Youth employment measures

The employment initiation contract (CIE; contrat d’initiation à l’emploi) and the employment support contract (CAE; contrat d’appui emploi) are specific employment contracts for young people under 30 years of age. They are financially supported by the Employment Fund in order to support the creation of new jobs and to help young people integrate into the labour market and develop their skills. A contract which includes the different learning objectives forms the basis of this type of contract and has to be signed by the young jobseeker, the National Employment Agency and the employer.

- The CIE provides initial, practical experience for young jobseekers under 30 years of age who have been registered with the National Employment Agency for at least 3 months.

  The Employment Fund reimburses a share of the basic salary compensation to the employer and pays all of the employer’s social security costs.

- The CAE enables both qualified and unqualified young people under 30 years of age to receive practical and theoretical training if they have been registered with the National Employment Agency for at least 3 months. The employment support contract is only meant for employers who do not have the legal status of a commercial company, i.e. the state, municipalities, public
interest establishments, or non-profit institutions, associations or groupings of people.

For the first 12 months, the Employment Fund pays 75% of the salary compensation received by the young jobseeker and 100% of the employer's costs. If the contract is extended, the Employment Fund will reimburse 50% of the compensation received by the young jobseeker for the duration of the extension.

Both above-mentioned measures form an integral part of the National Employment Agency's assistance to young jobseekers in the framework of the Youth Guarantee (Jugendgarantie).

With the implementation of the Youth Guarantee, the National Employment Agency has also redesigned its programmes for young people aged 16 to 25 years. The agency introduced a Youth Guarantee unit at three locations in Luxembourg, where a total of 17 people provide supervision and follow-up to young people who participate in measures of the Youth Guarantee Programme (MT, 2016 [2], p. 107)

Flexicurity measures focusing on young people

The two above-mentioned schemes represent the flexicurity approach to youth labour market policy.

Reconciliation of private and working life for young people

The leave for youth workers (congé jeunesse) is an important youth-specific programme that supports the reconciliation of private and working life for young people. The leave for youth workers entitles young people to time off from work so that they can participate in voluntary activities within the country and abroad, such as internships, study days or seminars, holiday camps or clubs, etc.

The beneficiary of a leave for youth workers is entitled to a total of 60 days off throughout their professional career, while not exceeding 20 days over a period of 2 years.

The duration of leave for youth workers is treated as an active period of work. During the leave, employers must pay their employee a compensatory allowance corresponding to the average daily salary, which may not exceed 4 times the social minimum wage for unskilled workers (see: 2.4 Youth volunteering at national level [3]).

There are no further youth-specific policy measures or initiatives.

Funding of schemes/initiatives

Employment measures are funded by the Employment Fund; the leave for youth workers is funded by the ministry of Education, Children and Youth. The annual budget for the leave for youth workers is €350,000 [4] (in 2019).

Luxembourg makes use of the EU funding schemes which aim at strengthening the national economy and the labour market (see: European funds [5]).

Quality assurance

There is a quality assurance system for the CAE and CIE. The National Employment Agency and the employer have to fill out an evaluation report six months after the beginning of the contract and eight weeks before the end of the contract. The purpose of this evaluation is to monitor the improvement of specific skills (personal, social, technical, language, ICT) throughout the implementation of the measure.