and from Republic of Latvia Ministries provided information.

1.1.Situation before the economic crisis till 2008

2007 was conducted Project „Young Adults in the Labor Market: Assessment of the Current Situation and of the Factors Determining Employment”. This project/research draw a general conclusion about situation and trends in youth employment in Latvia until year 2007 and also conclusions from earlier studies (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:105).

According to project „Young Adults in the Labor Market: Assessment of the Current Situation and of the Factors Determining Employment” 1998th year the youth employment in the Baltic countries was similar to the EU average rates, but later it declined each year (Table 1.). Studies shows that the reasons for this youth unemployment are not related to the fact that young people couldn't find a job, they didn't search it, that means - increases numbers of economically inactive young people. Since 1998 Latvian youth job seekers numbers fall twice - up to 13.6% (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:47). Study concluded that the low fraction of job seekers among young adults (5%) indicates that unemployment is not an important problem for young adults, because those who study usually are not looking for a job, while those who are not working usually study. But at the same time study emphasizes that attention must be paid unregistered employment among young adults particularly in Latvia regions like Latgale and Zemgale (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:106).

Table 1. Youth employment (age 15 to 24 years)

	1998	1999	2000	2001	2002	2003	2004	2005
EU 25	46,0	46,5	46,5	46,2	45,7	45,3	45,1	45,2
EU 15	47,4	48,2	48,2	47,8	47,8	47,5	47,6	47,8
Latvia	45,0	42,5	38,1	36,9	39,1	38,4	37,2	37,7
Lithuania	43,2	42,2	36,6	33,1	30,9	30,0	26,2	25,1
Estonia	42,5	38,9	37,4	36,5	34,2	36,9	34,7	34,6

Source: Institute of Social Research, 2007:47

Until 2007 the main difficulties in youth employment pertain to finding one's first job and obtaining initial work experience. Most widespread problems encountered by young people entering the labor market **were insufficient education and lack of work experience**. These issues were the most common among 15- to 21-year-olds. But young adults in the 21- to 24-year old group face a different set of problems. Studies shows a large fraction of this population had obtained secondary, professional and even higher education, but after graduation many realized that **the education obtained does not suit their desires and interests or the demand of the labor market** (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:105). Also an important problem is ill-considered choice of profession/education selection by the young persons. In most cases the choice related to the studies and career is influenced by sudden, even spontaneous decisions which are not thought over. It indicates that more serious work should be performed working with school children selecting their future education, and with the unemployed persons who want to participate in the active employment events offered by the Employment State Agency. (Unemployed Youth Qualitative composition and the compliance to the labor market demand, 2006:9/ Jauniešu – bezdarbnieku kvalitatīvā sastāva atbilstības darba tirgus pieprasījumam izvērtēšana). Many of those youngsters who quit schooling faced difficulties resuming their education due to lack of time, because the situation in the **Latvian labor market wasn't favorable for simultaneous work and study**. The insufficient number of part-time jobs offered results in a situation where those students who choose to work end up neglecting their studies, while those who choose to seriously devote themselves to studies cannot find an acceptable job and fail to acquire work experience. At the same time young adults with low education

attainment showed willingness to raise it (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:106).

Second most important problem hindering the involvement of young adults in the labor market was the **issue of child care**. This problem most severely affected females between the ages of 21 and 24. Young mothers who have spent several years at home bringing up children have lost touch with the labor market. They have often **lost their professional or vocational abilities and social skills and also face skeptical attitudes from potential employers** (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:106). The study showed that an overwhelming number of **young adults wanted to work abroad**. Experts had ambivalent feelings toward this phenomenon. Positive assessment is given to the cases where young adults go abroad to work at skilled, well-paid jobs and, upon their return to Latvia, invest the knowledge and skills thus obtained in the Latvian labor market. Experts also favorably view young adults' opportunities to work at less skilled jobs, provided that such employment is short-term, for example, when it is a summer job only. Experts have a negative view of prolonged, unskilled employment abroad (Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:107).

Also we used research about Unemployed Youth Qualitative composition and the compliance to the labor market demand. It was carried out within the framework of the project "Research projects of the Employment State Agency" of the national program "Labor Market Research" of the European Social Fund in the spring of 2006. The aim of the research was to develop proposals for more successful integration of the young unemployed persons (aged between 15 and 24 years) in the labor market, assessing their qualitative composition and the compliance to the labor market demand (Unemployed Youth Qualitative composition and the compliance to the labor market demand 2006:8/ Jauniešu – bezdarbnieku kvalitatīvā sastāva atbilstības darba tirgus pieprasījumam izvērtēšana). Research concluded that **young people as the labor force are of high demand in the labor market**. It can be explained by shortage of the labor force in the country in general, and by the features and skills characteristic for young persons and attractive to entrepreneurs. At the same time there is more demand for the employees who have obtained a certain profession, have obtained certain work and life experience. It should be noted that employers are more tolerant to the lack of theoretical and practical skills which can be trained when working, however, the weak psychological preparation for the work and daily work

life as well as the lack of motivation are the obstacles that the entrepreneurs cannot fight against. Therefore, in general it can be concluded that the **young unemployed persons do not comply with the labor market demand** (Unemployed Youth Qualitative composition and the compliance to the labor market demand, 2006:9/ Jauniešu – bezdarbnieku kvalitatīvā sastāva atbilstības darba tirgus pieprasījumam izvērtēšana).

1.2. The economic crisis in 2008 and situation after that

Many of the previous described problems are actual in current situation but young people have been hardest hit in the labor market during the economic crisis. In Latvia, the youth unemployment rate rose sharply in 2008 and 2009. Data about rate of youth unemployment aged 15-24 in Latvia and other EU member countries from 2001 till 2011 are seen in Appendix 1.

The increase was most significant for the younger, less qualified groups of young people: 15–19 year-olds and 20–24 year-olds (European Commission, 2011:8). Unemployment of youngsters with low level of education was the highest and also **number of unemployed youngsters with vocational and higher education was rapidly growing** (Ministry of Welfare of the Republic of Latvia, 2011:7). This could be attributed to the collapse of many sectors which in the boom years offered relatively high salaries to young people for low-skilled work - notably, in construction and retail. (European Commission, 2011:8).

According to the latest statistics data currently in Latvia unemployed person may be characterized as a person: without profession, previously being in profession with low qualifications required, in the age group of 15-24 years or 50 years and more (Table 2.,3) (Ministry of Welfare of the Republic of Latvia, 2011:7). Young people are one of most vulnerable groups of unemployed. For example in terms of unemployment benefits there are no special allowances for young people and they are entitled to unemployment benefit on the same terms as older age groups. This means that many young people are not able to claim unemployment benefit because they do not meet the requirement to have worked and thus made contributions for a certain period of time. (European Commission, 2011:21). During the economic crises years many young people leave Latvia to find better paid jobs abroad and now more evident becomes the impact of the youth emigration on the national economy and economic potential (Ministry of Welfare of the Republic of Latvia, 2011:15).

Table 2. **Employment rates for young people in EU and Latvia, Eurostat data**

	2007 (before crisis)		2009 IV quarter		2010 III quarter	
	EU 27 countries	Latvia	EU 27 countries	Latvia	EU 27 countries (II q.)	Latvia
Youth 15-24 years	37,4%	38,4%	35,9%	24,0%	34,0%	28,9%

Source: Ministry of Welfare of the Republic of Latvia, 2011:15

Table 3. **Unemployment rates for young people in EU and Latvia, Eurostat data**

	2007 (before crisis)		2009 IV quarter		2010 III quarter	
	EU 27 countries	Latvia	EU 27 countries	Latvia	EU 27 countries (II q.)	Latvia
Youth 15-24 years	15,5%	10,7%	20,4%	40,0%	20,7%	32,4%

Source: Ministry of Welfare of the Republic of Latvia, 2011:15

1.3. Legislation, policies, policy planning documents and responsible parties

The main laws relating to employment issues are **Labour Law** (Labor law/ Darba likums, 20.06.2001) and **Support for Unemployed Persons and Persons Seeking Employment Law** (Support for Unemployed Persons and Persons Seeking Employment Law/ Bezdarbnieku un darba meklētāju atbalsta likums, 09.05.2002). Some youth employment-related principles are included in **Youth Law** /Jaunatnes likums/. The purpose of Youth Law is to improve the life quality of young people – persons from 13 to 25 years of age – by promoting their initiatives, working habits, participation in decision-making and social life (Youth Law, Article 1./ Jaunatnes likums, 1.pants, 08.05.2008). According to this Law the state shall promote the commercial activity and employment of young people, first, by training of young people in matters related to the commencement of commercial activity, secondly, giving support to the commencement of commercial activity of young people, and thirdly giving support to projects for the promotion of employment of young people, particularly young people subject to the risk of social exclusion. (Youth Law, article 11./Jaunatnes likums, 11.pants, 08.05.2008.). According this law state institutions mainly focus on youth business support, but as a Latvian Free Trade Union /Latvijas

brīvo arodbiedrību savienība/ states so far this special **support to young people directly to business promotion has not materialized in real activities**. Young people in the same way as others inhabitant of the country can eligible for aid initiatives (Latvian Free Trade Union/ Latvijas Brīvo arodbiedrību savienība, 2010:11).

Currently the two most significant policy planning documents related with Youth employment politic are Youth policy guidelines for years 2009 and 2018 National Development Plan 2014-2020.

National Development Plan 2014-2020 one of aims is to provide quality education and lifelong learning as a tool to help people adjust to the labor market requirements (Cross-Sectoral Coordination centre/ Pārresoru koordinācijas centrs, 2012:39). The framework of the National Development Plan 2014-2020 sets the tasks to promote youth employment including a) young people integration in labor market after vocational and higher education acquisition, b) promotion of first job experience and c) promotion of voluntary work for young people at risk of social exclusion (Cross-Sectoral Coordination centre/ Pārresoru koordinācijas centrs, 2012:44).

According to the Youth Law, the Ministry of Education has developed **Youth policy guidelines for years 2009 – 2018** /Jaunatnes politikas pamatnostādnes 2009-2018.gadam/. This is a long-term policy planning document which identifies priority action lines and policies and the key challenges for youth (Latvijas Brīvo arodbiedrību savienība/ Latvian Free Trade Union, 2010:11). With regard to youth employment as main tasks has been identified:

- To promote unemployed youngsters (including those with disabilities too) alignment with the labor market, improving their basic skills necessary for successful integration into the labor market.
- Develop and provide affordable financial, methodological and information support mechanisms for young people who want to start a business.
- To promote safe and healthy working conditions for young people and promote respect for labor rights.
- To promote opportunities for young people to qualitative apprenticeship.
- To provide young people with information about employment opportunities and youth-employment rights, duties and responsibilities.

- To promote student employment opportunities during summer holidays (Latvian Free Trade Union/ Latvijas Brīvo arodbiedrību savienība, 2010:11).

Issue of youth employment is cross-sectoral responsibility (Table 4.).

Table 4. Institutional framework of Youth employment and the related field

Youth employment policies	
Ministry of Economy	Responsible for the coordination of the employment policies.
Ministry of Welfare	Responsible for unemployment reduction policy development and implementation
State Employment Agency (and its regional branch offices)	Implementing the state policies which reduces unemployment and gives support for job seekers. Provides assistance to unemployed persons and job seekers, involves them in active labor market activities. Organize, implements and monitors active labor market policies.
State Career Guidance Agency (and its regional branch offices)	Implements preventive measures to reduce unemployment and provides counseling and vocational guidance at the national and local government institutions, non-governmental organizations, as well as natural and legal persons.
Employers	Creates new job places. Implemented active employment measures.

Source: Institute of Social Research/ Socioloģisko pētījumu institūts, 2007:12

Ministry of Welfare ensures support to unemployed youth and job seekers by organizing active employment activities (Youth Partnership, 2009:15). Active employment activities are organized by **State Employment Agency** (SEA) which is an institution under the supervision of the Ministry of Welfare. SEA implements state policy in the field of unemployment reduction and job seeker support. Youth is one of SEA priority target groups and there are several specifically targeted programs and services for young people (Youth Partnership, 2009:16). The set of measures for unemployed and also employed persons is aimed at promoting inclusive labour market by providing appropriate training and educational programs, as well as other services (for example, vocational guidance) in order to launch persons' knowledge and experience with labour market needs (Ministry of Welfare/ Latvijas Republikas Labklājības ministrija, homepage).

Key policy directions and measures for reduction of the risk of youth unemployment in the following years are:

- 1) improving the integration of youth in the labour market, by implementing integrated;
- 2) promoting measures, which include instructions, recommendations, apprenticeship, traineeship or other work experience;
- 3) promoting the return of early school leavers, by ensuring simplified procedures of knowledge level's assessment and study renewal (Ministry of Welfare of the Republic of Latvia/ Latvijas Republikas Labklājības ministrija, 2011:21).

When the situation got worse in youth unemployment in January (2012) European Commission President Jose Manuel Barroso sent letters to the leaders of eight member states with youth unemployment levels significantly above the EU average: Spain, Greece, Slovakia, Lithuania, Italy, Portugal, Ireland and also Latvia. In the letter he outlined the proposed steps to be taken, including: the nomination of a contact person by national authorities, a visit by the Commission team in February, and the identification of the necessary elements of a youth employment plan (European Commission, home page). After this followed Prime Minister's Order No 69. of 23 February 2012 in Riga "About the action group to develop proposals to promote youth employment and reduce unemployment." According to that order, the action group was asked to develop and submit to the April 1, 2012, the Prime Minister concrete proposals (Prime Minister's Order/ Ministru prezidenta rīkojums, 23.02.2012.). At this moment there is no public available information about these action group proposals.

1.4..Practical examples of youth unemployment reduction

To reduce youth unemployment State Employment Agency realize some activities like:

- "**Work Place for Youth**" aimed at integration of unemployed youth into the labor market at the same time promoting the creation of permanent workplace and permanent employment for unemployed youth;

- "**Workshops for youth**" in the framework of which unemployed youth are introduced with three professional fields in an educational establishment and works in

each field for three weeks in order to learn about their features and help an unemployed youth to choose the field of education and professional activity;

- “**Support for Voluntary Work of Youth**” intended for ensuring the functions set forth in associations and foundations' statutes and aimed at promoting the activities of unemployed youth in society (Ministry of Welfare of the Republic of Latvia, homepage);

- In March 2010 was approved initiative to offer practical training with an employer to unemployed 18–24 year-olds who have finished primary, secondary or higher education, but have been unable to find a job or whose total accumulated work experience is less than six months. The length of the training may be from 6 - 12 months and participants receive a monthly stipend of LVL 120 (EUR 170). As of September 2010, nearly 2 500 young people had applied for this training and more than 1 000 had already begun practical training in a range of diverse, but generally low-skilled professions involving more than 500 participating enterprises (European Commission, 2011:19);

- And finally there is also “**Support for young people in business**”. One of the ways to solve the lack of jobs is the creation of new jobs, which is an important support for business. Young people are a social group with the largest interest in the commercial launch, increases with age, reducing personal interest in the business. The main impediments to the start of the lack of capital (71%), much less frequently such obstacles as lack of business ideas, lack of knowledge of the availability of learning and study opportunities to educate Latvian data (Youth policies 2009th - 2018: 49). For example, since 2008, in Latvia, there is implemented project called “**Business incubators**” (Regulations of the Cabinet of Ministers/ Ministru kabineta noteikumi Nr.835, 07.10.2008). Aim of this project is to facilitate the emergence of new competitive business initiatives providing them with the necessary business environment and consultancy services (Investment and Development Agency of Latvia/ Latvijas Investīciju un attīstības aģentūra, homepage);

- As a good example is the *Hipotēku* Bank Competition "Jump in the business!" for young people between the age of 18 and 30, who have a business idea and initiative to do it. In 2013 the 30 winners of the competition will get real support for business start-up that will provide a mentor or an experienced trader. The five best business plans will receive cash prizes of 1 000 lats (1435 EUR) for the next five - prize money of 500 lats (718 EUR) (*Hipotēku* Bank, homepage).

1.5.Conclusion

Latvian legislation, policies, planning programs and development strategies include the principles and prerequisites which supports youth employment promotion. Also available information indicates that Latvia as a key mechanism to combat youth unemployment uses education system and education policies improvements, trying to improve young people professional qualifications; also there are activities for promotion of educational offer coherence with labor market demand. However, as shows statistics, in Latvian is one of the highest youth unemployment rates in EU. It shows that the system suffers from the drawbacks that hinder young people integration in labor market. In our opinion it means that Latvia is one of the countries which focus or policy planning document without effective youth unemployment reduction activities at real life. Of course previous research shows that youngsters' personal interest on finding job is a crucial factor, but not all are active and motivated job seekers.

As mention before there are varied tools to reduce unemployment, but at the same time youth unemployment is high. But this is another research topic to measure effectiveness of these tools.

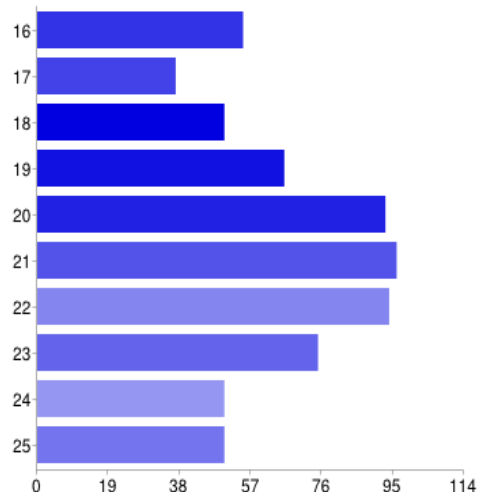
2. QUESTIONNAIRE: SURVEY REPORT

This survey report summarize findings of the survey what was carried out in Latvia, Vidzeme planning region within the project “Active citizens combating youth unemployment”.

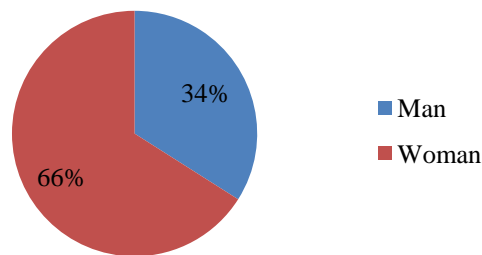
From the beginning questionnaires were distributed on the Internet. Concluding that electronic questionnaire forms was not appropriate to reach unemployed respondents, young researchers went to State Employment Agency divisions in Vidzemes planning region and personally offered the agency's customers opportunity to participate in the study. In result the total number of respondents who participate in survey is 666, aged 16 to 25. Survey respondents are from Vidzeme Planning Region, what include 26 municipalities. Respondents are from almost each municipality so it means that region was covered. Table 1 illustrates in details the number of respondents in each age group.

Table 1. **Age of respondents**

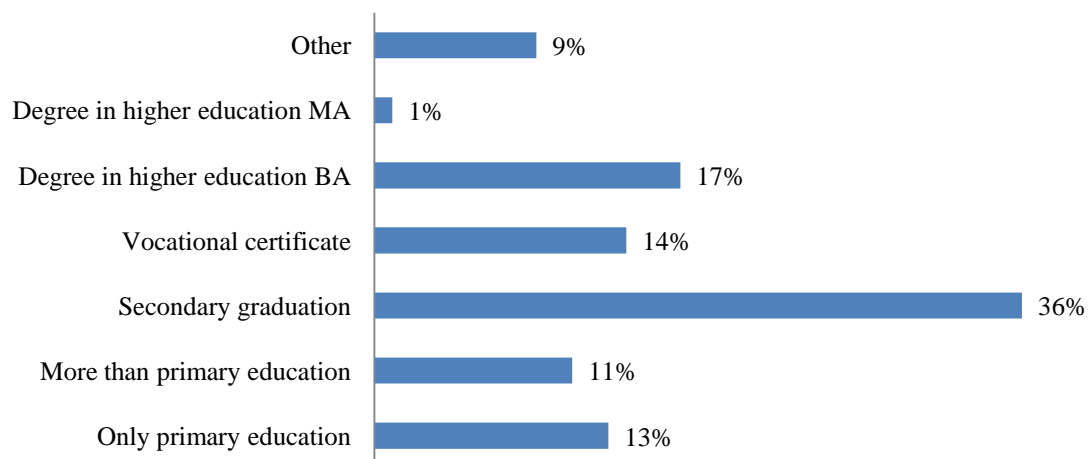
Age group	Number of respondents	%
16	55	8%
17	37	6%
18	50	8%
19	66	10%
20	93	14%
21	96	14%
22	94	14%
23	75	11%
24	50	8%
25	50	8%



If we divide respondents into groups by gender, it is seen that in the survey participate 66% women and 34% men (Table 2).

Table 2. **Gender**

In question “What is the highest degree or level of school you have completed?” from all respondents 36% or the biggest part of respondents have secondary graduation. Meanwhile 17% of respondents have degree in higher education BA level. Differences are shown in graph Table 3.

Table 3. **What is the highest degree or level of school you have completed?**

Majority of respondents pointed out that the highest level parents education is vocational education level. The vocational certificate is the highest degree of school for 52% fathers (Table 4) and for 32% mothers (Table 5). Survey results also indicate that mothers more often than fathers have obtained the degree in higher education BA (Table 5). The reason, why there are a so large proportion of parents, who have vocational certificate is because when they got education, in the time when in Latvia was other political regime which was characterized by high labor specialization.

Table 4. What is the highest degree or level of school your father has completed?

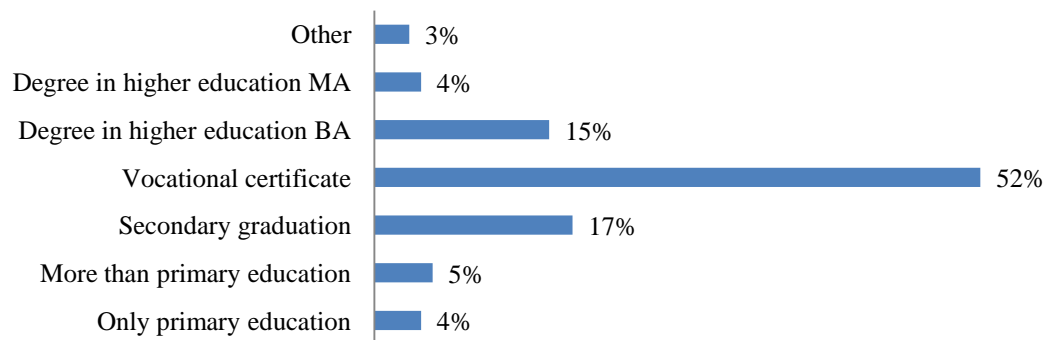
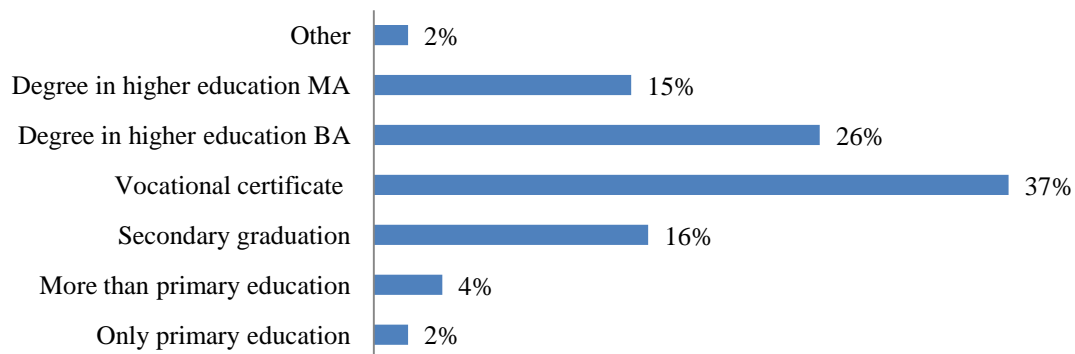
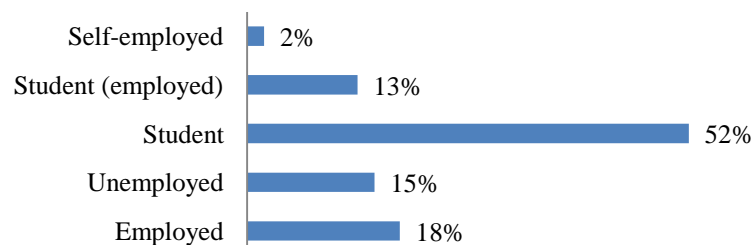


Table 5. What is the highest degree or level of school your mother has completed?



The required minimum of 100 respondents in each research target groups was also reached. 52% of all respondents were students, 18% - employed persons, 15% - unemployed persons. 13% answered that they are students who works and only 2% were self-employed (Table 6.).

Table 6. Respondent's current status



Answers shows that the majority of respondents (85%) have been employed and only 15% have not (Table 7), and little bit more often men have been employed

than women (table 8. and 9.). The majority of respondents indicate that their previous work experience was summer job as a student (59%), the next most common response is permanent job (29%) and job with fixed-term contract (24%) (Table 10.). These results could be explained by the fact that young people are the part of society that are actively engaged in education system and the learning at school are the main daily life duty for them. That's why previous summer job experience may be so common answer. Also as shows table 11 most of the respondents are students and more active participation in the labor market is seen in age groups after at the age of 20.

Table 7. Have you ever been employed?

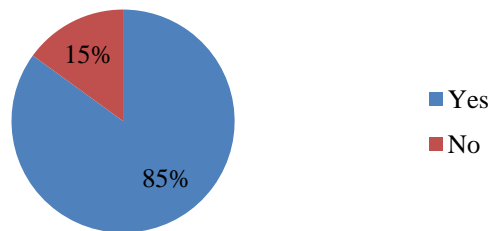


Table 8. Men; Have you ever been employed?

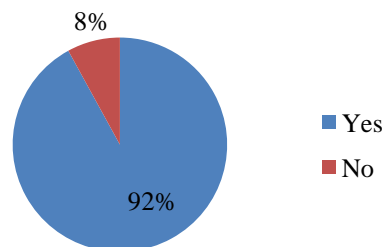


Table 9. Women; Have you ever been employed?

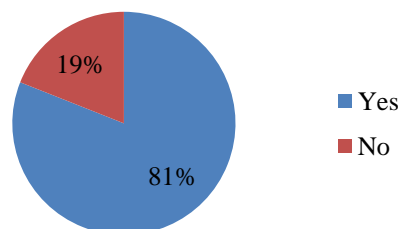
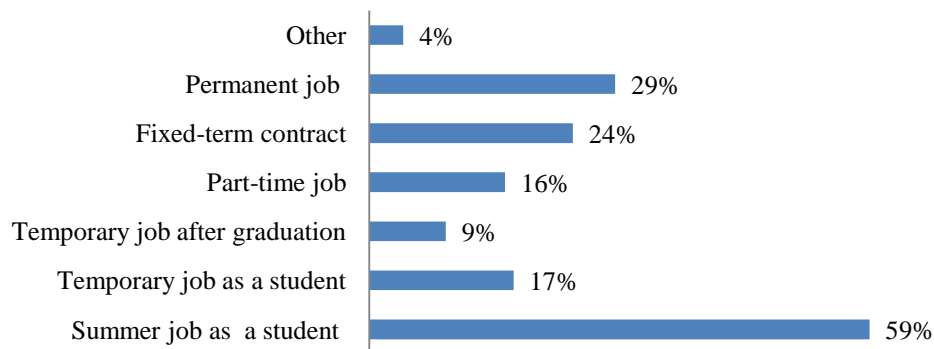


Table 10. What sort of job did you have?



Data analysis between age and current status shows that increasing age reduces the number of pupils and students, and naturally with years gradually starts to increase the number of employed and unemployed persons (Table 11.). But there are no significant differences between gender and status (Table 12. and 13.).

Table 11. Age; status

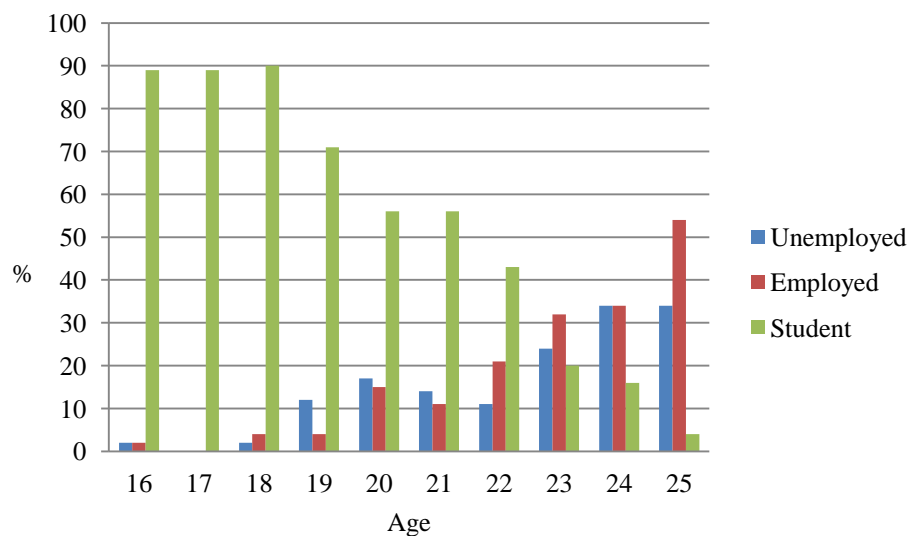


Table 12. Women; status

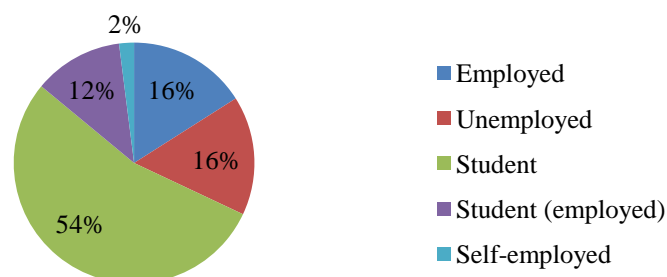
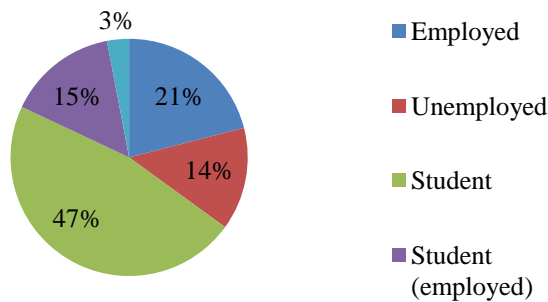
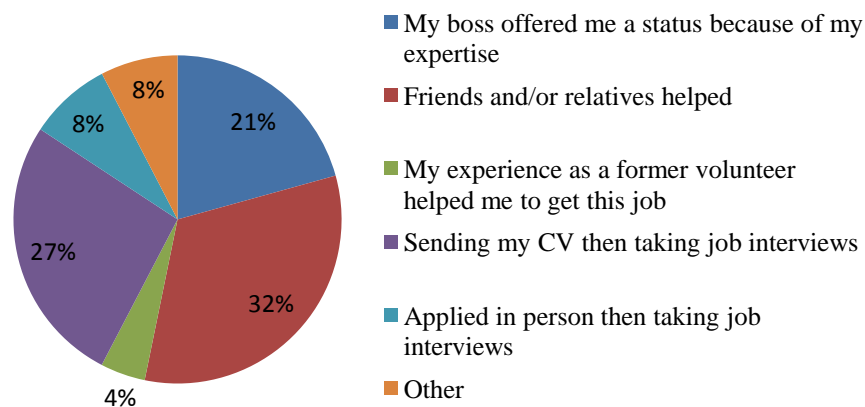


Table 13. **Men; status**Employed persons

From the given multiple choice questions respondents who were employed most often stated that friends and relatives helped to find a job (32%), that indicates that social networking is a powerful tool for integration in labor market. Then followed an answer "Sending my CV then taking job interviews" - 27% and 21% pointed out that the boss offered a job because of respondents' expertise. Since one-fifth of the respondents find work thanks to employers' initiative, it is possible to say that there is a part of employers who are favorable to young people, which is considered as a very positive trend in a labor market. This is also evidenced by the fact that some of the respondents answered that they stayed in job after school apprenticeship programs. It means that part of the employers' recruits potential employees from educational institutions. Also some youngsters found a job by help of state placement agency (Table 14.).

Table 14. **How did you get into your current employment? (Employed respondents)**

It is interesting that employed females often than men answers that get into current employment by sending CV (31%) and because boss offered job because of their expertise (25%) and friends/relatives helped (22%). But men more often used help from friends or relatives to find a job (48%), after that follow sending CV and taking job interview (20 %) and boss offered because of expertise (14%) (Table 15. and 16.). It shows that the gender affects employability and way how to find a job.

Table 15. Employed men; How did you get into your current employment?

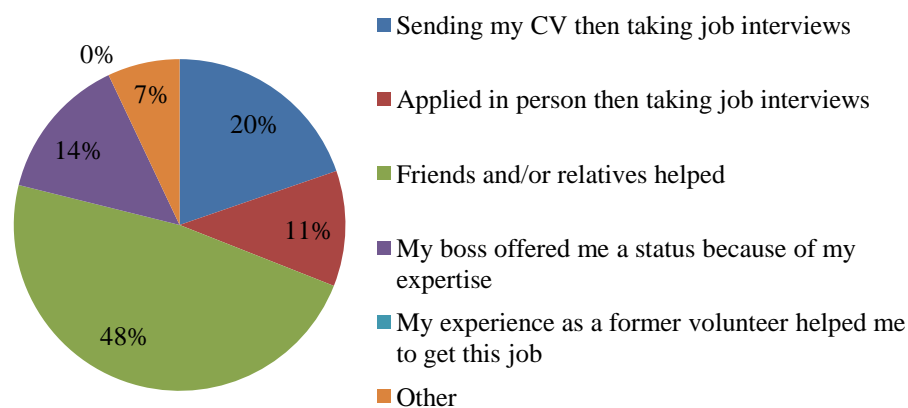
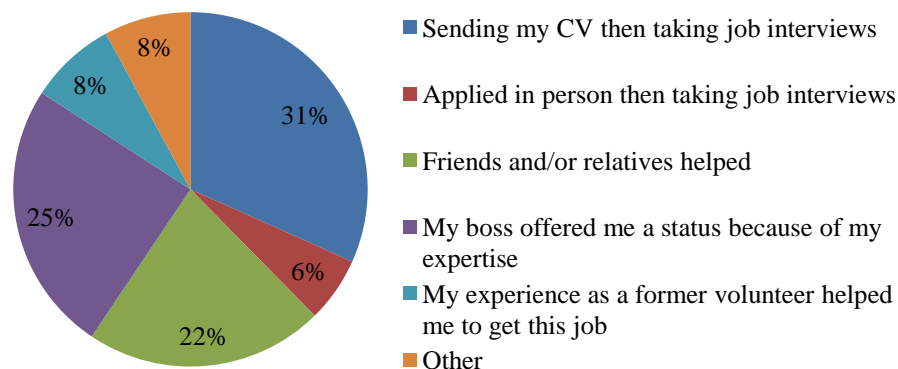


Table 16. Employed women; How did you get into your current employment?

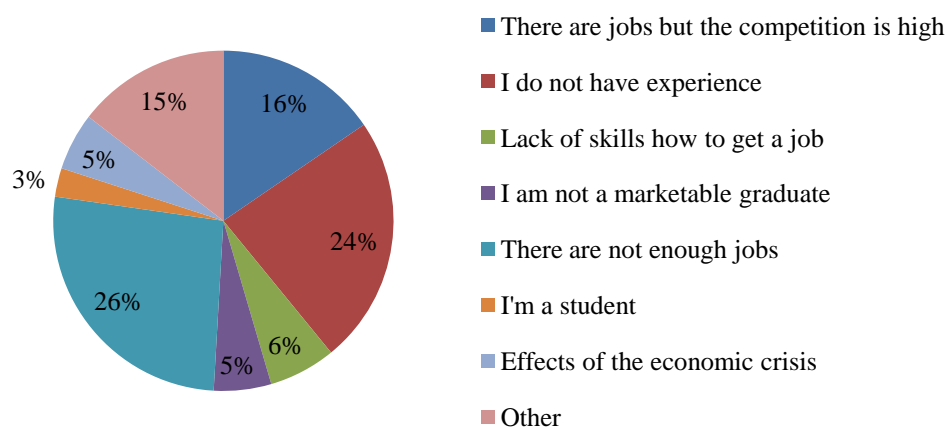


Unemployed persons

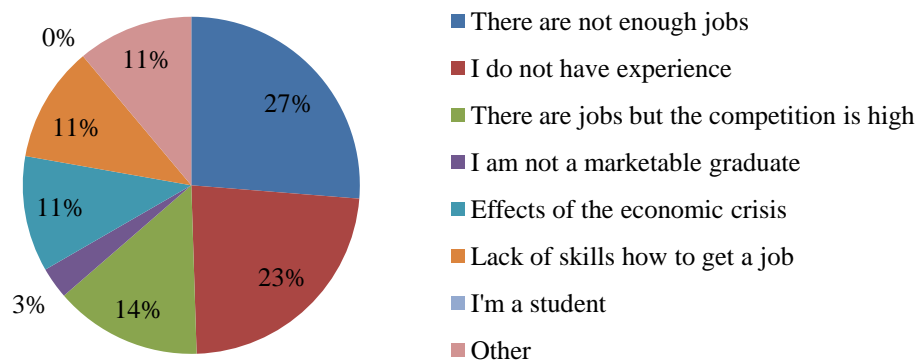
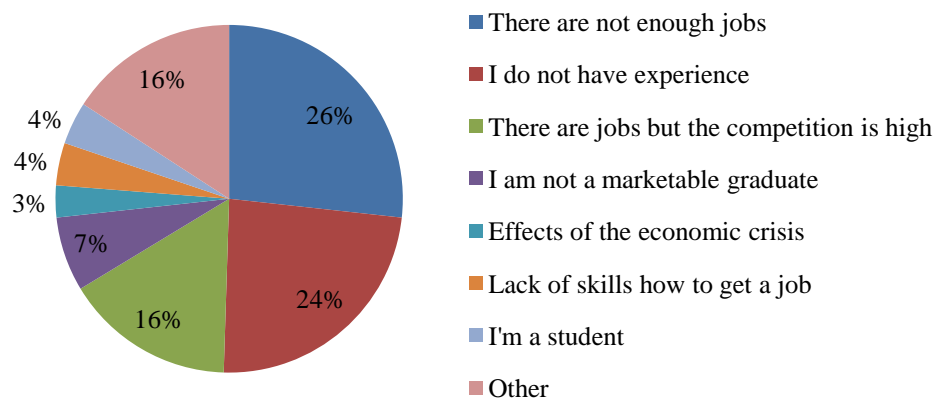
Most often respondents pointed out that one of reasons for unemployment is that there are not enough jobs (26%). This response could be due to the economic crisis because, when economic activity decreased, many companies went out of business, so many lost their jobs. Of course, we can't look so unilaterally because there were firms which started its business in times of crisis, but such companies are

few in number compared to those who went bankrupt. About economic crisis and its influence to youth unemployment, it was already described in the literature review. As we know in Latvia, the youth unemployment rate rose sharply in 2008 and 2009- exactly during the economic crisis. Also common view is that unemployment reason is lack of experience (24%) and that also was one of the causes of youth unemployment, what emerged in the literature review. The third most popular answer among respondents on the causes of unemployment was that competition is high (16%). 15% of the respondents selected other answer. Most of them answer that they are unemployed because they are raising a child, health problems and reluctance of employers to give work to young people. Some respondents' answers that they don't want to work or better want to work abroad.

Table 17. **What are the reasons for unemployment?**



Unemployed person answers analysis between gender and reasons of unemployment did not show dramatic differences between genders and three most common answers. There is only small difference because men often than women answers that reason of unemployment is lack of skills how to get a job and effect of economic crisis (Table 18. and 19.).

Table 18. **Unemployed man; reasons for unemployment**Table 19. **Unemployed women; reasons for unemployment**

Employed students

Students who combine learning with job, in 69% said that they focus are studies and 31% - work (Table 20.). Both groups (men and women who work and study) are more focused on studies, especially women (Table 21, Table 22).

53% of Employed students said that friends and relatives helped to find a job (Table 23.); this fact might indicate importance of social networking which may lead to social capital as a tool or for successful integration into the labor market. The second most common answer was “boss offered job because of my expertise” (23%). This suggests that there is a positive trend for more than one-fifth of employers to show initiative and give job for young people. Also there are a 20% of respondents who find a job by sending CV and taking job interviews. (Table 23.).

Table 20. What is your focus?

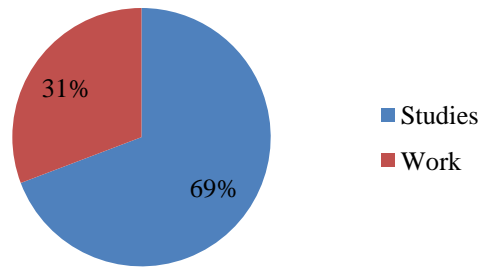


Table 21. Focus of men who works and study

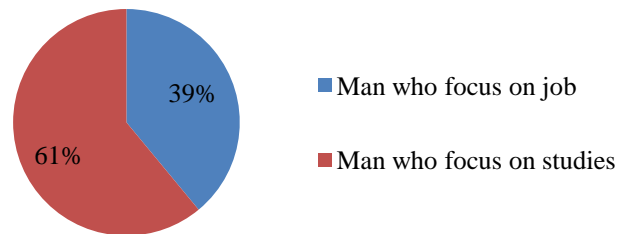


Table 22. Focus of men who works and study

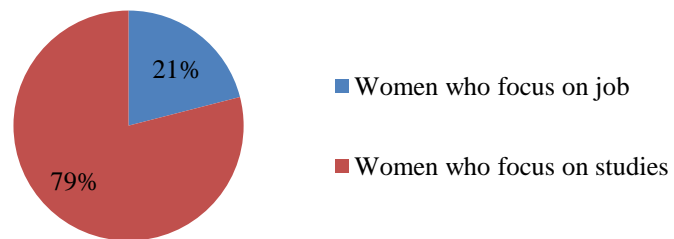
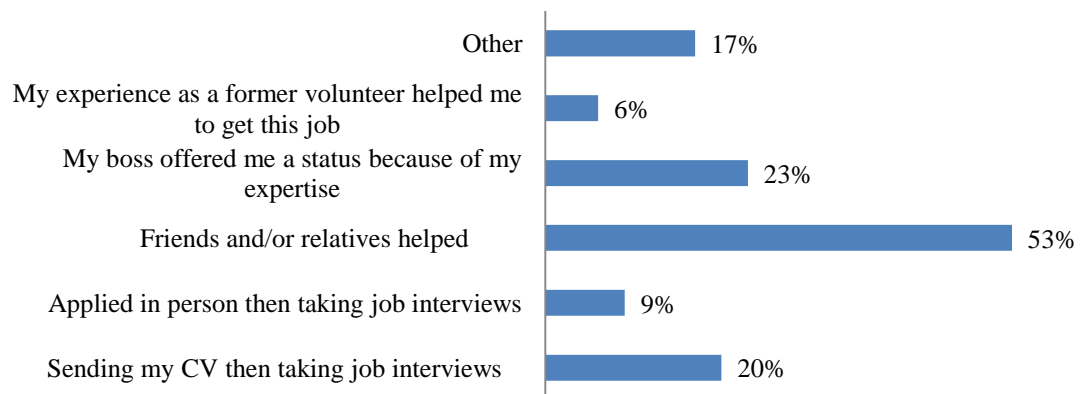
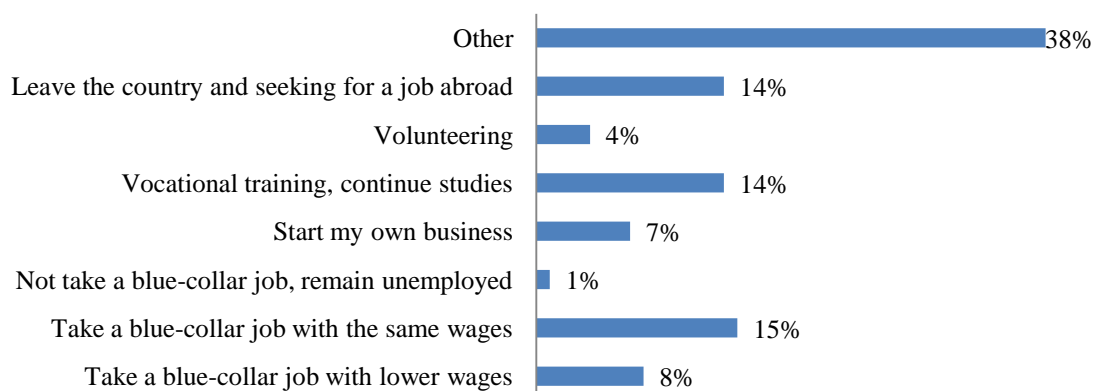


Table 23. How did you get into your current employment (employed students)



Also students were asked what they would do in case if students' formal education can't get a white collar job (Table 24.). The three most common answers were: 1) take a blue-collar job with the same wages (15%), 2) Leave the country and seek for a job abroad (14%) and continue studies (14%). Top three answers indicate that wage is important for young people because they not so willing to take job with lower wage and as shows literature review many young people leave Latvia to find better paid jobs abroad (Ministry of Welfare of the Republic of Latvia, 2011:15). Recently was published survey conducted by business sector representatives. It also shows that students have high expectations for wages during the summer job. Compared to the previous year decreased the proportion (from 18% to 12%) of young people who decides to be unemployment because of too low salaries, but young people still have relatively high demands on salary (IR, home page).

Table 24. Your formal education can get you a white collar job, but you do not find one.

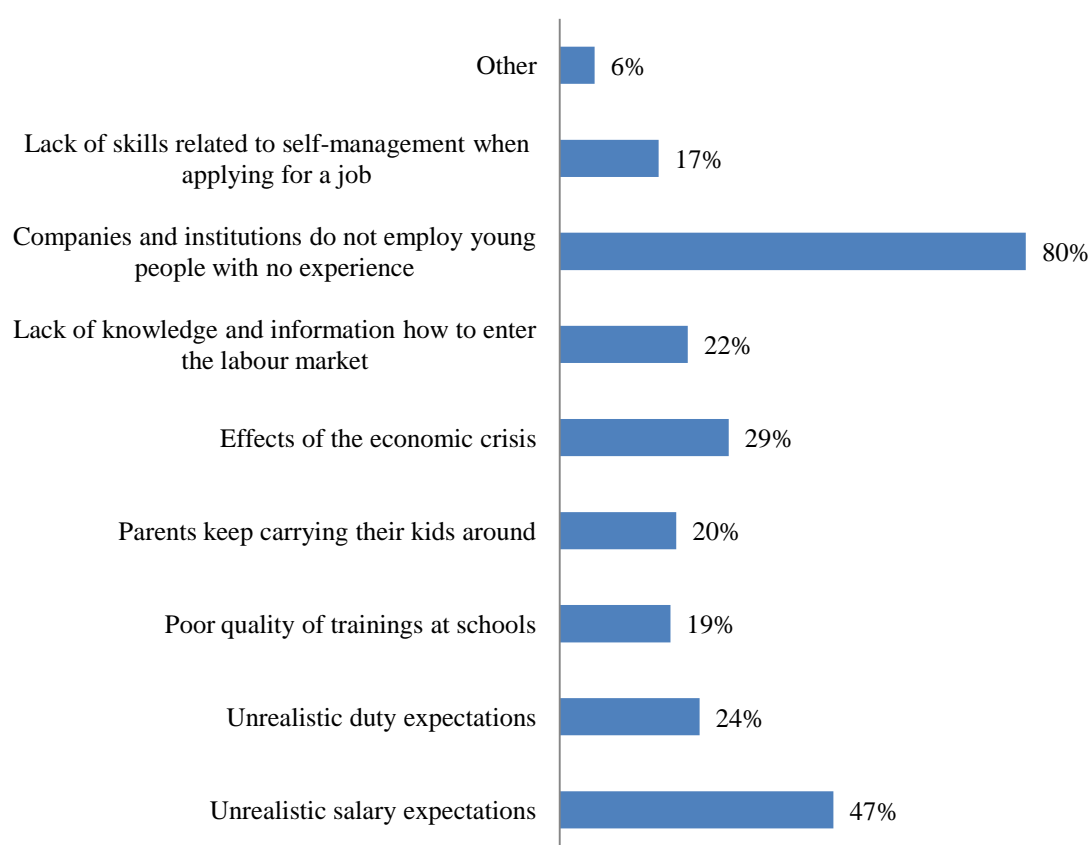


All respondents

An answer indicates that the majority of respondents think that the main reason for youth unemployment (Table 25.) is a companies and institutions that do not employ young people with no experience (80%). Also looking to the earlier studies in Latvian appeared that insufficient education and lack of work experience were most widespread problems encountered by young people entering the labor market (Institute of Social Research, 2007:105). It suggests that education system can't give enough practical experience and skill for young people, and it appears that employers are not willing or can't train young people in these skills and at the same time

maintain a business. Often respondents selected the option unrealistic salary expectations (47%). As mentioned before newest research confirms that young people have relatively high demands on salary (IR, home page). Third most common answer is effects of the economic crisis (29%). But although in society is popular view about economical crisis as a cause of youngsters' unemployment, we must take into account that previous research shows that reasons for unemployment before crisis was that the young people didn't search work and was economically inactive (Institute of Social Research, 2007:47). Crisis certainly brought a lot of changes because at the time of crisis happened collapse of many sectors which in the boom years offered relatively high salaries to young people for low-skilled work (European Commission, 2011:8). This requires consideration of the magnitude of the real desire of young people looking for work in situation when salary is not as high as expected.

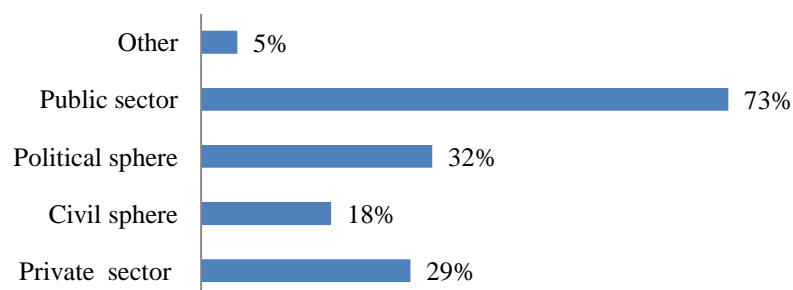
Table 25. What are the possible reasons for youth unemployment in your country?



Survey shows that biggest part of respondents believes that the public sector should come up with solutions on how to decrease youth unemployment (73%). Much

smaller part of respondents shares a view that responsibility should take political sphere (32%), private sector (29%) and civil sphere (18%) (Table 26.). This suggests that young people rely heavily on the country's ability to deal with social problems and does not see the personal responsibility on these problems. At the same time in respondents view to three best practice on combating youth employment (Table 28.) are, first, cooperation of local business sectors and education to train young people for specific job (60%), secondly, making the labor market more "youth-friendly" and more internship programs in local and national authorities are needed (48%).

Table 26. Which sector should come up with a solution on how to decrease youth unemployment?



Biggest part of respondents thinks that lack of motivation (69%) is the main reason for giving up education and training prematurely (Table 27.). Then follows social problems (58%) and learning difficulties (27%). Only 11% respondents said that reason is lack of skills.

Table 27. Some young people give up education and training prematurely. What is the main reason?

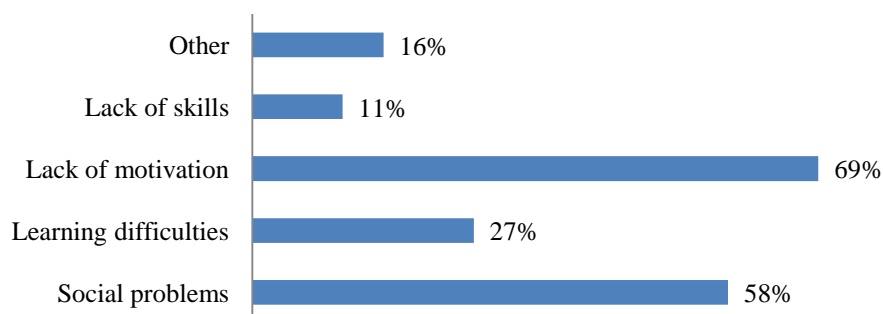
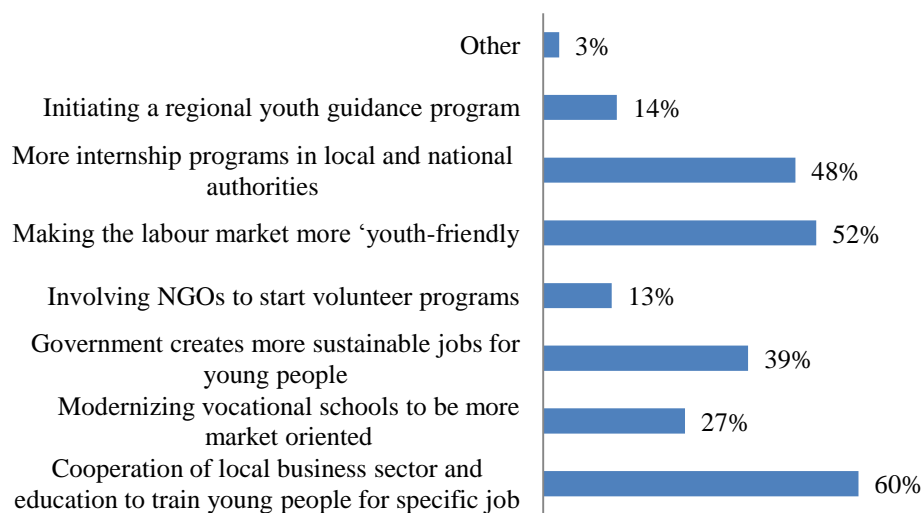


Table 28 shows young people's views on question „What would be the most relevant ‘best practice’ on combating youth unemployment?”. The majority of respondents

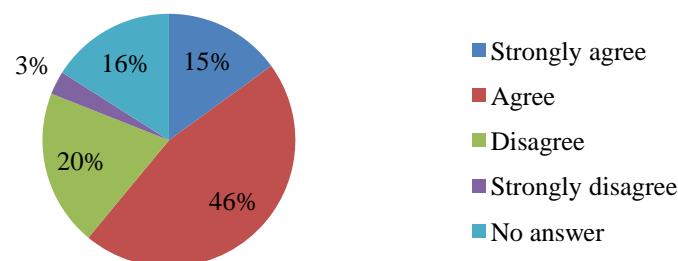
(60%) believe that cooperation of local business sector and education to train young people for specific job is a best solution of young people unemployment. Slightly more than half of respondents indicate that the labor market should be made more youth-friendly, and the third most common answer is that there is more need for internships programs in local and national authorities (48%).

Table 28. What would be the most relevant ‘best practice’ on combating youth unemployment?



There are controversial views towards career guidance programs as a solution for unemployment, but in general more than half of respondents agree or strongly agree that it can reduce youth unemployment (Table 29.).

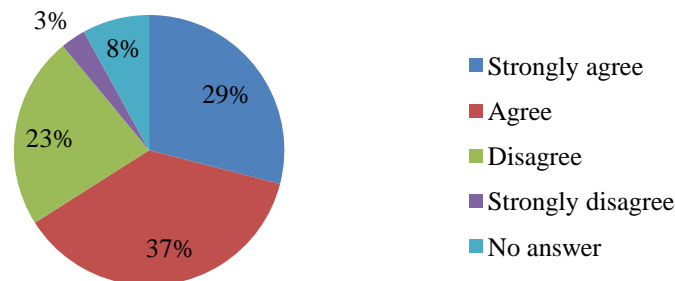
Table 29. A career guidance program that involves parents and young people can reduce youth unemployment.



Biggest part of respondents identifies problems inside the education system (Table 30.). As indicated by the survey 37% agree and 29% strongly agree that education

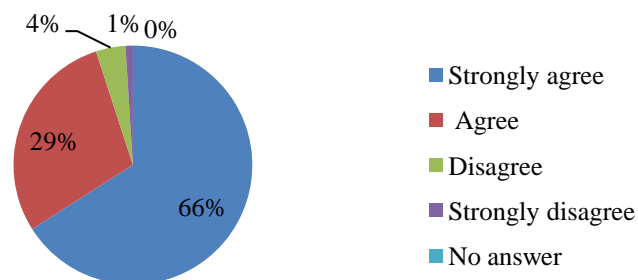
provides theoretic knowledge without practical experience. 23% disagree and only 3% strongly disagree with this.

Table 30. The formal education system is also responsible for unemployment because it only provides theoretic knowledge without practical experience.



Also an overwhelming majority of respondents agree or strongly agree that apprenticeship can leave young people excellent preparation for the world of work (Table 31.). This suggests that in respondents view prior experience increased job opportunities, which could be one of the socially-acceptable solutions to the problem.

Table 31. An apprenticeship program can leave young people with excellent preparation for the world of work.



Most part of respondents disagree that many graduates prefer to take low-income white-collar jobs rather than high-income blue-collar work. But in general we can see that at the same time with this statement agree 26% and strongly agree 20%, and that's almost half of all respondents. So it not possible to say that one of opinions strongly dominates (Table 32.). Biggest part of respondents agrees (40%) or strongly agrees (21%) that young people don't want to do work on a very low wage. However, 29% disagree with this statement (Table 33.).

Table 32. Many graduates prefer to take low-income white-collar jobs rather than high-income blue-collar work.

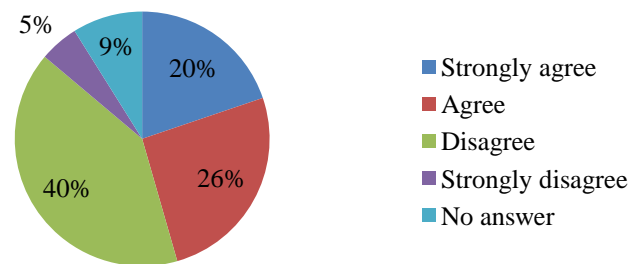
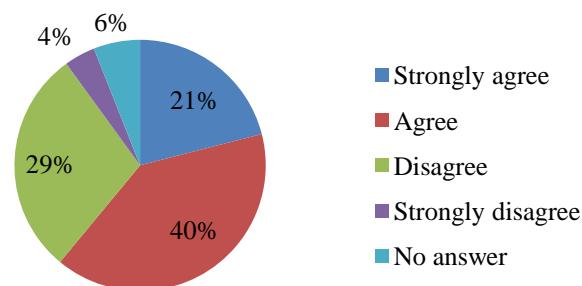


Table 33. Young people don't want to do work on a very low wage so they remain unemployed.



Current status and education level

Majority of the unemployed persons are secondary school graduates - 33%. Then follows unemployed persons with vocational education (17%) and primary school education (15%) (Table 35.). But employed person more likely to have acquired vocational education (30%) and degree in higher education BA (26%). Also within the group of employed persons is a high proportion of secondary school graduates (23%) more information in Table 36. Persons who are currently pursuing their studies mostly already have acquired secondary education level (40%), primary education (17%) or more than primary education (16%). 12% of respondents have indicated that they already have acquired a bachelor's degree, likely it means that at this time they continue other Bachelor's or Master's degree studies (See Table 37).

Table 34. Unemployed persons and education level

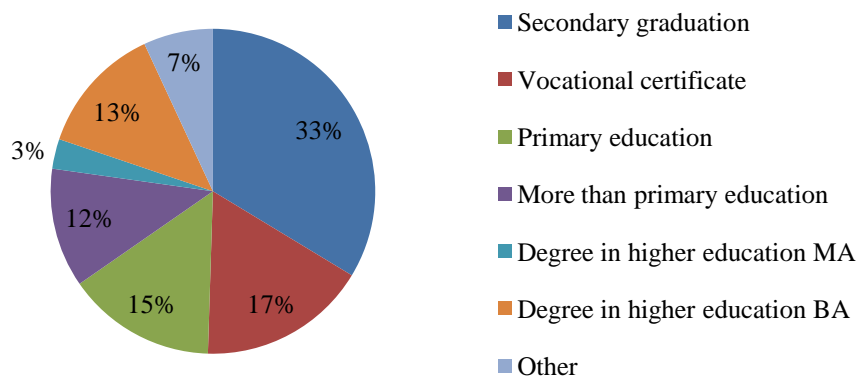


Table 36. Employed persons and education level

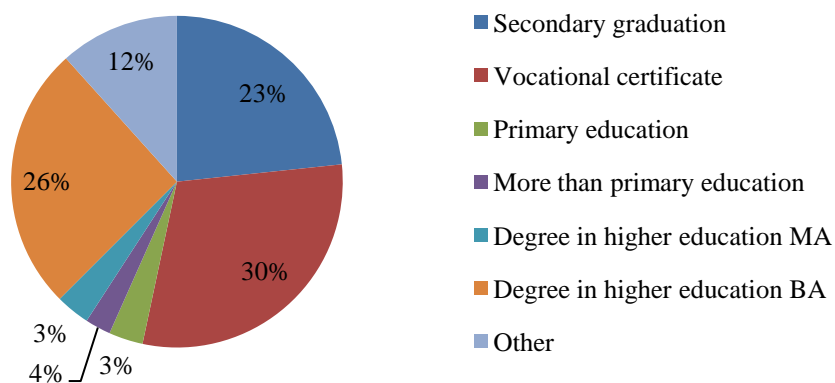
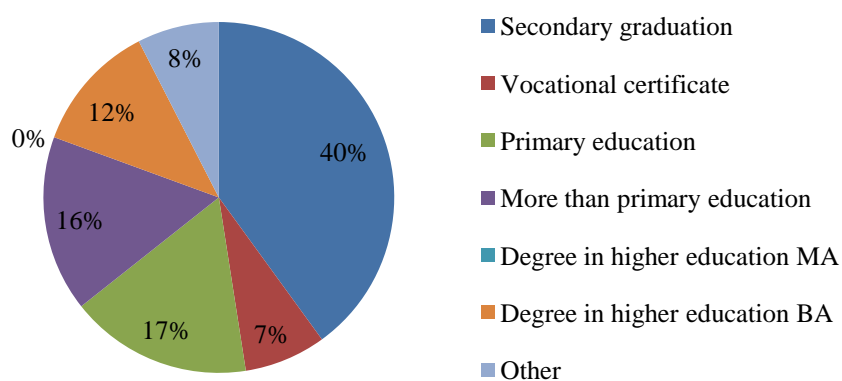


Table 37. Pupil/students and education level



3. INTERVIEWS REPORT

In a time period from beginning of May to July were conducted 25 interviews with employed and unemployed young people, profit-oriented, public and non-profit sector representatives, youth employment policy experts. This report will provide information about main results of interviews and best practice description. In appendix has been added list of interviewed persons (appendix 2) and main examples and recommendations for youth unemployment reduction from interviewees point of view (appendix 3).

3.1.Reasons for youth unemployment

Two most often mentioned reasons for youth unemployment are lack of experience and lack of motivation to work. Lack of education refers not only to professional skills but also to weak social skills. Employment policy experts and profit-oriented and public sector respondents add that very often young people comes to job interview but they can't properly talk and show that he is appropriate to job. Also there is a problem that after school (most often after elementary school and secondary school) young people don't know how to write a good CV and they not aware of their strengths and weaknesses. Also some employers believe that it is risky to recruit youngsters because they only try to find right profession (and not always selected education is relevant to employers' needs) and they life are uncertain. Also one of problems is that young people want a big salary, but employers don't want to pay because youngsters not as professional and experienced as adults. Young people and adults indicates that this is a problem, but more often employers and policy experts thinks that this is because young people have big ambitions, while young people notes that big salary is necessary because youth often combine training and work and that means they need money not only for living but also for education. Big salary is necessary also because higher educational establishment usually are located in big cities and if youngsters live in country side and transport costs is very expensive.

3.2.Cooperation between school and employers

Not all respondents were well-informed about cooperation between school and employers. A respondent from profit-oriented sector believes that dialog school –

employers is necessary and there is necessary to improve cooperation. Cooperation is seen as a way how to provide scholars with experience by offering possibilities go to companies and become familiar with chosen profession. Also employers cooperate with schools because they see this as a way how to recruit best potential workers.

3.3.Internship opportunities

Not all of interviewed employers offers internship for young people, but in general dominate opinion that there is possible to find internship opportunities in Vidzeme planning region. It is visible that at this time internship opportunities young people finds if they go individually to employers and asks for work or if employers shows initiative and tries to find trainees. Not all employers hold a view that schools at this time actively try to find internship opportunities for scholars, but some employers think that schools should be a first instance that come with initiative in cases of professional education. There was recommendation from employer that education ministry should create system that aggregate information about employers who are willing give internship opportunities for young people. Also one of unemployed young people recommended to create information system but this recommendation draw attention on necessity of students to be informed about others students previous internship experience.

Interviews of young employed and unemployed students shows that it is easily to find internship places in big cities, but in small towns and country side situation is very bad, because biggest part of enterprises are located in big cities.

Interviewed young people and adults agree that benefits of internship for young people are practical job experience and possibility to understand if choice of profession is right. Also all agrees that it's a good way how employers can find and train future employees and also it is cheaper because in most cases about internship employers don't need to pay salary. It is interesting that young people thinks that employer only benefits from trainee, but employers has a different opinion. Employers points out that most often young people who comes to work in company are without professional skills and they employer to train these youngsters. It means that employers should devote financial resources and time all internship time. Also employers who has experience with young people, tells that young people can be divided in two groups, does who wants and can work and does who has a lack of

motivation to work. Those employers who has a bad experience with bad apprentice are cautious next time giving internship for young people.

It is necessary to note that internship quality depends on employers and employee responsibility. In perfect case employer need to give varied job assignments for youngsters and youngsters need to be willing to work.

3.4.Assessment of education

There is no united view about quality of education and compliance to need of labor market. It depends on school and educational programs and motivation students to learn. There is a part of respondents who says that school system is appropriate and gives all knowledge what students needs. But also there is opinion that education quality is bad because there is dominance of theoretical knowledge and have a shortage of practical experience and skills. Most often employed and unemployed youngsters think that school gives an appropriate education and thinks that they are ready for labor market. Biggest critic for education system comes from employers, because they often has experience that young people are not ready to work and there is a large necessity to teach them.

There are some expressions that indicate about bad stereotypes about professional education, because some people thinks that professional education is not prestige and only people with learning difficulties choose professional secondary schools. On the contrary, university is seen as place for more intellectual youngsters. It is interesting that even if people has these stereotypes about professional education they tells about successful and professional people who succeeded thanks to professional education.

3.5.Young people as a job seeker

All respondents agrees that if young people wants to find a job he needs to be persevere, creative, shameless and he can stop when faced some difficulties and he needs to send CV everywhere. Employers want people who are independent, accurate and responsive. People who has experience with young job seekers, tells that that not all of them are confident and not all of them can convincingly show themselves as a good employee. However, the results of the interviews shows that there are two groups of youngsters – one of them are active and motivated job seekers and can find job easily, but other part passive, perhaps even don't want to work. Those who are not

motivated to work, sometimes lives on social benefits whose amount in some cases are close to the minimum salaries.

3.6.Reasons for leaving school early

In society dominate view, that young people at first needs to learn at primary school, elementary school, and then he needs to get bachelor degree and then master degree. But some of youngsters don't know what they want from live and that is why some people leave school early because they understands that education choice was wrong or perhaps they want to supplement experience.

Also one of the major problems is the lack of financial resources. There is an individuals who has a problems to ensure primary needs (food, shelter etc.). In Latvia primary and elementary education is free, but nevertheless for parents it requires a great expense to ensure education for kids. Higher education is expensive and not all can afford it. Respondents give examples about students who combines job with studies, but can do it successfully and in result they leave school. Must take into account that universities are located in biggest cities and there are high transport costs for students who lives on country side. There is a situations when because of transport costs is not profitable to study or even work. In some places his problem is solved by state aid (free transportation, free meals and scholarship).

Also some youngsters see that there are work opportunities and not all employers needs diploma. That's why students chooses work. Many young people goes abroad because there is bigger chances to get a job with big salary.

Some people think that problem in family or parents education level impacts youngsters attitude toward school. Also some parents bear the cost of children living even when they are in working-age.

3.7.Role of NGOs in reducing unemployment

There is a strong consensus that NGOs are excellent place where young people can get his first job experience, this is as a starting point for lot of youngsters and respondents positively assess voluntary work opportunities (in Latvia and abroad). NGOs gives experience and it is good additional information in CV which creates good impression to potential employer. Participation in NGO activities extends social network and gives a new contacts with people who can help to develop career.

There are some respondents who don't have opinion about role of NGOs in reduction of unemployment; usually these people do not have previous experience with NGOs.

3.8. Opportunities to start business

There is positive attitude toward business start-ups. But dominates view that it is more difficult for young people to start business, because the majority of youngsters not set up cash reserves, which are necessary for business start-ups. Second obstacle is lack of experience, because young people in comparison with adults not as experienced in procedures that are necessary to create and manage a business. But there are mentioned some youth-specific advantages. A respondent thinks that young people more often crates innovative business ideas and they are more active and enthusiastic. Sometimes young people unaware possible problems of business start-ups and that's why sometimes they not afraid and just try.

Respondents think that there is necessary some adult help and exchange of experience. Some of respondents think that local municipalities are one of places where young people with business ideas can find support. For example good example is municipality of Madona where town hall is created Business unit which can help also young people with business ideas.

Most of the interviewees can mention some business support tools. Most often mentioned examples are competitions which are intended to supports new business ideas. For example Hipotēku Bank organized competition "Jump in the business!" for young people between the age of 18 and 30, who have a business idea and initiative to do it. Winners of the competition get real support for business start-up. Also as a good support option is considered program of business incubators. Today business incubator combines premises and equipment with consultations for business development, financing and organizing supporting start-ups that have ideas, courage to risk and understanding of the support necessary.

3.9. Effect of economic crisis

Respondents think that economic crisis affected situation in labor market because many companies went out of business or reduced the number of employees. Some of respondents think that economic crisis helped to see which persons wants to earn easy money, because in time of crises salaries became smaller and in job stayed

people who really wants to work. Some of respondents say that result of economic crisis was decrease in funding for programs that supported youth employment. Also year 2009 was reduced funding for extra-curricular activities in schools and youths centre, but now is restored only the most requested classes.

In result of economic crisis many youngsters went to work abroad because it was opportunity to get big salary even for low skilled jobs.

Majority of interviewed persons points out that they don't see a big difference between youngsters and adult unemployment.

There are different opinions about economic situation at this moment. Part of respondents says that there are more options to find a job, but other part says that they don't see improvement. Youngsters who live outside big cities chances of finding job rates worse (at least at place where they lives).

3.10. Career consultations

Part of interviewed youngsters has used career consultations. Usually career consultation services are provided by State employment agency and consultation consist of test that shows profession appropriate to youngsters interests. Persons who have used consultations said that it showed the direction what they like, but mostly it confirmed their previous decision about career development in future.

Youngsters think that the test is a good thing, but in general it is not enough, especially for youngsters who really have difficulties to decide in which direction they want to develop their career. Large proportion of the interviewees believes that career consultation should be a long-lasting process and it needs to be start already in elementary or secondary school. There have been also recommendations career consultations combined with training on the knowledge about CV writing and job interviews. Also some youngsters points out that it is weary good if they have an opportunity go to enterprises or organizations and see how people work in different professions, as a good example were mentioned days of Job shadowing (Ēnu dienas).

As a good practice example we can mention district of Madona where have been trained 100 teachers in a skills of career consultations. But it is planned to create support team that will consist of career consultant, social educator and speech therapist. It is planed that this team could go to different schools of district and help youngsters with career consultations. This would be very valuable

for schools in rural areas, because for these small schools is more difficult to provide services of such specialist.

3.11. Opportunities to participate in decision-making

All interviewees emphasizes that Latvia is democratic country and all citizens have rights to participate in decision-making process and in many cities have established youth council that represents the interests of young people. But despite the fact that youngsters have the rights, all interviewees points out that young people rare use this opportunity and there were no cases when interviewees could mention example of the young people who have tried to influence the employment. Perhaps it can be explained by the fact that people don't believe that they can change activities of government. A large part of interviewees agrees that young people's views are heard, but they don't believe that causes significant changes in politics. Some of the interviews expressed point of view that bigger possibility to impact decision-making process is through various youth associations that brings together people with the same beliefs. One youngster said that he things that for young people more suitable way how to influence decision making is a opportunities offered by new technologies, for example manabals.lv. Manabals.lv is a legitimate social platform where people can submit initiatives, gather supporters and present finished initiatives to the *Saeima* (Parliament of Latvia). An initiative can be submitted and signed by any citizen of the Republic of Latvia at least 16 years of age.

3.12. Opportunities to find a job for risk groups

People things that more difficult to find a job is for youngsters with bad social background and youngsters with disabilities also group of risk like youngsters with alcohol and drug problems.

Bad social background impact is seen in a two ways. Firstly it can be attributed to the poor families who have problems to provide children with livelihood and education. Also some people thinks that parents education level and positions in society form the basis of growth opportunities for children; if parents has low education and low skilled jobs, there is a bigger possibility that also children will be in similar situation in future.

In respondents view also youngsters with disabilities is one of risk groups. All respondents think that for these people are very difficult to find appropriate job duties

that can be combined with health problem. Also there is opinion that employers don't want to risk take these people in job, because they can't do all job duties and because of laws it is harder to fire them if there is some problems with job performance. There was one of employer who said that it is possible that they could be willing to give a job youngster with disabilities, but at this time there is situation that these people in daily life are invisible. All respondents agrees that young people with disabilities is hard to find a job, but at the same time some of them points out that national laws and regulations places such persons in advantaged positions because they have rights to get various benefits, also in different programs they can get bigger advantages in comparison with other youngsters and it is harder to fire them from job.

In over all people thinks that government should take responsibility about people who comes from risk groups and some of interviewees think that these can be helped by financial support from the EU Structural Funds, also as a good example were mention municipalities who gives free meals, free transport for scholars who come from poor families and students with good marks can get a scholarship.

4. CONCLUSIONS

The main goal of this project was to find out the possible causes of the persistent unemployment problem and to find the possible solutions and 'best practices' in the region. Project was carried out in Latvia, Vidzeme planning region. To achieve this goal we used several research methods - policy planning documents, previous research (about situation in Latvia), legislation analyze, questionnaire and interviews with employed and unemployed young people, profit-oriented, public and non-profit sector representatives, youth employment policy experts and in the end we identified 3 examples of best practice.

Analyse of questionnaire and interview showed that main reasons for youth unemployment in Vidzeme palning region are lack of experience and lack of motivation to work. Also questioner shows that an unemployed person believes that main reasons are lack of experience and small labour market and high competition. Interviews indicate that unemployment is more distributed in country side districts and smaller this problem is in biggest towns in Vidzeme planing region because they are main development and economical activities centrs are towns and nearest neighborhood.

During the research we concluded that there is not common position in society whether youth unemployment is or not a problem. This is explained by the fact that part of unemployed youngsters choose not to work but other part is willing to work but can't find a appropriate job for his professional skills, knowledge and expectations.

In time of research there emerged different opinions about education system effectiveness, but more often it is mentioned that young people are not completely ready to work after school graduation. More often mentioned weakness in educational system is that do not put emphases on mechanisms which develop social skills that are necessary to find job (CV writing, self- presentation in job interview etc.). Respondents express the view that some education programs do not give enough practical skills. The way how to get the practical skills is professional education, internships and very important actor is non- governmental organizations, who can give first job experience. It is important to mention that in Latvia professional education has quite low status.

5. BEST PRACTICE

5.1. Case of district of Madona

In district of Madona are approximately 2900 unemployed persons (30% of district population) and from these persons 1000 are young people. Considering that 1/3 part of unemployed persons are youngsters, district government has developed a package of varied action to reduce youth unemployment. Local authorities gives support for youth unemployment reduction and Business unit of district of Madona has a leading role. Business unit cooperates with several stakeholders (local youth centers, schools and entrepreneurs etc.) to carry out the activities which give job opportunities for young people in local enterprises and promotes opportunities for young people to start a business. The main target groups of these activities are youngsters and employers and the main goal is to promote youth employment and provide opportunities for employers to find a good work force.

To illustrate this example of best practice were carried out four interviews with following people:

- Romāns Hačatjans - Business unit direktor of district of Madona;
- Gunita Kļaviņa - Director of Madona children and youth center, member of Madona District Council;
- Dāvis Āre - middle school students who started his own business in the field of IT thanks to Business unit support;
- Raimonds Aizstrauts - owner of “ARA Kalnozols”, founder or youth centre of Bērzaune, gives summer job for young people.

One of the reasons why this case was selected as a best practice is because there were very good reviews on activities that are carried out in district of Madona. Also a similar practice like now in Madona was introduced in Latvian before economic crises, but only some municipalities were able to maintain this practice in a time of lack of financial resource. District of Madona actively develops these activities and until this time practice has improved.

The main activities focus on two main directions: youth employment promotion and development of entrepreneurship among young people.

Firstly, government establishes contacts with local enterprises and encourage them to take in job young people. This summer is carried out project “Young people's

career choices and job skills learning” (*Jauniešu karjeras izvēles un amata prasmju apguve*). This project promotes job skill learning and people's career choice during the summer period. The project gives funding for salaries. This summer is secured 17 job places for youngsters. Usually in Latvia similar projects provides youngsters with simple jobs in local municipalities territory, for example in site clean-up works. But case of Madona is unique because unlike other municipalities, in this district job is secured in local enterprises and youngsters can get a real professional job experience.

Secondly, in spring was organized contest of business ideas for youngsters “Madona Can Better!” (*Madona var labāk!*). The winners also was supported by the Business Incubator “Magnus”, offering young people the opportunity use business incubator services three months for free so that they could develop their business ideas. One of interviews was conducted with this contest first-place winner whose now make up his own business and appreciates local municipalities support tools.

Also in district of Madona have been trained 100 teachers in skills of career consultations. But there is a plan in future to create support team that will consist of career consultant, social educator and speech therapist. It is planned that this team could go to different schools of district and help youngsters with career consultations. This would be very valuable for schools in rural areas, because for these small schools is more difficult to provide services of such specialist.

All youngsters have opportunity to take a part in youth centre activities, which provides personal growth opportunities for young people. Also youth centre cooperates with State employment agency. Director of centre mentions good examples when young mothers voluntarily organizes different activities and engage in various activities.

It can be concluded that this is good example because there is a responsible authority that take a leading role in youth unemployment reduction in local level; besides activities are organized involving different stakeholders.

5.2. Vidzeme Planning Region initiative to promote youth entrepreneurship skills and dialogue about nature-friendly, sustainable and innovative entrepreneurship development opportunities in rural regions

Vidzeme Planning Region in cooperation with local governments from this region, implemented a project to promote youth entrepreneurship skills and dialogue about nature-friendly, sustainable and innovative entrepreneurship development opportunities in rural regions. The project began in February 1, 2013 and ended in October 31, 2013. Involved parts of this project: Vidzeme Planning Region, 15 local governments in region, business incubator „Creative Andrejsala”, non-governmental organizations - „Zinis” and “Youth Leaders Coalition”. Project was established with the aim to motivate young people to start their own business and create jobs for themselves and other rural people of the region. The problem is that in regions of Latvia, there is small number of enterprises and also small proportion of innovative enterprise. In time of financial crisis a major problem became unemployment, especially in rural areas among young people. For this reason Vidzeme Planning Region stated this project to develop entrepreneurial skills for young people from Vidzeme region and make structured dialogue between young people and business sector policy makers thereby promoting support for young entrepreneurs (Vidzeme Planning Region, home page)

Project involved 30 young people (age 18-30) who would like to start their own business. From February to October was carried out five training seminars where young people improved their skills how to start a business. (Vidzeme Planning Region, home page). In first two seminars youngsters were divided into a 6 teams. First task for each team was to develop at least 5 business ideas. In the third seminar they chose one idea from these five ideas and started to develop it through all project time (Eihenbauma, interview, 25.09.2013.). For example, in June 28 and 29 project participants were in training seminar in Valmiera city. Their task was to test business ideas, how to attract investors, potential cooperation partners and how successfully sell their products or services. In training young people also learned about business registration process, the possible types of business and its financial and legal options. Also in the training participants were informed about the possible risks and their management as well as trained "*force majeure*" situations (Vidzeme Planning Region, home page).

Within the training seminars a simulation game "My new company" was carried out. Each group played simulation game where they draw up their enterprise budget, defined team positions in their enterprise, defined the team member tasks and competence, tried to define their product or service and what resources they need. In the end of game participants presented their business model and it was evaluated by project coaches and experts.

The important thing is that during the project local community was involved in their business idea development process by carrying survey to find out the new business ideas viability (Eihenbauma, interview, 25.10.2013.).

The result of project was 30 trained youngsters and policy recommendations for policy makers. In a time of interview recommendations still was in the development process and for this reason project coordinators informed us about three already existing recommendations:

1. Provide young businessmen with pre-incubating period in a time of business ideas development process. It is the moment when young businessman is prepared to start his own business-writing the business plan, aware all possible risks etc.
2. Financial grant schemes provided by local government for young people.
3. Development of mentor programs. For example, it could be based on existing Vidzeme University of Applied Sciences practise-graduated students (alumnus) helps to current students and new entrepreneurs to know his represented profession and develop their business ideas.

The benefits from project in long-term will be this policy recommendations in local, regional and national level for young people unemployment reduction. And beneficiaries will be trained project participants who will be knowledgeable about starting the business.

In conclusion we want to point out, that in our opinion this is good example how to teach young people not only be employee but create his own business and new workplaces. Project emphasis necessity to develop business in rural municipalities which is very important element for rural development. And in the end this is good example how to use European Union financial support to reduce young people unemployment (75% of the project is funded by the EU program "Youth in Action").

5.3. Electronic game “Virtual practice” made by career portal “Prakse.lv”

The first time in Latvia is made product or computer game “Virtual practice”. The main aim of this game is to reduce the youth unemployment. The game is made by career portal “Prakse.lv” that is the greatest career and education portal in Latvia, by Latvian Employers' Confederation and «Statoil Fuel & Retail Latvia» together with more than 100 employers. The main objective of Prakse.lv is to help the youngsters to develop their skills and knowledge as well as to show the possibilities how to develop and use their talents to make a successful future. Prakse.lv helps youth to experience the “short-term practice” through the educational game.

In a game the youth could become familiar in the desirable specialist in concrete companies and professions by giving the answers about this concrete profession in concrete company. For example, Latvian national TV offer to visit their virtual practice for those who are interested in career of the journalist, manager of the TV news and others. If the youngsters will agree, their answers will be sent to concrete organization automatically. In this way organizations could introduce with these youngsters who is interested in this concrete profession (everyone who wants to play a “Virtual practice” has to make official registration in Prakse.lv).

At now in this game could visit and let be introduced more than 90 different professions, from the cook till the motor engineer, pharmacist or the renovator. This project is like a huge encyclopedia of different professions. In “Virtual practice” is included also the Latvian Employers's most suggested professions – programmer, marketing specialist, accountant, project manager, public relations specialist and others. Also there is possible to introduce with one profession in different companies and organizations by giving a wider view about every profession. “Prakse.lv” plan to attract about 5000 companies and organizations from Latvia, and also thinks about international companies.

“Virtual practice” is the good example for youth because there everyone could check their actual knowledge and get the new information about concrete professions in the real organizations. “Virtual practice” is an option to get real practice or work in organizations in future. This game is opened only from July 2013. The statistics show that is played more then 134 000 times and 24 349 users are registered for game in the first two months. In this school year (2013./2014) “Prakse.lv” will visit about 200

schools in Latvia to tell more youngsters about the “Virtual practice” and it’s benefits for the youth.

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Appendix

Appendix 1.

NEET rate for population aged 15-24 in Member States, 2001 - 2011 % of population 15-24

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU27	12,8 e	13,0	13 b	12,8	12,6	11,7	10,9	10,9	12,4	12,8	12,9
BE	16,3	16,1	17,8	15,4 b	13,0	11,2	11,2	10,1	11,1	10,9	11,8
BG	30,4	28,1	29,0	26,4	25,1	22,2	19,1	17,4	19,5	21,8	22,6
CZ	.	12,4	13,7 b	13,7	13,3	9,2	6,9	6,7	8,5	8,8	8,3
DK	5,2	5,2	5,2 b	5,1	4,3	3,6	4,3 b	4,3	5,4	6,0	6,3
DE	7,4	8,4	10 i	10,1	10,9 b	9,6	8,9	8,4	8,8	8,3	7,5
EE	14,3	10,3	10,2	12,1	10,2	8,8	8,9	8,8	14,9	14,5	11,8
IE	.	14,0	11,7 b	11,9	10,9	10,1	10,7	14,8	18,4	18,9	18,4
EL	16,1	15,3	18,3 b	16,8	16,1	12,2	11,5	11,7	12,6	14,9	17,4
ES	12,0	12,6	12,5	12,5	13 b	12,0	12,2	14,4	18,3	18,0	18,5
FR	9,9	10,3	10 b	10,6	10,9	11,0	10,3	10,2	12,5	12,5	12,0
IT	18,1	16,8	16,6	16,6	17,0	16,8	16,2	16,6	17,7	19,1	19,8
CY	7,8	8,4	8,9 b	9,4	19,5 b	10,7	9,0	9,7	10,1	11,7	14,4
LV	.	14,3	11,5	10,9	10,0	11,1	11,8	11,4	17,4	17,8	15,7
LT	16 b	11,8 b	10,3	10,9 b	8,6	8,2	7,0	8,9	12,4	13,5	12,5
LU	5,5	5,0	5,1 b	6,3	5,5	6,7	5,7	6,2	5,8 b	5,1 u	4,7 u
HU	14,6	13,9	12,6 b	12,7	12,9	12,4	11,3	11,5	13,4	12,4	13,3
MT	17,7	16,9	19,4	13,1 b	11,9	10,3	11,7	9,5	9,8	9,6	10,6
NL	4,1	4,0	5,1 b	5,3	5,3	4,0	3,5	3,4	4,1	4,3 b	3,8
AT	8,1	6,1	6,1 b	8,6 i	8,3	7,5	7,0	7,1	7,8	7,1	6,9
PL	17,1	17,5	16,7	15 b	13,9	12,6	10,6	9,0	10,1	10,8	11,6
PT	9,4	10,6	11,2	11,1 b	11,2	10,6	11,2	10,3	11,2	11,5	12,7 i
RO	18,3	21,6	20,3	19,8 b	16,8	14,8	13,3	11,6	13,9	16,4	17,4
SI	10,4	9,5	8 b	7,5	8,9	8,5	6,7	6,5	7,5	7,1	7,1
SK	.	27,1	18,2 b	17,9	15,8	14,4	12,5	11,1	12,5	14,1	13,8
FI	8,5	8,6	9,6 b	9,1	7,8	7,7	7,0	7,8	9,9	9 i	8,4
SE	7,7 b	7,5 i	6,8 p	7,6 p	10,5 p	9,3 p	7,5 p	7,8 p	9,6 p	7,8 p	7,5 p
UK	11,0	11,1	9 b	8,4	8,4	8,5	11,9 b	12,1	13,3	13,7	14,3

Note: e estimated value, b break in series, . : data not available, p provisional value, u unreliable/uncertain data, i see more information on Eurostat webpage

Source: Eurostat, EU Labour Force Survey, Eurostat table: edat_lfse_20

Youth unemployment ratio, for population aged 15-24, in Member States, 2001 - 2011 % of population 15-24

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU27	8,1	8,3	8,2	8,2	8,2	7,6	6,8	6,9	8,7	9,0	9,1
BE	6,1	6,3	7,6	7,5	7,5	7,1	6,4	6,0	7,1	7,3	6,0
BG	13,4	11,5	8,1	7,5	6,2	5,6	4,4	3,8	4,8	6,7	7,3
CZ	7,3	6,5	6,8	7,4	6,5	5,9	3,4	3,1	5,3	5,7	5,4
DK	5,7	5,1	6,0	5,6	5,9	5,4	5,3	5,8	8,4	9,4	9,6
DE	4,2	5,0	5,8	6,0	7,7 b	6,9	6,1	5,5	5,8	5,1	4,5
EE	8,5	6,0	7,6	7,5	5,5	4,3	3,8	5,0	11,0	12,6	9,1
IE	3,8	4,4	4,8	4,7	4,6	4,7	5,0	6,7	11,5	11,8	11,7
EL	10,3	9,7	9,3	9,9	8,8	8,2	7,1	6,7	8,0	10,0	13,0
ES	9,1	9,7	10,1	9,9	9,4 b	8,6	8,7	11,7	17,1	17,8	19,0
FR	6,6	7,0	7,0	7,6	7,8	8,2	7,3	7,1	9,2	8,9	8,4
IT	10,3	9,7	9,4	8,5 b	8,1	7,0	6,3	6,6	7,4	7,9	8,0
CY	3,4	3,2	3,7	4,9	5,9	4,1	4,2	3,8	5,7	6,8	8,5
LV	8,2	8,1	6,9	6,8	5,1	5,0	4,6	5,6	14,0	13,9	11,2
LT	10,4	7,1	7,5	5,9	3,9	2,6	2,2	4,1	8,9	10,4	9,6
LU	2,2	2,6	3,3	4,7	3,9	4,5	4,0	5,2	5,5	3,5	4,2
HU	3,9	4,1	4,1	4,3	5,2	5,1	4,6	5,0	6,5	6,6	6,4
MT	8,5	8,3	9,3	9,2	9,1	8,4	7,4	6,4	7,4	6,7	7,1
NL	3,4	3,7	4,6	5,7	5,8	4,6	4,3	3,9	4,8	6 b	5,3
AT	3,1	3,4	3,9	5,6 b	6,1	5,4	5,3	4,9	6,0	5,2	5,0
PL	15,7	16,1	15,2	14,2	13,2	10,2	7,1	5,7	7,0	8,2	8,7 b
PT	4,4	5,5	6,6	6,7	6,9	6,9	6,9	6,8	7,9	8,2	11,7
RO	7,5	8,7 b	6,5	7,8	6,3	6,6	6,1	5,7	6,4	6,9	7,4
SI	6,6	6,1	6,1	6,5	6,5	5,6	4,2	4,5	5,6	5,9	5,9
SK	17,8	16,3	13,7	13,0	11,0	9,4	7,0	6,2	8,6	10,4	10,0
FI	10,3	10,8	11,0	10,3	10,2	9,7	8,8	8,8	10,9	10,6	10,1
SE	5,9	6,3	6,5	8,0	11,5	11,0	10,1	10,7	12,8	13,0	12,0
UK	7,6	7,7	7,8	7,6	8,0	8,7	8,8	9,2	11,4	11,6	12,4

Note: b break in series

Source: Eurostat, EU Labour Force Survey, Eurostat table: edat_lfse_20

Appendix 2 List of interviewed persons

No.	Name	Information about person	Date
Employed young people			
1.	Inese Temmere	Customer service specialist, part-time student	26.04.2013.
2.	Sabīne Mika	Administrator	16.05.2013.
3.	Lana Insberga	Works on a new business project, full-time student, actively involved un NGOs	29.05.2013.
4.	Krista Dandre	Working youngster with disabilities	14.06.2013.
5.	Santa Zariņa	Works in the State Employment Agency	06.06.2013.
Unemployed young people			
6.	Jānis Lācis	Unemployed	07.06.2013.
7.	Roberts Bukavs	Unemployed student	08.06.2013.
8.	Viktorija Einberga	Student of evening classes, actively try to find a job	30.05.2013.
9.	Andis Savickis	Unemployed	03.06.2013.
10.	Ieva Leoke	Unemployed, student of evening classes	07.06.2013.
Profit-oriented and public sector			
11.	Sandrino Podnieks	Limited liability company (LLC) Smiltenes Furniture, executive director	22.04.2013.
12.	Zanda Žentiņa (SIA Vīnkļānieši, picērija - traktieris "Liepziedi un Rozmarīns", īpašniece, vadītāja)	Owner of LLC Vīnkļānieši and pizzeria – tavern "Liepziedi un Rozmarīns"	09.05.2013.
13.	Eva Dzērve	Owner of LLC "Dzērves birojs"	23.05.2013.
14.	Raimonds Aizstrauts	Owner of "ARA Kalnozols", founder or youth centre of Bērzaune	30.05.2013.
15.	Dāvis Āre	Middle school students who started his own business in the field of IT	30.06.2013.
Employment policy experts			
16.	Elīna Upīte (Kocēnu novada pašvaldības pārstāvis, students)	Youth Affairs and Public Relations Specialist of Kocēnu district	09.05.2013.
17.	Gunita Kļaviņa	Director of Madona children and youth center, member of Madona fistrict council	16.05.2013.
18.	Dāvis Sirmais	Director of Valmieras children	23.05.2013

		and youth center "Vinda"	
19.	Romāns Hačatjans	Business unit direktor of district of Madona, businessman	30.05.2013..
20.	Inga Deigele	"Pulss" - Youth centre of Lejasciems	30.05.2013.
Non-profit sector			
21.	Agris Lapiņš	Leader of business incubator "Magnuss" in Cēsis	09.05.2013.
22.	Solveiga Boicova	Director of Vidzeme Culture and Art Society "Haritas" ; Executive Director of Latvian Red Cross Valmiera Committee	20.06.2013.
23.	Daiga Rokpelne	Director of Valmiera Library. Member of Library Association, 3x3 latvian family movement, Valmiera Region Community Foundation. And also member of Zonta International.	16.07.2013
24.	Ivars Ķiksis	Latvia's water supply and sewerage Association	12.07.2013.
25.	Jānis Logins	Non- profit organization „Youth Consultations”	18.07.2013.

Appendix 3 **Examples and recommendations for youth unemployment reduction from interviews**

- Internships opportunities in companies - many employers use this practice as a way how to recruit new employees from schools. Some respondents point out that there is a need to improve internship opportunities by tightening up the rules, extending the period of internship. One of respondents recommended to create information system where young people can find information about internship opportunities and other students reviews about previous internship experience.
- State Employment Agency activities – agency collaborate with companies who gives job for young people and pays part of the young people salary. Different program is aimed at integration of unemployed youth into the labor market at the same time promoting the creation of permanent workplace and permanent employment for unemployed youth.
- Voluntary work opportunities – many young people are considering possibilities of voluntary work (in Latvia and abroad). It's a good opportunity to understand what young people want to achieve in his life. Part of respondents share common view, that it is nothing bad if young people temporary leaves the school to get experience and understands their interests.
- Competitions which is intended to supports new business ideas. For example *Hipotēku* Bank organized competition "Jump in the business!" for young people between the age of 18 and 30, who have a business idea and initiative to do it. Winners of the competition get real support for business start-up.
- Financial support to employers who employ young people with disabilities.
- Some municipalities in Latvia gives support to youth employment by creating and financing job opportunities in summer holidays.
- Project for youngsters of Vidzeme planning region that encourage business start-ups in rural areas.
- Opportunities for pupils to develop training company for his business idea (Junior achievement).
- New mothers voluntary engages in organizations (for example NGOs) and develops different skills that make it easier to integrate in the labor market after maternity.
- A scholarship gives a support to young people with financial problems.

- Must provide opportunities for young people to engage in trainings, seminars and other activities, which in an attractive way help to improve different skills.
- In school should learn a skill that helps to find a job, for example, CV writing, training of job interview and other social skills which helps to find a job and helps to create a good impression to the employer.
- Job shadowing (*Ēnu dienas*).
- Schools must cooperate with employers. When young people start to learn profession, school should give him opportunity see in real company what in reality means to work in his profession.
- In Latvia is a practice to reduce the tax for companies who gives a job for some risk groups, but not for young people. It might also be necessary to facilitate youth employment by financial support for employers who give job for young people.