

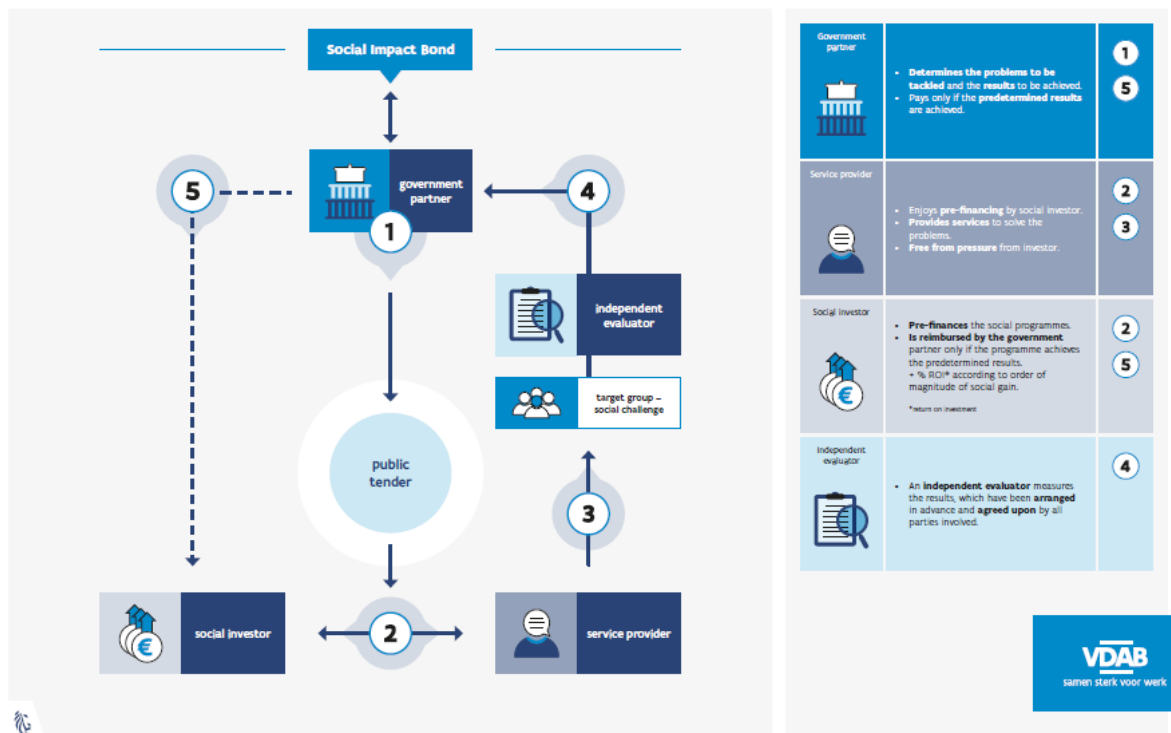
# Innovative way of getting young people into jobs

Scoop: VDAB signs first Social Impact Bond

In Antwerp, the VDAB, the Programme for Innovation Procurement (Programma Innovatieve Overheidsopdrachten or PIO in Flemish), Impact Capital and BeCode have concluded the first Flemish 'Social Impact Bond', an innovative financial partnership model with a social objective. A socially engaged investor helps a social organisation to tackle a social problem for which it gets financial support from the government if the approach proves successful. Impact Capital, a social investor, is investing in BeCode, an organisation that offers vulnerable young people free training as a web developer. For each youngster who finds a job, the VDAB and the PIO will reimburse the cost, with interest.

SIBs enable organisations, who are often close to the target groups, to come up with innovative solutions to complex social problems. The financial risk is carried by the investor, who get his money back with interest if the project has a successful outcome.

## Social Impact Bond VDAB structure



In Flanders, the SIB mechanism remains to be implemented. The VDAB is the first government agency to conclude an SIB. It is also looking to assess whether the tool could be used on a broader basis on the labour market and by other Flemish public authorities in future.

Flemish Minister for Work **Philippe Muylers**: *“Specific problems often demand innovative solutions. Again the VDAB is seen to play a pioneering role in the implementation of new ways to get jobseekers into work. I firmly believe in the value of the SIB as an innovative and efficient way of incorporating the expertise of all these organisations into our policy. I have high hopes for the SIBs. A successful SIB is a win-win: it drives down youth unemployment and is an efficient use of public funds.”*

### **Tackling youth unemployment in Antwerp**

In the City of Antwerp, youth unemployment stands at 26%. Within this group of young people, the NEETs are a particularly vulnerable group. NEET youngsters (not in education, employment or training) do not show up in the official statistics because they remain below the radar of institutions that offer support (Education, Welfare, Work). They are very difficult to reach.

These so-called NEET youngsters are the focus of the current project. A study conducted by Tempera in 2016 shows that 12% of young people in Antwerp under the age of 24 are NEET youngsters. In all, we are talking about some 7,100 young people. In spite of the current efforts, such as specialist mediators and data exchange with education, this population is continuing to rise in Antwerp. The SIB is an innovative approach which has the potential to deliver better results.

VDAB Executive Director **Fons Leroy**: *“To deal with a complex social challenge such as high youth unemployment in Antwerp, we need to think out of the box. An SIB brings together partners with diverse perspectives to jointly tackle one particular problem. Everybody stands to gain. The youngster who finds a job. The social organisation that gets the opportunity to run a project. The investor who gains a reputation as a socially engaged partner, while making a financial profit in the process. If the scheme is successful, he gets his investment back, with interest. Finally, as the VDAB and as a society, we too stand to gain from these endeavours: the financial risks are outsourced, whereas the benefits for society at large outweigh the costs if the projects prove successful.”*

### **Programming classes to get NEET youngsters into jobs**

Over the next 5 years, BeCode is looking to find 270 NEET youngsters and offer them training, coaching and job-search mediation for a six-month period. Impact Capital is investing the resources for this. If 10% more young people find employment compared with a comparable group, the VDAB - in partnership with the PIO – will reimburse the sum involved with interest<sup>[3]</sup> <sup>[4]</sup>. BeCode has previously focused its attention on youngsters who struggle to find jobs on the labour market, and consequently has a wealth of experience.

Impact Capital director **Piet Colruyt**: *“As a social investor, I am constantly on the lookout for innovative solutions to tackle major social challenges. Social Impact Bonds are one of the new ways of experimenting with three parties in co-creation. As an investor, I had previously been involved with the first two Brussels SIBs, so I was keen to help implement the first application in Flanders.”*

BeCode stages low-threshold training courses in day-time education, familiarising young people with digital technologies. For the youngsters who enrol, the training is

free of charge. BeCode works both on their technical skills, such as building a website or a mobile application, and their soft skills, such as creativity, problem-solving, working in a team and project management. No prior experience is required. Just a healthy interest in web technologies, some logical reasoning skills and sound motivation are enough to take part.

BeCode CEO **Karen Boers**: *“Here at BeCode, we don’t teach one specific programming language. The main thing we teach is how to learn in a technical environment. We show you what’s ‘under the bonnet’ of a website or mobile application and teach you to seek the right pieces of the jigsaw to devise a particular solution. In doing so, we use an active learning method: no theory, as we jump straight into the deep end and teach the discipline entirely from practice, in close collaboration with our partners from trade and industry.”*

Given its focus on digital technologies, the project also contributes towards reducing the risk of mismatches on the labour market. ICT analyst-developer features in the VDAB’s top 10 list of shortage occupations. Over the past 12 months (September 2017 to September 2018), the VDAB received 3,900 vacancies for ICT analyst-developers, of which 824 remained unfilled in late September 2018.