



European Foundation
for the Improvement of
Living and Working Conditions

Young people and NEETs in Europe: First findings

> résumé <

*'If young people are not always right,
the society which ignores and knocks them is always wrong.'*

François Mitterand



Introduction

In the context of its 2011 work programme, Eurofound has explored the situation of young people who are part of the NEET group: 'not in employment, education or training'. The research was carried out by Eurofound's Employment and Competitiveness unit, using the capacity of the Network of European Observatories. The aim was to investigate the current situation of young people in Europe, focusing specifically on those who are not in employment, education or training, and to understand the economic and social consequences of their disengagement from the labour market and education. The preliminary results of the research are presented in this short document.

Young people in Europe have been hit particularly hard by the recession with regard to their employment prospects. According to the latest Eurostat figures, in the first quarter of 2011 the youth employment rate in Europe dropped to 32.9%, the lowest value ever recorded in the history of the European Union. In July 2011, the youth unemployment rate in Europe reached 20.7% – equal to approximately five million young unemployed.

The labour market participation of young people varies greatly at the Member State level. Figure 1 (overleaf) shows the distribution of the youth unemployment rate in Europe in July 2011.

Although there are important differences between Member States, the youth labour market is significantly more volatile than that of mature workers, and youth unemployment is typically more sensitive to changes in GDP than overall unemployment. When economic growth slows, the rate of youth joblessness increases.

The same is not always true for the general population. For this reason, in periods of recession, young people are particularly vulnerable: they are often the first to exit and the last to enter the labour market, as they have to compete with job-seekers who have more employment experience in a market with fewer jobs to offer.

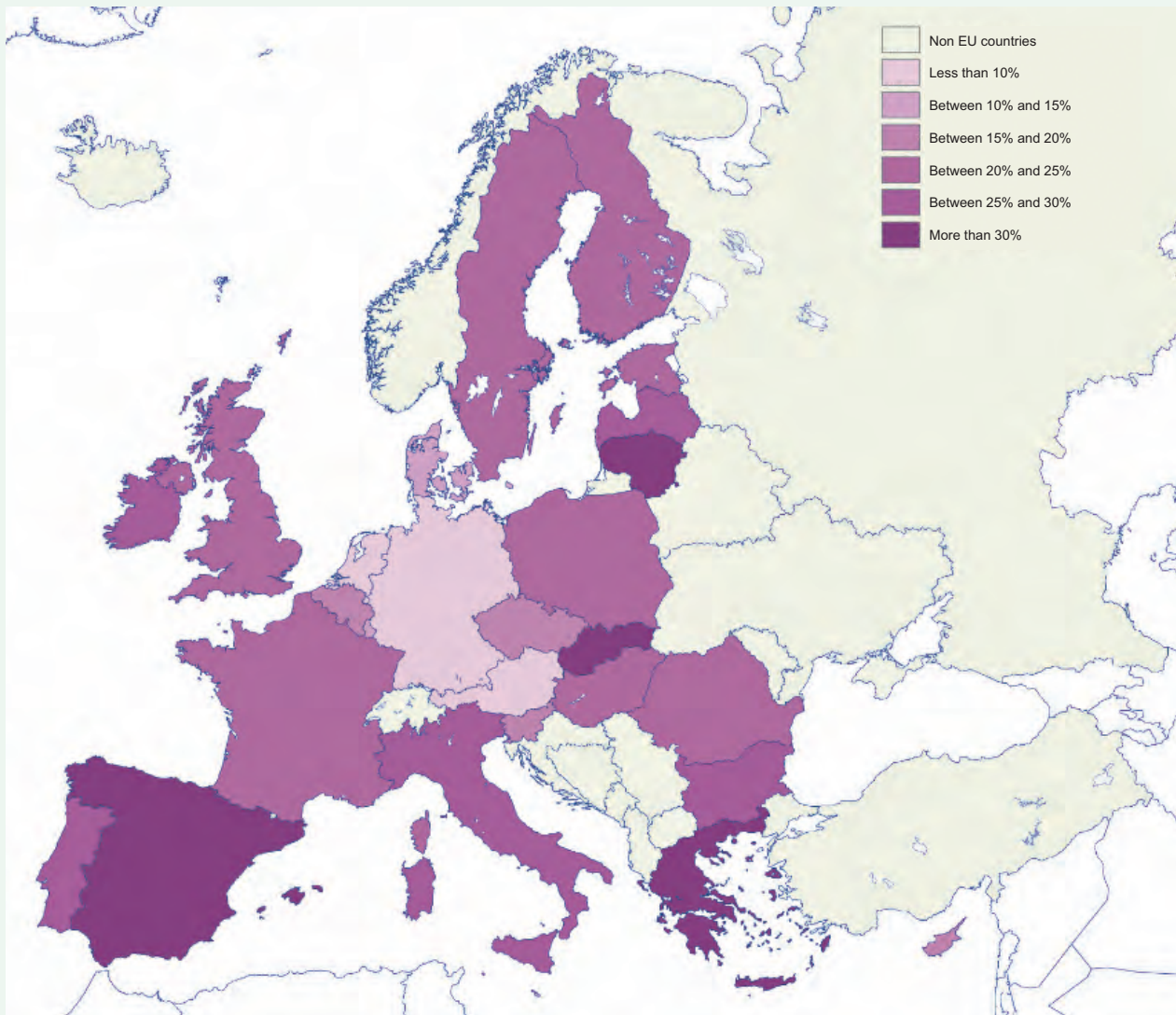
Key findings

Does gender matter?

Historically, women have been more affected by unemployment than men. In recent years, however, male and female unemployment rates in the EU27 have converged, and in the first quarter of 2008 the youth unemployment rate for men was higher than that for women. With the onset of the crisis, male unemployment has increased much more sharply than female unemployment. This confirms the marked characteristics of the last recession that hit sharply the manufacturing and construction sectors, which traditionally have a large share of male employment. However, in the most recent quarters, male and female unemployment rates started to converge again, since male unemployment started to decrease in the second quarter of 2010 whereas female unemployment continued to rise.

Despite this general trend of convergence, at national level the situation is highly diverse. In general, in Scandinavian and western European countries (especially in the UK), but increasingly also in central and eastern European countries, the male youth unemployment rate is higher than the female youth unemployment rate; in contrast, the situation in southern Europe is generally reversed. A more balanced situation can be found in Austria and the Netherlands.

Figure 1: Youth unemployment rate in Europe, 2011



Source: Eurostat

Is education still important?

The level of education usually plays an important role in protecting the individual against unemployment: the higher the level of education attained, the lower the probability of being unemployed. However, this effect has been reduced by the crisis. In fact, the results of the statistical analyses, which compare the probability of being unemployed in the 2007 pre-crisis scenario with 2009, show that the protection effect of higher education has decreased across all countries.

For some countries, having completed tertiary education no longer lowers the risk of unemployment compared to having no qualifications. This is the case for some Mediterranean (Greece, Italy and Portugal) and eastern European (Estonia, Lithuania, Romania and Slovenia) countries, as well as for Denmark and Finland. People of all educational levels have been hit by the effects of the recent recession, and higher education does not necessarily provide a protective shield against it.

Impact of the recession

The youth unemployment rate has traditionally been high in several Member States. A comparison with the recession of the early 1990s can help to ascertain whether the latest recession has affected young

people to a worse degree than in the past in terms of unemployment (see Figure 2).

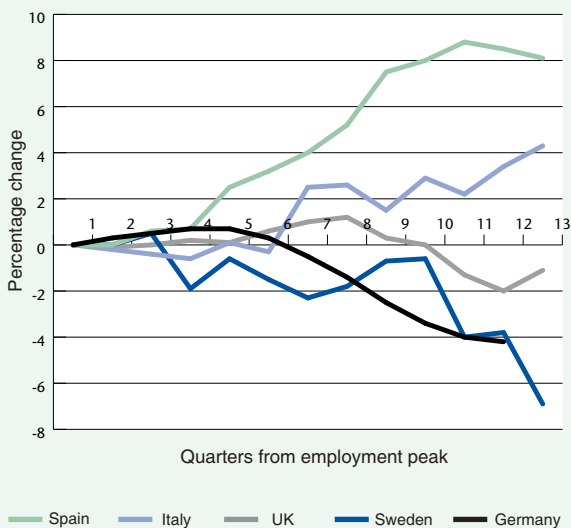
Due to data restrictions, the study investigated only five countries in a preliminary analysis: Germany, Italy, Spain, Sweden and the UK. Starting with the quarter when the last lowest unemployment rate preceding the recession was recorded (the 'turning point'), the quarterly changes in the increase of unemployment relative to the quarter with the lowest unemployment rate were computed.

For every country, two different series were developed: the first reflects the increase in unemployment during the recession of the 1990s, while the second reflects the impact of the recent recession. Both series have a time frame of 12 quarters, and the difference between the two series is considered.

The results show that in Sweden, Germany and, partly, the UK, the effect of the latest recession on youth unemployment was a sort of 'déjà-vu'. Conversely, in Spain and Italy, the impact of the crisis has been stronger than previously experienced. Interestingly, Italy seems to have experienced a delayed effect: the impact of the first part of the last recession was in line

with the previous one, then the situation worsened, and the relative position of young workers deteriorated more than in the previous recession.

Figure 2: Comparison of youth unemployment in the 1990s and 2008 recession



Source: Eurostat – Eurofound calculation

Profile of NEET group

The traditional indicators for labour market participation are frequently criticised for their limited relevance to young people. The fact is that basic unemployment and employment statistics do not accurately capture the situation of young people because many are students and hence are classified as being out of the labour force.

EU policymakers have recently started to focus their attention on the NEET group. This group comprises persons typically aged between 15 and 24 years who, regardless of their educational level, are disengaged from both work and education and are therefore at a higher risk of labour market and social exclusion.

The acronym NEET first emerged in the UK in the late 1980s, reflecting an alternative way of categorising young

people following changes in unemployment benefit policies. Since then, interest in the NEET group has grown at EU policy level, and NEET-equivalent definitions were created in almost all Member States. The need to focus more on NEETs is now central to the new set of integrated guidelines for economic and employment policies proposed by the European Commission.

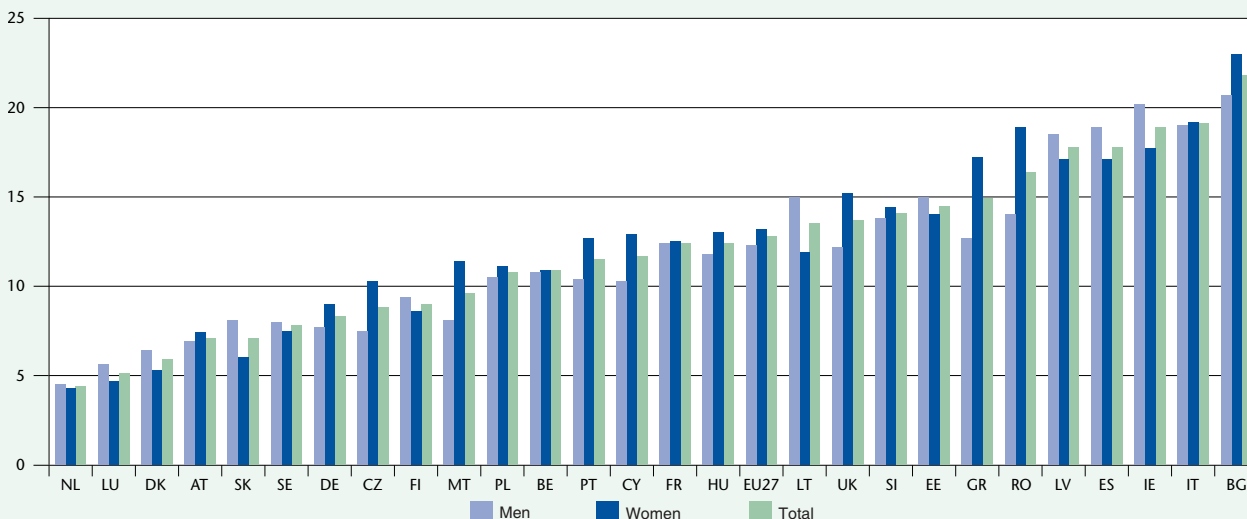
The size of the problem speaks for itself: according to the latest Eurostat estimates, in 2010 the share of young people not in employment, education or training amounted to 12.8% of the population of those aged 15 to 24 in the EU27, which corresponds approximately to 7.5 million young people (Figure 3). This percentage varies strongly among the EU Member States: from 4.4% in the Netherlands to 21.8% in Bulgaria. With the exception of Luxembourg, all the Member States have seen a considerable rise in the number of NEETs since the onset of the crisis; in 2010 in Italy and the UK, the size of the NEET population has reached approximately 1.1 million of those aged 15–24 years.

Risk factors

There is general agreement in the literature about the range of social, economic and personal factors that increase the chances of an individual becoming NEET. The risk is investigated here by exploring potential risk factors related to the individual and their family background, using the 2008 European Values Survey (EVS) data, a large-scale, cross-national, and longitudinal survey on basic human values. The results show that the following factors have an impact on the probability of becoming NEET:

- those reporting having **some kind of disability** are 40% more likely to become NEET compared to others;
- young people with an **immigration background** are 70% more likely to become NEET compared to nationals;
- those with a **low education level** are three times more likely to become NEET compared to those with tertiary education;
- **living in remote areas** increases the probability of becoming NEET up to 1.5 times;

Figure 3: 2010 NEET rates in Europe (%)



Source: Eurostat

- young people with a **low household income** are more likely to become NEET than those with average income.
- having **parents who experienced unemployment** increases the probability of becoming NEETs by 17%;
- having **parents with a low level of education** doubles the probability of becoming NEETs;
- young people whose **parents divorced** are 30% more likely to become NEET.

Despite being more likely to accumulate several disadvantages, NEETs are a heterogeneous category that contains a variety of subgroups. Some have little or no control over their situation, such as the young unemployed, sick or disabled, and young carers. Conversely, other subgroups have full control over their situation: those who are not seeking jobs or applying for education and are not constrained from doing so by other obligations or incapacities, and those engaged in activities such as art and travelling.

For this reason, it should be highlighted that, as a concept, NEET entered the policy vocabulary without much consideration being given to what it is and what it tries to capture. While originally used as an alternative way of categorising young people aged 16 and 17 years, it has come to be used to depict patterns of vulnerability among youth (15–24 years old) in the context of turbulent transitions, with the risk of the group becoming a residual statistical category.

Therefore, the term NEET draws attention to the multifaceted nature of disadvantage, as it includes different groups who might have different needs but who are very likely to be unemployed regularly or to be out of education and training in the short- to medium-term future. For this reason, despite the heterogeneity in the NEET population, governments and social partners are right to set targets to reduce the overall level of NEETs as long as it involves a range of different initiatives in line with the different needs of the various NEET subgroups.

Economic costs

Being NEET is obviously a waste of the potential of young people, but it also has adverse consequences on society and the economy. Spending periods of time as NEET may lead to a wide range of negative social conditions, such as isolation, insecure and underpaid employment, crime, and mental and physical health problems. These outcomes each have a cost attached to them, and therefore being NEET is not just a problem for the individual but also for societies and economies as a whole.

The aim of this section is to provide an estimate of some of these costs. It is important to highlight that the aim of this analysis is not the commodification of young people but rather to imagine what would be different if young NEET people worked. It is strongly believed that an understanding of the extent of their potential added value to the economy can play a role in strengthening the efforts of governments and social partners to re-integrate NEETs into the labour market.

The computation of the economic cost of NEETs is a very complex exercise, and in the literature only

limited research efforts have been dedicated to it. In particular, it should be noted that all the previous studies are limited to Britain or the UK. This study attempts to provide an estimation of such costs for 21 EU Member States.

There are two main reasons why working out the economic cost of NEETs is very complex: firstly, the overall set of possible costs, which may include current and medium-long term costs, is large and wide-ranging. Secondly, the data for measuring such costs may be scarce or missing. Moreover, the choice of the methodological approach adopted for the estimation may affect the final result.

Previous research identified two cost frameworks: 'public finance costs' and 'resource costs'. The first attempts to identify the impact on public finances arising from the NEET group and takes into account welfare schemes (such as unemployment benefits, child benefits, housing benefits, education-related allowances and others) as well as additional health, welfare and criminal justice expenditure. The second framework involves the so-called 'total resource costs'. This includes estimates of the loss to the economy, losses arising from welfare benefits to the individual and the family, as well as the impact in terms of the resources or opportunity costs to the rest of society (employee and self-employment income, non-cash employee benefits, goods produced by own consumption, pensions from private plans, etc). For the purposes of the research, the study bases its analysis of economic costs on these two frameworks: public finance costs and resource costs.

The analysis is performed using the 2008 European Union Statistics on Income and Living Conditions (EU-SILC), which is the Eurostat representative annual cross-sectional and longitudinal survey on living conditions of the population in private households in Europe.¹ The analysis is performed on 21 countries – Denmark, France, Finland, Greece, Malta and Sweden were excluded due to missing variables.

The population of interest is the 16–29 year-olds. In this section only, the NEET group was defined as those who have been unemployed or inactive for a period of six months or more during the reference period of the survey. This longitudinal approach to defining NEET status has the advantage of identifying real patterns of disengagement instead of catching contingent or transition situations, and is more appropriate for the aim of this study.

Calculating the annual bill

The cost of being NEET is the sum of the resources costs (foregone earnings) and public finance costs (excess transfer) as defined above. Foregone earnings are estimated as the difference between the earnings generated by the NEET and the earnings generated by those in employment. Similarly, excess transfer is computed as the difference between the total amount of benefits received by the NEET and the benefits received by those in employment. These two differences can be computed following different methodological approaches based on different assumptions.

¹ See http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/eu_silc

A simplistic approach is to compute the difference of the average income and average transfers between the NEET group and young employed people. The sum of these two quantities will give the unit cost of a NEET person. This figure multiplied by the total number of NEETs will provide the total cost of those who are NEET. This operation is performed individually for each Member States, and the totals are then aggregated.

This approach is, however, quite crude as it does not take into account the fact that the NEET group has a particular range of characteristics. NEETs are very likely to experience multiple disadvantages such as low educational level, immigration background and poor health conditions. As a result, their potential earning capacity is reduced in comparison to the 'average' young employed person. For this reason, this simple method overstates the potential earnings capacity and understates the need for transfer payments towards the NEET.

A more sophisticated approach that takes into account the different characteristics of the NEET is the statistical method of 'propensity score matching'. Instead of assuming that the level of potential earnings and the level of transfers of a NEET person is exactly the same as for a young employed person, with this method each NEET is matched with the most comparable young employed person on the basis of a set of characteristics that explain the NEET status. The income of each NEET person is then compared with the income of one or more young employed persons who have the same characteristics of the NEET. Those young employed who are not comparable because their characteristics are very different from the NEET are not considered. A good way of thinking about this method is in terms of statistical twins who have identical characteristics but one respondent is a NEET and the twin is a young employed person.

On this basis, the NEET's lack of participation in the labour market in the 21 countries considered costs €2 billion per week to their citizens (see Table 1). The yearly total of approximately €100 billion, which corresponds to 1% of their aggregated GDP, can be split into €94 billion of foregone earnings and €7 billion of excess transfers. At the country level, the most expensive bill in euro is paid annually by Italy (€26 billion) and the UK (€16 billion). However, in terms of percentage of GDP, Ireland and Bulgaria pay the most expensive bill (more than 2% of GDP), followed by Italy (1.7%). Conversely, the cost of NEETs for Luxembourg and the Germany is quite limited (0.34% and 0.65% of GDP respectively).

These figures are an estimation of the economic cost of the NEET group, and are based on the definitions of the resource and public finance costs provided above. The estimation is restricted to the current cost only and it refers to 2008. This estimate is, however, an underestimation of the real cost of NEETs, as additional costs for health, criminal justice and unpaid taxes on foregone earnings are not included in the definition used. Moreover, the problem of homelessness is not considered here. A fair criticism of the study can be that including all NEETs in the labour market is not feasible due to limited vacant posts, and in any case not all NEETs would be willing to work. This is definitely true. However, as the

Table 1: Yearly cost of the NEET group (per NEET and total)

Country	Total resource costs (bn)	Total public finance costs (bn)	Total cost of NEET (bn)	Cost of NEET as share of GDP (%)
AT	€2.876	€0.235	€3.111	1.1
BE	€3.437	€0.734	€4.171	1.2
BG	€0.928	€0.006	€0.934	2.6
CY	€0.220	€0.009	€0.229	1.3
CZ	€1.699	€0.034	€1.733	1.2
DE	€13.850	€2.259	€16.109	0.7
EE	€0.231	€0.006	€0.238	1.5
ES	€10.472	€0.935	€11.406	1.1
HU	€1.580	€0.085	€1.665	1.6
IE	€3.335	€0.510	€3.845	2.1
IT	€26.327	€0.304	€26.631	1.7
LT	€0.258	€0.014	€0.272	0.8
LU	€0.123	€0.012	€0.135	0.3
LV	€0.313	€0.011	€0.324	1.4
NL	€4.497	€0.217	€4.714	0.8
PL	€5.020	€0.365	€5.386	1.5
PT	€1.844	€0.093	€1.937	1.1
RO	€1.170	€0.031	€1.201	0.9
SI	€0.339	€0.004	€0.344	0.9
SK	€0.553	€0.022	€0.575	0.9
UK	€14.817	€1.545	€16.363	0.9
EU21	€93.889	€7.431	€101.320	1.1

Source: Eurofound calculation. DK, EL, FI, FR, MT and SE are excluded due to missing variables.

unit cost of each NEET is provided, the analysis shows the reintegration into the labour market of just 10% of NEETs would achieve a yearly saving of more than €10 billion. This amount would increase to €21 billion if the labour market could absorb 20% of the NEET group.

Social dimension of NEET status

Policymakers have raised concerns about the potential consequences and implications of NEET status in relation to democratic engagement and civic participation and the danger that some young people may opt out of participation in civil society. The recent examples of youth demonstrations in Italy, Spain and the UK, and the growth of far-right movements in Scandinavian and continental countries ring alarm bells.

In this framework, the risk of NEET disaffection is investigated by exploring the consequences of the social and political marginalisation of youth. The analysis is carried out by focusing on a set of indicators widely used in the literature to analyse the risk of disaffection in society. The analysis was performed using the 2008 EVS, and the simple descriptive statistical table has been complemented with statistical models to investigate if the differences highlighted in the descriptive tables still hold while controlling for individual socio-demographic and family-related variables.

Trust in institutions

Representative democracy is based upon the fact that the members of society express confidence in its institutions. A general confidence may act as a brake to abrupt changes in the society. Given their particular

situation, the NEETs are likely to have built up a lack of trust in institutions, as they may perceive that authorities lack the ability to solve their problems. A large share of ‘politically disillusioned’ young people can contribute to undermine the legitimacy of the democratic systems in societies.

Institutional trust is assessed in the 2008 EVS by measuring levels of trust in seven items: national parliament, government, legal system, police, politicians, political parties, the European Union and the United Nations.

In general, the level of institutional trust is quite low among young people (Table 2). On average, NEETs have a lower level of institutional trust compared to ‘EETs’ (those in employment, education or training): 4.2 compared to 4.8 out of 10 points. Among the NEET subgroups, the unemployed are those with the lowest level of institutional trust (4.1 points). These differences are all statistically significant.

Table 2: Trust in institutions (0-10 points)

EET	4.8	Employed	4.5
		Students	5.1
NEET	4.2	Young carers	4.4
		Unemployed	4.1
		Others	4.4

Source: 2008 EVS – Eurofound calculation

Participation and interest in politics

Political participation in a democracy may be defined as all the actions taken by groups or individuals aimed at influencing governmental decisions, and is one of the key elements in representative democracies. Individuals are driven by the confidence that their voice is heard by governments, which are able to react to their demands and needs. Conversely, increasing abstention from political participation may undermine the basis of societies and fuel political instability. The risk is that, due to disaffection, young people may withdraw their political participation and start to express their alienation by participating in politically extreme movements, vandalism and conflicts with the police.

Political participation is measured in the 2008 EVS through three items: intention of voting at general elections, political interest, and participation in and voluntary work for political parties.

In general, NEETs are less likely to vote at the national elections (64%) compared to EETs (75%) (Table 3). The lowest level of participation is recorded among the unemployed (62%), while the highest is recorded among students (77%) and employed persons (75%). This difference is statistically significant also when controlling for sociodemographic variables: young unemployed are 35% less likely to vote at the national elections compared to the EETs.

Furthermore, NEETs are less interested in politics than EETs. In fact, just 28% of NEETs declared they were ‘very much’ or ‘somewhat’ interested in politics compared with 40% of the EET. Among the subgroups, the lowest interest in politics is recorded among young carers (22%) and the unemployed (30%). The results of the statistical model reveal that these differences are statistically significant.

Table 3: Participation and interest in politics

<i>Would you vote at national election tomorrow? (% yes)</i>			
EET	75.3	Employed	74.8
		Students	76.5
NEET	64.8	Young carers	68.9
		Unemployed	62.3
		Others	65.7
<i>How interested are you in politics? (% interested)</i>			
EET	40.2	Employed	40
		Students	41.2
NEET	28.7	Young carers	22.3
		Unemployed	30.8
		Others	34.4
<i>* sum of ‘very’ or ‘somewhat’ interested</i>			
<i>Belonging to and/or voluntary work for a political party (%)</i>			
EET	3.6	Employed	3.9
		Students	2.9
NEET	1.6	Young carers	1.6
		Unemployed	1.3
		Others	2.3

Source: 2008 EVS – Eurofound calculation

The level of participation of young people in political parties is in general quite low. However, the proportion of NEETs participating in a political party is considerably lower when compared to the EETs (1.6% and 3.9% respectively). At the subgroup level, the young employed have the higher share of participants (3.6%), while the unemployed are those with the lowest percentage (1.3%). When controlling for sociodemographic and family-related variables, the different level of participation is statistically significant. The young unemployed are 70% less likely than the employed to be part of political parties.

Social participation

Participation in different kinds of associations is perceived as a tool for accumulating social capital and thus enhancing social cohesion. The strength of associational participation can be seen as a training ground for democracy, and as a sign of the self-organising capacity of a given community or society.

Previous studies have shown that unemployment reduces the level of social engagement. This decrease is seen as problematic as it may increase the likelihood of the NEET of withdrawing from society and being socially excluded.

The 2008 EVS measured the participation in formal organisations by asking the individuals if they participated in one or more of several types of organisation: 26% of NEETs declared that they participated in at least one organisation. This share is considerably lower than the figure for EETs (46%). The difference is statistically significant when controlling for sociodemographic variables.

Research indicates that not all kinds of participation are conducive to the same outcomes in terms of social capital and social cohesion. The classical axiom distinguishes between ‘bridging’ (or inclusive) and ‘bonding’ (or exclusive) social capital: the first identifies the outward-looking associations and

encompasses people across diverse social cleavages, while the second is characterised by inward-looking associations and tends to reinforce exclusive identities and homogeneous groups.

Using 12 items from the 2008 EVS, the type of participation was divided along two categories:

- bridging welfare organisations, local community action, third world development, human rights, environment, peace movements, voluntary health organisations;
- bonding religious organisations, trade unions, professional associations, political parties.

The consistency of the theoretical groups has been validated through statistical techniques confirming the hypothesis of the existence of the two main groups.

The share of NEETs' participation in bridging organisations is slightly less than that recorded for the EETs (9.2% against 11.6%) (Table 4). These differences, however, are not statistically significant: in fact, the group with the highest share of participants is the residual class of NEET (those who did not specify any reason for being NEET and are more likely to have full control over their situation), with 16.5%. Moreover, no statistically significant differences are observed when controlling for sociodemographic variables: NEETs have the same probability of participating in the bridging form of association as EETs.

Not surprisingly, a different pattern is identified for the participation in the bonding form of organisations. The proportion of NEETs participating in this form of organisation is considerably lower compared to the EETs (9.6% against 19%). This difference is statistically significant. Moreover, the analysis at the subgroup level reveals that young carers (6%) and the unemployed (9%) have the lower share of participants. These differences are statistically significant when controlling for sociodemographic variables: young carers and the unemployed are approximately 60% less likely to be engaged in bonding organisations compared to the others.

Table 4: Social participation

<i>Belonging to and/or voluntary work for any organisation (% yes)</i>			
EET	46	Employed	44.4
		Students	49.3
NEET	26.6	Young carers	18.5
		Unemployed	25.1
		Others	49.7
<i>Belonging to and/or voluntary work for bridging forms of organisation (% yes)</i>			
EET	11.6	Employed	12
		Students	10.6
NEET	9.2	Young carers	8
		Unemployed	7.9
		Others	16.5
<i>Belonging to and/or Belonging to and/or voluntary work for bonding forms of organisation (% yes)</i>			
EET	3.6	Employed	3.9
		Students	2.9
NEET	1.6	Young carers	1.6
		Unemployed	1.3
		Others	2.3

Source: 2008 EVS – Eurofound calculation

The results of the analysis reveal that the NEET group, and in particular the subgroup of the unemployed, are distinguished by having less trust in institutions and a lower level of political and social participation. On this basis, empirical evidence confirms that NEETs, and especially the young unemployed, as a group are at a higher risk of disaffection and more likely to withdraw from society. On this basis, the concerns of policymakers about the implications of NEET status on democratic engagement is fully justified, as is the need for policy measures to re-engage the NEET into the labour market or education.

National policy initiatives to integrate young people

As a consequence of the increasingly negative developments in the labour market for young people, EU Member States in recent years have been actively engaged in designing and implementing policy measures aimed at increasing their employability and promoting higher employment participation for young people. These policy initiatives can be grouped into three main categories: measures relating to education; measures relating to employment; and measures facilitating the transition from school to work. In this section there is a short overview of these initiatives, which represent the first findings of the overall research into NEETs.

Education policies

Education has always been a key element of youth employment policies as it is well established that higher levels of education amongst the population contributes to the longer-term growth performance of countries. Education policies include both measures that prevent early school-leaving and measures that re-integrate early drop-outs into education or training.

As reducing the share of early school-leavers to under 10% is one of the five headline targets within the European Union, there is broad agreement that raising the compulsory schooling age can help prevent early school-leaving. Almost all EU countries have implemented measures in this area. Furthermore, many countries have introduced extra funding for teaching support classes to help students improve their school performance. In Luxembourg, the system of classes mosaïque give schools the opportunity to temporarily take students at risk of leaving school out of their regular classes and place them in a 'mosaic class' for 6 to 12 weeks, where the pupils get individual help. In some countries, such as Bulgaria and Romania, where early school-leaving is associated with household poverty, the state provides school assistance programmes (provision of free snacks, textbooks and transport, etc.). In addition, to motivate young people to stay in education, many Member States have increased the number of vocational training places offered and created new vocational training programmes.

In the case of pupils who drop out of school, many countries have established initiatives to give them the chance to re-enter education, often combined with practical training. In France, for example, 'second-chance' schools offer young people aged 18–25 training in basic skills for a period of 9 to 12 months.

Spanish ‘initial vocational qualification programmes’ offer early school-leavers the opportunity to enrol in training courses to gain a professional skills diploma or a secondary compulsory education qualification, while allowing them to later enrol in a regular vocational education training course.

Transition from school to work

Once students are equipped with the necessary skills and competences, there are policy initiatives available which can ease their entrance into the labour market. In most EU countries, a combined and coordinated approach – including provision of information, career advice and guidance, mentoring, job-search assistance and job-matching services – seems to be the most useful set of measures for smoothing school-to-work transitions. In the UK, for example, the Flexible New Deal Programme offers young people on social benefits a customised approach involving personal advice and counselling, development of an action plan and work experience. Measures providing work experience such as internships, traineeships and apprenticeships are very successful in fostering youth employability. Traineeships and internships are widely offered by all Member States, and in some countries they can involve the private sector, for example the Young Potentials Programme in Sweden, or they can be organised by the social partners, as is the case for the Gradlink programme in Ireland.

Apprenticeship schemes have proved to be an extremely successful measure to facilitate the transition into work for young people, and during the crisis, the so-called ‘apprenticeship countries’ (Austria and Germany) managed to keep their youth unemployment down. Indeed, all European Member States have recently implemented or strengthened their apprenticeship programmes.

Furthermore, to ensure that all young people are in a job, education or training activity, some countries introduced youth guarantees. In Finland, for example, all unemployed under 25 years of age, within three months of registering with the Public Employment Service (PES), are offered a job, an educational

opportunity or some other activation measure via a personalised development plan.

Employment policies

Many countries have introduced a variety of incentives (tax system reliefs, subsidies, non-wage labour cost cuts, etc.) to encourage companies to recruit and train young people and to create additional jobs for them. In Hungary, people entering the labour market get a ‘start card’ which is valid for two years. Employers hiring people with a start card pay a reduced social security contribution. Some countries have introduced specific measures to incentivise the recruitment of people with disabilities or from disadvantaged backgrounds. Some countries introduced specific measures to promote youth entrepreneurship and self-employment via the provision of special services for young people willing to set up their own business. Finally, to remove logistical and practical barriers to youth employment, almost all countries have introduced geographical mobility grants and other special measures focused on young people who have special needs or who come from disadvantaged or immigrant backgrounds.

Conclusion

To re-engage young people into the labour market or into education, all EU Member States have introduced a wide variety of policy measures. Some of these measures have been in place for several years, while others have been recently introduced to deal with the challenges brought by the economic crisis and its consequences on youth.

The first results of the study show that countries have introduced a variety of combined approaches aimed at improving the provision of the right competencies and skills required in the labour market, while creating new and better opportunities for young people. Most of the Member States seems to have diversified their initiatives along the different characteristics of the NEET subgroups, paying attention also to vulnerable groups who are more likely to accumulate disadvantages and who may be excluded from the labour market.

Despite the recent adaptation or implementation of the measures, the findings show that an evaluation of these programmes is not yet available. Yet, assessing the effectiveness of such initiatives is crucial, especially in times of austerity when more efficient use of resources is essential.

In this context, an evaluation of the effectiveness of a selected set of policy measures to promote the employability of young people in eight European countries will be part of the full Eurofound research reports on young people and NEETs. It is planned to publish these in 2012.

Further information

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