Good Practices in Dealing with Young People Who Are NEETs: Policy Responses at European Level

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Introduction

Youth are a fundamental asset for European economies and societies. Empowering young people by creating favourable conditions for them to develop their talents and to actively participate in the labour market is essential for sound economic and social development and for the future sustainability of European societies.

Nowadays, the integration of young people into the labour market poses great challenges to member states as youth have been hit extremely hard by the economic crisis in regard to their employment prospects. While the situation is now slightly improved, according to Eurostat, in 2013 a total of 23.7% of young people across Europe were unemployed, the highest level ever recorded in the history of the European Union (Eurostat, 2013).

Youth unemployment is not new in the European member states. It entered in the European policy agenda in the 80s, when the baby boom generation joined the labour market and entry-level jobs started to disappear (Freeman and Wise, 1982). However, what is new now is the size and the scope of the problem: in the frame of this recession in many member states the size of the youth unemployment cohort has reached its historically highest level and the problem of unemployment has hit all young people, regardless of their educational attainment (Eurofound, 2012).

While spending limited time in unemployment can be considered part of the school-to-work transitions of many youth, prolonged spells of disengagement from labour market and education at young age may result in lifelong scars on future employment and earning prospects. Furthermore, being excluded both from the labour market and education heightens the individual’s risk of social exclusion and the likelihood of engaging in negative behaviour affecting both the individual’s wellbeing and his or her relationship with society, including a detachment from democratic engagement and civic participation (Eurofound, 2014, Arulampalam, 2001).

Deeply concerned about the risk and the consequences of a “lost generation” and in order to better understand the complex nature of youth disadvantage, researchers and government officials began to adopt new ways of estimating the prevalence of labour market vulnerability among young people using the concept of NEETs: young people not in employment, education, or training. Originating from UK studies in the 1980s, the concept was adopted by the European Commission in 2010 as an additional indicator to measure and monitor trends in the European Union (Eurofound, 2012; European Commission, 2011).

Once it had entered the European policy debate, the term NEET quickly became a powerful tool for attracting public attention to the multifaceted vulnerabilities of young people and for mobilizing researchers’ and policymakers’ efforts in addressing the problem of labour market participation by young people (Eurofound, 2016).

Since the beginning of the crisis and putting young people who are NEETs at the centre of their policy action, European member states have designed and implemented several policy measures in order to reintegrate youth in education or in the labour market (European Commission, 2010a).

In 2013 the European Council proposed the Youth Guarantee: a set of coordinated policies for youth to provide the offer of education, training or employment to all young people aged 15-24 within four months of becoming unemployed. With a swift answer to this call, all MS started putting into practise this new policy framework and put in place immediate measures for bringing young people back into education or employment. However, three years after its launch and with the youth unemployment rate still above 20%, the Guarantee still appears like a Copernican revolution in youth policies that will take time and costly major reforms to be fully completed (Council of the European Union, 2013; Mascherini, 2015, Eurofound, 2015).

Against this background, this paper it will firstly introduce the concept of NEETs and will provide an up-to-date picture of the size and characteristics of the NEET population in Europe. Then, it will discuss risk factors and economic and consequences of spending protracted time disengaged from the labour market and education. Furthermore, the paper will provide a map of policies and initiatives implemented by European member states
in order to reintegrate young people into the labour market or education. Finally it will discuss the status of the implementation of the Youth Guarantee, the European Policy framework recently launched by the European Commission to foster the employability of young people and reduce the NEET rate in Europe.

NEETs: Young People Not in Employment, Education or Training

Labour market participation is usually described through indicators such as employment rates and unemployment rates, which provide information about those who already have a job or are actively looking for one. Traditional indicators for labour market participation are frequently criticised for their limited relevance to young people. In fact, basic unemployment and employment statistics do not adequately capture the issue for young people.

While the integration of young people into society has been traditionally imagined as a sequence of steps from school to work, it is now recognised that such linear transitions are being increasingly replaced by diversified and individualised trajectories from school to work (Eurofound, 2012).

Modern youth transitions tend to be complex and protracted, with young people moving frequently in and out of the labour force. They may involve backtracking and blending of statuses — especially in times of crisis. Additionally, greater importance is given today to individual self-responsibility as a driver of young people’s trajectories, while institutional and structural factors (such as parents’ social class, ethnicity, and economic status) are growing increasingly diversified. Consequently, traditional approaches to understanding this vulnerable position of young people in the labour market have become less effective as many of these transitions are not captured by conventional indicators of unemployment (Furlong, 2006, 2007).

The economic crisis, that mainly affected young people, has indicated the need of a more suitable method to better understand youth vulnerabilities, especially in terms of labour market participation and transition into adulthood. Hence, it revealed the need to move beyond approaches based on a simple dichotomy between the employed and the unemployed so as to capture the various “shades of grey” that represent labour market attachment in contemporary societies (Eurofound, 2014).

In response to this, researchers, national authorities and international organisations have started using alternative concepts and indicators for young people who are disengaged from both work and education and are arguably at a high risk of labour market and social exclusion (European Commission, 2010b). In this framework, the term NEET, which refers to ‘Young People not in Employment, Education or Training’, had a strong catalysing effect in attracting and mobilizing policymakers and public opinion due to its capability to increase the understanding of the various vulnerabilities of young people by placing particular groups like the less educated, early school dropouts, young mothers or young people with disabilities at the centre of policy debates (European Commission, 2011a). Reflecting this popularity, the term NEET entered the European policy debate and the need of reducing the NEET rate is the target of the European Youth Guarantee (Council of the European Union, 2013; European Commission, 2015).

Origin and developments of NEETs

The need for an additional indicator capable of capturing those young people who were not in employment, education, or training first emerged in the United Kingdom in the late 1980s as an alternative way of categorizing young people aged 16-17. This need was mainly a result of changes in the UK benefit regime, specifically the 1986 Social Security Act and its 1988 implementation, which withdrew entitlement to Income Support/Supplementary Benefit from young people aged 16-17 in return for a “youth training guarantee” (Williamson, 2010).

As a result of this change and the consequent emergence of this new group, researchers and government officials started to adopt new ways of estimating labour market vulnerability among young people.

Istance and colleagues (1994) were the first to highlight the emerging crisis of young adulthood in a study of young people in South Glamorgan in Wales. This research, funded by the South Glamorgan Training and Enterprise Council, produced quantitative estimates of the number of young people aged 16 and 17 not in education, training, or employment. Here, the term Status 0/Status Zer0 was used to refer to a group of people aged 16-17 who were not covered by any of the main categories of labour market status (employment, education, or training). The term Status 0/Status Zer0 was merely a technical term derived from careers service records, where Status 1 referred to young people in post-16 education, Status 2 to those in training, and Status 3 to those in employment.

The term Status Zer0 was far from being intended as a negative label; it was more about reflecting societal abandonment of this group. However, the term soon came to represent “a powerful metaphor” for the fact that Status Zer0 young people appeared to “count for nothing and were going nowhere” (Williamson, 1997). The
study in fact captured media imagination (McRae, 1994) and the term entered into the policy debate in summer 1994 as Status A, where A stood for abandoned, as in “the abandoned generation” (Bunting, 1994).

Against this background, the term NEET was coined in March 1996 by a senior Home Office civil servant who had detected resistance on behalf of policymakers working with the earlier, and often controversial terms of Status Zero or Status A. Embracing the concept previously introduced by Istance et al. (1994), the term NEET replaced the other labels and was then formally introduced at the political level in the United Kingdom in 1999 with the publication of the government’s Bridging The Gap report from the Social Exclusion Unit of the New Labour government (SEU, 1999).

The term NEET rapidly gained importance beyond the United Kingdom. By the beginning of the millennium, similar definitions had been adopted in almost all EU member states; similar concepts referring to disengaged or side-tracked youth were also emerging in popular discourse in Japan, New Zealand, Taiwan, Hong Kong, and, most recently China (Eurofound, 2012; Mizanur Rahman, 2006; Liang, 2009).

However, still expressing a need of alternative measures to capture new forms of youth transitions, some of these new concepts went beyond the original meaning of NEET, also attaching a negative stigma to these newly identifiable categories of youth. For example, hikikomori in Japan means “withdrawal” and is used to refer to young Japanese NEETs, usually young men, living at home with their parents, spending their time alone in their rooms, without friends and only engaged with activities on the Internet and watching movies (Jones, 2015; Wang, 2015). In Spain the term generación nini became a popular way – before the crisis – of identifying young people who did not want to grow up by going to work or study (Navarrete Moreno, 2011); similar terms were also identified in Italy, such as bamboccioni, and Germany, such as nesthocker, with negative connotations usually for young men unwilling to leave home and ‘grow up’ (La Repubblica, 2007; Kurier, 2014).

NEETs at the European level.

As a consequence of the lack of an internationally recognized definition of NEET, the characteristics of the youth classified as NEET differ greatly from country to country, making cross-country comparisons difficult also at the European level. Against this background, over the last decade international organizations, such as the OECD and the European Commission, aligned the definition of NEETs in order to perform cross-country comparisons, (OECD, 2010).

In this framework, while highlighting the difficulties in defining NEETs and creating an indicator to measure them, Walther and Pohl (2005) firstly investigated the extent of the NEET problem in thirteen EU member states and accession countries. Analogously, Quintini and Martin (2006) defined NEET as “Young People not in Education and in Employment” and investigated NEET numbers in the OECD countries.

In this framework, the Employment Committee and its Indicators Group (European Commission – DG EMPL) agreed on a definition and methodology for a standardized indicator to measure the size of the NEET population in member states. The definition was then outlined by Eurostat and the indicator is now used in the context of the Europe 2020 strategy (European Commission, 2011).

Operatively, the NEET indicator is expressed as a percentage of the population of a given age group and sex that is unemployed and is not involved in further education or training. The indicator, based on the Eurostat definition, uses a numerator that refers to a person who is either (a) not employed (i.e. unemployed or inactive according to the International Labour Organization definition) and/or (b) has not received any education or training in the four weeks preceding the survey. The denominator includes the total population of the same age group and sex, excluding those respondents who have not answered the question on participation in regular education and training. The NEET indicator is calculated by using cross-sectional data from the European Union Labour Force Survey (EU-LFS), while observing established rules for statistical quality and reliability (European Commission, 2010b).

The main NEET indicator produced by Eurostat covers various age groups. For analytical purposes, and due to a conceptualization of youth as an age group that varies substantially through different countries, (Wallace and Bendit, 2009), the indicator is then disaggregated by sex and is available for different age groups (15-17 / 15-19 / 15-24 / 15-29 / 15-34 / 18-24 / 20-24 / 20-34 / 25-29). Breakdowns by labour market status (unemployed, inactive) and education level (at most lower-secondary attainment/at least upper-secondary attainment) are also available on the Eurostat website (European Commission, 2011a).

The NEET indicator measures the share of young people who are not in employment, education or training among the total youth population of young people. This is not the same as the youth unemployment rate, which measures the share of young people who are unemployed among the population of young people who are economically active. For this reason, while the youth unemployment rate is higher than the NEET rate, in absolute terms the overall number of NEETs is generally higher than the overall number of young unemployed
people. For example, while in 2015 youth unemployment and NEET rate in Europe was 20.3% and 12% respectively, the number of unemployed youth accounted for 4,640,000 individuals while the number of NEETs was 6,604,000 individuals.

**NEETs in Europe**

The standardised indicator proposed by EMCO, and operationalised by Eurostat in 2010 allows to estimate the number of young people who are disengaged from the labour market and education in Europe and to perform cross-country comparisons. According to the latest Eurostat data, in Europe, in 2015, 12% of young people aged 15-24 were not in employment, education or training, which corresponds to approximately 6.8 million young people.

This prevalence of NEET however varies substantially among member states. Countries such as the Netherlands, Luxembourg, Germany and Denmark record the lowest NEET rates at the European level (less than 7%). Conversely, Greece, Croatia, Bulgaria and Italy record the highest NEET rate (greater than 19%) which implies that at least one out of five young people in these member states is not in employment, education or training. In absolute terms, the population of NEETs is highest in the UK and in Italy with around or above one million young people belonging to the NEET group.

Figure 1 shows the NEET rate for those aged 15-24 across EU member states in 2014. Member states are categorised into five categories ranging from very high NEET rates (dark red), where over 18% of young people are NEET, to those with very low NEET rate (dark green), where less than 7% of young people are NEET.

Still in 2015, considering the age category of 15-29, the overall number of NEETs increased to 13.5 million young people which corresponds to a NEET rate of 14.9% for that age category. Again, the countries with the lowest NEET rates are Luxembourg, the Netherlands, Denmark and Sweden, each with a rate below 8%. Conversely, the highest NEET rates are observed in Bulgaria, Greece and Italy with at least 24% or more NEETs.

The analysis of the different age categories reveals that the share of NEETs increases with age. In particular, while on average in the EU only 6.5% of young people aged 15-19 are not in employment, education or training, this share increases to 18% among those aged 20-24 and to 20.4% among those aged 25-29. In general, the highest rate among those aged 15-19 is found in those member states that also have the highest rate among 20-24 year olds. In this regard, it is worthwhile to notice that while a lot of attention has been placed on the reintegration of those young people aged 15-24, in countries such as Italy and Greece at least one third of young people aged 25-29 are NEET. As these statistics illustrate, this situation calls for more attention on youth who are NEETs, including those aged 25-29 who struggle to find their way into the labour market but are outside the policy focus.

**The composition of the NEET population**

The NEET population is very easy to compute statistically. However, the indicator captures a very heterogeneous population. A mix of vulnerable and non-vulnerable youth.

Disentangling the heterogeneity of NEETs and understanding the composition of its population is very important to understand the needs of this population and to address them with the appropriate targeted policies (Serracant, 2013; ILO, 2015).

Following (Eurofound, 2016) and using the EU Labour Force Survey, seven categories of NEETs can be identified:

- Re-entrants: those who will soon leave the NEET category as they have already found a job or an education opportunity;
- Short-term unemployed: those who are unemployed for less than 12 months;
- Long-term unemployed: those who are unemployed for more than 12 months;
- Unavailable due to family responsibilities: those who are NEETs due to family responsibility (children, adults, other family responsibilities);
- Unavailable due to disability: those who are unavailable due to their own illness or disability;
- Discouraged workers: those who are NEETs because they do not look for a job as they do not think there is job for them;
- Other NEETs: those who have not specified their reasons of being NEETs.
As shown in Figure 2, data from the EU Labour Force Survey shows that the largest category of NEETs aged 15-24 in Europe was the short-term unemployed (29.8%), followed by the long-term unemployed (22%), NEETs due to family responsibilities (15.4%), re-entrants (7.8%), and those unavailable due illness or disability (6.8%). Around 5.8% of NEETs are discouraged workers while the remaining 12.5% are ’other NEETs’. Considering the figures for discouraged workers, the short and long-term unemployed and re-entrants, the data suggests that on average in the EU28, around 60% of NEETs (approximately 4.7 million young people aged 15-24) belong to the NEETs group because of labour market-driven factors. The remaining 40% are NEET for more social-policy related reasons, such as family responsibilities, illness or disability.

While no inference can be drawn for the category of ‘other NEETs’, the data show that at least one-third of NEETs are at risk of further disengagement and in need of more ad hoc reactivation measures to reintegrate them. However, this is a very conservative estimate that takes into account only the long-term unemployed and discouraged workers, because it is not possible to investigate the degree of vulnerability of the other categories.

Characteristics and risk factors of becoming NEETs

While the descriptive statistics above are interesting, more in depth analysis is required in order to understand characteristics and factors that put youth at risk of becoming NEET. In this regard, there is reasonable agreement in the literature about the range of social, economic, and personal factors that increase the chances that an individual might become NEET, and it is generally perceived that the NEET status arises from a complex interplay of institutional, structural, and individual factors (Bynner, 2005; Hodkinson, 1996; Hodkinson and Sparkes, 1997; Eurofound, 2012).

The literature suggests that there are two main risk factors at play when it comes to NEETs: disadvantage and disaffection. While educational disadvantage is associated with social factors such as family, school and personal characteristics, disaffection concerns the attitude young people have toward education and schooling. More specifically, expressed by truancy or behavior that leads to exclusion at school. There also seems to be a clear correlation between both educational disadvantage and disaffection prior to age 16, and later disengagement (SEU, 1999). Both educational disadvantage and disaffection are linked to a number of background factors such as family disadvantage and poverty, having unemployed parent(s), living in an area with high unemployment, membership of an ethnic minority group, or having a chronic illness, disability, and/or special education needs (Coles et al., 2002).

While it should be emphasized that it is often not easy to differentiate between those factors that cause or lead to NEET status and those factors that are simply correlated with being NEET (Farrington and Welsh, 2003; 2007), existing research puts great emphasis on family background and individual characteristics as determinants of NEET status (Stoneman and Thiel, 2010). At the individual level, characteristics overrepresented among the NEET population are: low academic attainment (Coles et al., 2002; Meadows, 2001; Dolton et al., 1999); teenage pregnancy and lone parenthood (Morash and Rucker, 1989; Cusworth et al., 2009); special education needs and learning difficulties (Cassen and Kingdon, 2007; Social Exclusion Task Force, 2008); health problems and mental illness (Meadows et al., 2001); involvement in criminal activities; and low motivation and aspiration, including lack of confidence, sense of fatalism, and low self-esteem (Strelitz, 2003). Moreover, motivation is often identified as one of the key factors among the non-vulnerable who may be in a “voluntary NEET status”, that is, those who come from a privileged background are more likely to briefly remain outside the labour market and education in order to sample jobs and educational courses (Pemberton, 2008; Furlong et al., 2003).

In order to perform a pan-European investigation of the NEET phenomenon, the Eurostat definition of NEET is implemented in the European Values Study survey (EVS), focusing on young people aged 15-29. The EVS is a large-scale, cross-national, and longitudinal survey research program on basic human values, which provides insights into the ideas, beliefs, preferences, attitudes, values, and opinions of citizens for 47 European countries and regions. It is an important source of data for investigating how Europeans think about life, family, work, religion, politics, and society, and specific attention is dedicated to individual socioeconomic and family-related variables. On this basis, we explore the characteristics of NEETs in Europe by making use of the set of key characteristics identified in the literature, which especially includes the investigation of individual and family background characteristics. In particular, in our analysis, we use the 2008 wave (the most recent) of the EVS by considering data from all 27 EU member states, with an overall sample of more than 40,000 observations that are representative for the EU population. NEETs are identified in the EVS as those young people aged 15-29 who declared not being in paid employment because of being unemployed, disabled, young carers, housewives, or not otherwise employed for undeclared reasons. This operationalization of the definition of NEET is equivalent to that implemented by Eurostat using the EU-LFS, and the computed rates are comparable. Data refers to 2008, so they capture the scenario only at the beginning of the crisis.
The characteristics of the NEETs in Europe have been investigated using a logit model that accounts for a broad set of individuals’ socio-demographic and family-related variables, while also controlling for countries’ heterogeneity. We investigated a large set of individual characteristics: sex, age, immigration background, perceived health status, education level, religiousness, and living with parents. Furthermore, at the family level, we considered household income, education level of parents, unemployment history of parents, and the area where the household is located.

The analysis is performed at the European and also at the cluster level, which are identified on the basis of the extent of the NEET phenomenon observed at country level and the mediating role of different welfare state models (Marshall, 1950). In this respect, the traditional grouping of member states in five clusters is adopted here: Employment-centred (AT, BE, DE, FR, LU, NL); Universalistic (DK, FI, SE); Liberal (IE, UK); Mediterranean (CY, ES, GR, IT, MT, PT); and Post-Socialist (BG, CZ, EE, HU, LT, LV, PL, RO, SI, SK). The results of our analysis show a high level of consistency with the general literature and reveal some heterogeneity among the risk factors observed in the different geographical clusters. In particular, the findings indicate that the probability of ending up as a NEET is influenced by the following factors and characteristics (see table 17.1):

- Young women are more likely to be NEET than men. The interpretation of the odds ratio shows that, due to family responsibilities, young European women are 62% more likely to be NEET than men. Interestingly, this effect is stronger in the Mediterranean and Post-Socialist clusters than in the Universalistic, Liberal, or Employment-centred clusters.

- As indicated in the literature, those perceiving their health status as bad or very bad and who are suffering from some kind of disability are 38% more likely to be NEET compared to those with a good health status. This effect is stronger in the Liberal and Universalistic clusters than in the rest of Europe.

- Young people with an immigration background are 68% more likely to become NEET compared to nationals. This effect is strongest in the Liberal cluster, while it is not significant in the Universalistic or in the Mediterranean cluster.

- Young people living in a partnership are 67% more likely to be NEET than those living alone or with parents. This effect is mainly driven by young women with family responsibilities and is strongest in the Liberal, Mediterranean, and Post-Socialist clusters, while it is not significant elsewhere.

- Education is the main driver affecting the probability of being NEET: Young people with lower-levels of education are two times more likely to be NEET than those with secondary education, and more than three times more likely to be NEET than those with tertiary education. The effect of education is strongest in the Liberal cluster, while it is very limited in the Mediterranean cluster.

- Capturing both the heterogeneity of the NEET population and its composition (both vulnerable and non-vulnerable youth), the marginal effect of income emerges as a U-shaped curve. The probability of being NEET is higher for those with a lower income, then decreases for the middle-level income, and increases again for higher incomes. Again, the effect of income is strongest in the Liberal cluster, while it is more limited in the Mediterranean and Universalistic clusters.

Alongside these individual characteristics, certain intergenerational influences and family backgrounds play a significant role in increasing the probability of being NEET. In particular:

- Having parents who experienced unemployment is not significant at the EU level, while it is only marginally significant in the Mediterranean cluster.

- Those with parents with a low level of education are up to 50% more likely to be NEET than young people with parents with a secondary level of education, and up to two times more likely to be NEET than those with parents with a tertiary level of education. This effect is strongest in the Liberal cluster, while it is not significant in the Universalistic cluster.

- Young people who experienced the divorce of their parents are almost 30% more likely to be NEET than those who did not.

Despite some heterogeneity at the cluster level, the results of the investigation indicate that NEET status can be described as both an outcome and a defining characteristic of disadvantaged youth, who are at much greater risk of social exclusion. Education is the most important variable and has the strongest effect in influencing the probability of being NEET; this is true at both the individual and the family level and in all clusters considered. Moreover, suffering some kind of disadvantage, such as a disability or having an immigration background, strongly increases the probability of being NEET, and this effect is strongest in the Anglophone cluster. The importance of family background is confirmed as increasing the risk of becoming NEET. In particular, young people with a difficult family background, such as those with divorced parents or with parents who have
experienced unemployment, are more likely to be NEET (as in the Mediterranean cluster). The heterogeneity of the NEET population, as a mix of vulnerable and non-vulnerable situations, is, however, confirmed by the effect of income, which is common to all clusters but the Universalistic one.

**Economic and Social consequences of spending protracted time in the NEETs**

While spending short and limited periods of time disengaged from labour market and education can be part of any normal transition from school to work, it is essential to understand that spending protracted periods in NEET status comes with a wide range of dramatic and interconnected negative short and long-term consequences for the individual and society as a whole. Persistent disengagement makes the transition of young people to adulthood difficult and can have long-term consequences and scarring effects on their labour market performance both in terms of labour force participation and future earnings. Moreover, it can also induce a range of negative social conditions, such as isolation, involvement in risky behaviour or instable mental and physical health. Each of these negative consequences comes with a cost attached to it and, as such, being NEET is not just a problem for the individual, but also for our societies and economies as a whole.

Broadening the understanding of economic benefits accruing from re-engaging and encouraging young people to remain in education, training or employment plays a crucial role in strengthening the efforts of governments and social partners to reintegrate young people into the labour market. Eurofound (2012) provided a very conservative estimation of the economic costs of the NEETs phenomenon, which only takes into account forgone earnings and welfare benefit payments. On this basis, the loss for the European economies due to their inability to fruitfully employ young people in the labour market was estimated to be almost 120 billion Euros in 2008, corresponding to around 1% of European GDP. Considering the ongoing nature of the crisis, which continues to increase the size of the NEET population, in 2011 this loss was estimated to have increased to 153 billion Euros, corresponding to more than 1.2% of European GDP.

But the economic costs are just one part of the bill that member states have to pay. Serious concerns have been raised about the potential implications of the NEET status on democratic engagement and civic participation of young people. The danger is that this disengagement may lead some young people to ‘opt out’ of their participation in civil society or may engage at the extremes of political engagement.

Analysis performed by Eurofound (Eurofound, 2012), reveals that while the level of trust in institutions is similar to the one in other age categories, in general young people are less interested in politics and show a lower disposition to discuss politics with their friends and to vote in elections. Moreover, they also tend to be less civic and socially engaged and they participate less than other age groups. Fighting their political, social and civic apathy and fostering a greater involvement of young people in the society is a big challenge for European democracies.

In this regard, while access to paid employment and education is not sufficient in itself to prevent political indifference and disaffection of youth, the situation of those who are NEETs is much more dramatic. At the European level, NEETs distinguish themselves by having a dramatically lower level of political and social engagement and a lower level of trust compared to the non-NEET. This implies that they are not just disengaged from the labour market and education but are also at high risk of being politically and socially alienated from our societies.

Different behaviour in terms of trust and participation is however registered among the various subgroups within the NEET population. In particular, at European level it was found that while the subgroup of those unavailable because of family responsibilities are not interested in politics, they still have trust in institutions. Conversely, the subgroup of unemployed youth distinguishes itself for having less trust in institutions, and a lower disposition to vote and to be less socially and civicly engaged. By not participating and distrusting institutions, the unemployed express their disappointment and frustration vis-à-vis the effort made by authorities in light of their situation. As a result of this withdrawal, it is hard to predict where the disaffection and political marginalization of youth unemployed is directed. Earlier studies on political marginalization among the unemployed concluded that they tend to have more radical political attitudes.

However, the analysis within the various geographical clusters shows outstanding differences, complicating the conclusions that can be drawn. While in the Continental cluster, and with less emphasis in the Anglophonic and in the Eastern cluster as well, those who are unemployed are also the most disaffected with a lower level of trust in institutions and political and social engagement, in the Mediterranean cluster the opposite holds for all dimensions except trust. In particular, while the lowest level of institutional trust is recorded in the South European cluster, unemployment seems to have a more defined political connotation, as those who are unemployed tend to have a higher level of political engagement, with a high level of interest and disposition to vote and to talk about politics with friends, compared to the others. Still, it is worthwhile to notice that this
higher engagement does not formally translate to a higher formal engagement with a political party or with “institutional” organizations, indicating an existing lack of identification with the main actors of the political arena.

As pointed out by Bay and Blekesaune (2002), a possible explanation of the phenomenon could be based on the different selection process of being unemployed in the Continental and Mediterranean cluster. As the Continental cluster is characterized by a generally low youth unemployment rate, the low level of trust and political engagement of the unemployed can be a result of the fact that unemployment in this cluster is largely an unusual condition. Unemployment amplifies what for the youth is already a marginal social situation of disengagement. Conversely, in South Mediterranean countries, where youth unemployment rates are some of the highest in Europe, recruitment to unemployment is broader and goes beyond the lower strata of society alone. The large size of the cohort indicates this problem as structural in the Mediterranean cluster, which may have fostered the creation of an “identity” of this group and permitted frustration to reach a level of political expression.

Finally, no particular differences between NEETs and non-NEETs were found in the Scandinavian cluster. There is reason to believe (Esping & Andersen, 1985, 1990) that the well developed and inclusive welfare system of these countries may counteract the fact that unemployment leads to marginalization and ensures that one may function as a citizen even without paid employment.

While more in-depth research would be needed in order to draw more precise conclusions, the five clusters can be classified differently along the Hirschman framework, (Hirschman, 1970). In particular, while the political behaviour of NEETs in the Scandinavian cluster could go under the label of “loyalty”, as no significant differences were found between NEETs and non-NEETs, the lower level of political and civic engagement of NEETs in the Anglophonic, Continental and Eastern cluster seems to indicate an “exit” in these clusters. Finally, given the positive effect of being NEETs in political engagement, the political behaviour of NEETs in the Mediterranean cluster seems to go under the label of “voice”.

In conclusion, it is important to highlight that the consequences of being NEET are not just economic and NEETs are at considerable risk of disaffection. Despite the differences and the different dynamics observed at the cluster level, the concern of policy makers is widely justified and young people who are disengaged from labour market and education are withdrawing from the political and social engagement of our society. In this regard, given the size the NEET population has reached in Europe nowadays, the economic and social consequences associated with the NEET status calls for a new policy action in support of the reintegration of young people into labour market and education. The efforts and the initiatives implemented by the member states to support young people in their pathway to employment will be the focus of the next two sections.

**Policies for the reintegration of NEETs into labour market or education**

Fostered by increasingly high youth unemployment rates and NEETs, and the economic and societal consequences associated with the NEET status, there is a renewed sense of urgency to develop and implement policies to bring young people (back) into employment, education or training across Europe. As a consequence, in recent years European Union member states have been more actively engaged in designing and implementing policy measures aimed at increasing employability and promoting higher employment participation of young people.

As it has been shown in the previous sections, while sharing some common traits the population of young people who are disengaged from labour market and education is extremely heterogeneous and composed by several subgroups, each of them with its own characteristics and needs. In this regard, governments have rightly set their interventions by disaggregating the NEET category and identifying the characteristics and needs of the various sub-groups who require distinct forms of policy intervention in terms of, for example, welfare or training provision.

While following a *productivist* approach mainly aimed at the reintegration of youth into the labour market, the policies implemented by member states to ensure a greater participation of young people in education and employment involve a wide range of different initiatives. These policies often intervene at different points along a process that can be described as “pathway to employment”, which describes young people’s pathway through formal education and their transition into the labour market and employment.

For many young people this pathway from education to employment is not a straight one and those that have ended us as NEETs have left or diverged somewhere along the way. Policies tackling the NEETs problematic are therefore either preventative interventions that keep young people from leaving this pathway or tackle the issue of bringing young people “back on track” in order to continue their way on the pathway, develop their skills and participate actively in society. As also illustrated in Figure 3, some youth employment policies seek to intervene in the early stages of the pathway with the particular goal of tackling the risk factors linked to potential disengagement from education and training, since young people with no or low level qualifications...
have a higher chance of experiencing unemployment than their skilled peers. Other policies intervene at later employment-related stages of the young person’s pathway to employment.

To be more specific, these policies can be grouped into five broad categories, which may be partially overlapping: Measures to prevent Early School Leavers recognise that there are forms of ‘support’ that can be provided within the school environment, at home or through holistic measures that can improve students’ chances of staying in education or training. Measures to reintegrate Early School Leavers seek to provide timely support for those who have just made the decision to drop out by encouraging and enabling them to continue their previous studies or to find other, more suitable training alternatives. School-to-work transition policies intervene at a slightly later stage of the pathway as their primary goal is to ease young people’s transition from learning to earning and therefore to ensure that public investment in education and training is maximized. Moreover, Measures to foster Employability and Measures to Remove Practical and Logistical Barriers to Employment are policy interventions that intervene closer to the labour market entry point, with the former seeking to address gaps in transversal and/or job-specific skills and competences (as well as other labour market abilities and aptitudes) and the latter aiming to address specific barriers faced by young people from vulnerable backgrounds in particular.

For each category of the five above, this section will discuss some examples of policies have been introduced at Member State level, where they intervene along the pathway to employment and what they aim to achieve.

Preventing Early School Leaving

The earliest point to tackle a problem is to intervene before it evolves. The pathway to employment starts with education and, as sketched earlier in this report, there is widespread agreement that educational attainment is a strong predictor of future labour market outcomes (O’Higgins, 2010). Moreover, education is often described as a shield against unemployment (ILO, 2012). An education system that helps children and youth from all backgrounds to realize their full potential is vital for continued prosperity and to reduce labour market exclusion among youth (OECD, 2010, 2015). Equally, the European Commission recognises the importance of education for individual and societal well being. Among the five headline targets of Europe 2020, the European Commission prescribes an increase of the share of people with tertiary education to 40% across the European Union as well as reducing the share of early dropouts to 10% (European Commission, 2010).

In this framework, member states have implemented several policy measures that take a preventative approach to early school leaving. Early school leaving is no longer seen as an individual problem caused by the young person and his or her environment, but it is acknowledged that the reasons leading to early dropout are manifold and cumulative: often it is the combination of problems with the existing mainstream education and more complex personal needs that can lead to early dropout. It is therefore an issue that can be avoided in a joint effort on behalf of the education system, society and school (Eurofound, 2012a).

Overview of the policy measures for preventing ESL

There is no single approach to prevent young people from leaving school early. This study finds that member states rely on a set of various types of measures to prevent school dropouts. This set includes measures aimed at identifying potential early school leavers, policies focusing on specifically vulnerable geographical areas, the provision of alternative learning environments and increased career guidance and personal assistance. Moreover, some member states have also created financial support mechanisms and aim at greater parental engagement.

Diagnostic measures

Research shows that, in general, there are clear signs that someone is losing interest in school, about one to three years before a young person typically drops-out (Bridgeland et al., 2006). Therefore, the first important step in preventing early school leaving is to understand which young people are at risk of dropping out and for which reasons (Dynarski et al., 2008). One effective way of ensuring a timely intervention is to set up a monitoring and early warning system. Such systems not only provide information to school and education authorities on how many students have dropped out of school and why, but most importantly also help to identify those students at risk of doing so.

Diagnostic measures enable authorities to gather information on early warning signs of school leaving, such as data on absences or academic achievements. Indeed in recent years, these diagnostic policies and practices have been introduced in various member states including Belgium (Wallonia), Finland, Latvia, Lithuania, the Netherlands, Ireland, Denmark and Norway. In particular, Denmark, Ireland and the Netherlands, for example, have had electronic registration systems in place for some years (Eurofound, 2012a). In all three Baltic states recent legislative measures have focused on tackling absenteeism. In Lithuania for example, an online system called ‘Your School’ has been introduced as a way of providing a platform for schools, teachers, parents and
students to share information about school life and inform parents about the progress of their children in schools (including grades and absenteeism).

Area-based policies

Closely linked to diagnosing who is most vulnerable to early dropout is the realization that students in some disadvantaged areas are at heightened risk of leaving school early. Hence, some member states have implemented measures aimed at preventing ESL by targeting specifically disadvantaged areas and channeling additional support towards those geographies. These are often referred to as area based priority zones. In Greece for example, schools in ‘Educational Priority Zones’ (EPZs) are granted additional funds, new teaching methods are implemented and specially trained teachers are recruited. Particular attention is also paid to Roma students and repatriated Greeks. Results from similar programmes in Cyprus and in Portugal show that participating schools have not only witnessed considerable reductions in ESL, but have also experienced other positive outcomes such as improvements in literacy and academic achievement, as well as better classroom discipline, fewer conflicts at school and better quality learning. Additional support can be introduced in innovative ways such as in the case of ‘Learning Communities’ in Spain, which envisage the involvement of whole communities to foster educational success and the promotion of high expectations among young people.

However, it is important to stress that these types of measures are highly dependent on the availability of additional funding. If this funding is spread too thinly, it will be highly unlikely to produce a significant impact. At the same time it is important that funds focus especially on those pupils facing the most acute difficulties, those who are vulnerable and more likely to fall into a NEET situation. Nevertheless, despite the lack of formal evaluation concerning the performance gaps between priority education and non-priority education areas, priority education is considered to have inspired many small-scale examples of good practice on the ground and to have generated several positive qualitative outcomes (Eurofound, 2012b).

Alternative learning environments and innovative teaching methods

In order to provide solutions to the problems with mainstream education that lead young people to drop out of school, many member states have implemented measures that offer alternative learning environments and teaching methods within the existing public education systems. The most important feature about alternative learning environments is that students still belong to the same public school, but are physically in a separate location or classroom doing alternative activities for a specific period of time. Such programmes usually use different and innovative teaching pedagogies and often teaching in non-classroom based environments to boost the motivation of young people to learn. These programmes are implemented in France, Germany, Finland and Luxemburg among others. In Luxemburg, the ‘Classes Mosaique’ give schools the opportunity to temporarily remove students at risk of leaving school from their regular classes and enter them into a ‘mosaic class’ for a time period of six to twelve weeks, where pupils can get personalised help.

Moreover, member states have implemented a series of initiatives aiming at making the school curriculum at secondary level more varied, stimulating and relevant to the lives of young people by introducing new teaching methods or updating curricula and introducing one-to-one sessions. In most member states the curricular-specific reforms have also included the initial VET system, which is used to offer an alternative environment to those students at risk of dropout. This is the case for example of Germany and Norway. Also, the recently established ‘School and Work Alternation Programme’ in Italy has a special focus on work-based learning as it provides an alternative route to achieving formal qualifications by alternating between periods of study and work.

Career guidance and educational assistance

Providing effective career guidance is essential to support pupils during transitions periods, especially in the course of their education career. In fact, students are relatively vulnerable at transition points: for example, the transition to a higher level of education brings significant changes, both in terms of the curriculum and the school environment. This may put them at risk of dropping out of school. As a consequence, member states have introduced several bridging programmes and ‘pick and mix’ taster opportunities in order to support students towards successful transitions.

In Germany, many measures aim at supporting pupils in making an informed choice about their career, and a number of national programmes have been set up over the past few years to help ensure successful transitions. These programmes involve students in an analysis of their potential, interests and aspirations, as well as receiving occupational guidance. Moreover, as poor academic achievement is one of the top reasons identified for leaving school early (Bridgeland et al., 2006), supplementary tuition and teaching assistants can help to tackle achievement problems before these have a serious impact on the risk of dropping out. This is especially relevant for those groups most at risk. In order to support the students more at risk, teaching assistant posts have been created in recent years in the Czech Republic, Malta and Slovakia. In some countries teaching
assistants have been employed in schools with a high numbers of students from disadvantaged backgrounds (Czech Republic), while in others they may provide specific support to children from migrant backgrounds or to Roma children (Slovakia), as well as focus their support on pupils with special educational needs (Malta).

Financial incentives and parental engagement

In countries where early school leaving is mostly associated with household poverty and many children drop out of school due to financial difficulties, financial support mechanisms are introduced in the form of subsidies (e.g. subsidised study books in Poland), free school meals, allowances and scholarships (e.g. Italy, Poland, Portugal, Slovakia). In some countries school meals and books have been free of charge for a long time, either for compulsory school-aged pupils or pupils in primary schools. In others this is a newer approach (e.g. Bulgaria and Romania) and some countries have recently made free school meals available for children from disadvantaged backgrounds (e.g. Slovakia). In some countries financial support for children and their families is used as an incentive for continued school attendance. For example, a, the ‘Free School Meals and Books’ scheme in Slovakia is tied to children’s attendance in school.

Conversely, other initiatives provide disincentives for children to drop out of school. For example, the Czech Republic introduced in 2005 that early school leavers risk losing their access to unemployment benefits, which resulted in reducing early dropouts. Other initiatives may provide disincentives for those parents whose children play truant or drop out of school.

For example, Hungary introduced a measure in 2010 where families with children may lose some of the state assistance if their children of compulsory school age do not attend school. Similarly, in Greece sanctions can be imposed on parents and guardians who fail to enrol their children in school and do not make sure they attend school regularly. In the Netherlands, instead, it is the schools that are targeted with financial incentives to reduce the number of school dropouts. Furthermore, some member states seek to strengthen communication between schools and parents by greater parental involvement. For example, in Luxemburg the national early school leaving policy recognises the importance of including parents in its early school leaving policy problems.

Strengths and weaknesses of policies aimed at preventing early school leavers

What all policies implemented have in common is that they try to keep young people in the education system by identifying and tackling their problem with mainstream education. They do so by offering additional support to stay in mainstream education, such as guidance or educational assistance or provide alternative learning environments. Some countries have also introduced financial incentives to stay on in school and aim for greater parental engagement.

The general strength of these measures is twofold: firstly, they take a preventative approach to the NEET problem. By doing so they tackle the issue at a very early stage in a young person’s life before cumulative disadvantage can influence that person’s life. They are therefore typically more cost effective in preventing social exclusion than reactive measures at a later stage in a young person’s life (Eurofound, 2012b). Secondly, by addressing the young people’s problem with mainstream education, these policies approach the fundamental issues that underlie early school leaving. In this way, they do not try to provide a quick fix, but acknowledge that non-mainstream ways of learning might be more appropriate for some. The table below elaborates the strengths and weaknesses of different types of policy in this category.

However, the way policies to prevent early school leaving are designed can also have some obvious weaknesses. Especially area-based policies may bear the risk that support is too thinly spread and overlook those groups that are at specific risk. It is questionable if the financial support from area-based policies is enough to eliminate the cumulative disadvantages of certain areas and more importantly if the additional support benefits those most in need within the targeted areas. Additionally, those receiving customised support might become accustomed to non-mainstream education with subsequent difficulties for reintegration. Consequently, the difference between those with special support needs and those attending mainstream education further deepens.

Finally, making these alternative learning forms acceptable to young people, parents and employers can be a major challenge. Without a change in thinking and the acknowledgement that education can be delivered in many ways, the “value” of such measures can be limited. If projects remain niche projects and participation becomes stigmatized, disadvantage might cumulate rather than resolve itself.

<table>
<thead>
<tr>
<th>Type of policy</th>
<th>Strengths of such policies</th>
<th>Weakness of such policies</th>
</tr>
</thead>
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- 11 -
Diagnostic measures and parental involvement

Provide information on how many students drop out and why and identify those at risk of doing so, while informing and involving parents.

These measures rely on improved and extensive administrative capacities.

Area-based policies

Acknowledge that some areas are subject to multiple disadvantages; target additional funding or more human resources to deal with the specific problem of youth exclusion: policies are focused on the ‘right target group’.

Funding can be too thinly spread to have a significant impact.

Despite focusing on the right target group or target schools, measures may not always reach the students most in need.

Alternative Learning Environments

Address the issues from a long-term perspective.

Can help to address the characteristics of mainstream education, which were ‘turning off’ young people.

Foster the motivation to learn of young people at risk of ESL

Can be costly and require significant cultural change/investment in training of staff involved in delivery.

New qualifications may not be understood/recognised/valued by young people, their parents, and employers, without significant efforts to build up reputation/brand

Career and educational guidance

Address a vulnerable point in young people’s lives that had been somewhat ‘ignored’ by public policies in the past.

Young people may become accustomed to the tailored, intensive support they receive through these measures.

Financial support mechanisms, incentives and disincentives

Recognise that many children may drop out due to household poverty and financial difficulties. Financial support is used as an incentive for continued school attendance.

They rely on available funding. Furthermore these measures may not reach the most disadvantaged pupils.

Figure 4 – Strengths and weaknesses of policies aimed at preventing early school leavers

Reintegrating Early School Leavers

Even when there are policies in place to prevent early school leaving, there will always be young people that fall through the precautionary net. Some students may not have profited from the preventive measures described earlier, while others may have needs that are too complex to be addressed in the standard education environment. This can be highly problematic since these young people lack the basic qualifications that are needed in the labour market that will require even higher skills in the future. For this reason, the reintegration of early school leavers is seen as an essential part to combat dropout rates and reach the outlined Europe 2020 headline target. Dropping out of school does not have to be a definite dead end on the pathway to employment. Many policies implemented at member-state level aim to offer early school leavers a second chance and bring them back into the education system in order to acquire the skills and qualifications for sustainable employment in the future.

Overview of the policy measures for reintegrating ESL

The reasons for dropping out of school are varied and different sub-groups will need different policy responses. Therefore, reintegration measures tend to offer flexible instead of rigid pathways and are usually tailored according to the needs of the participants. For those who simply need a second chance to acquire formal qualification, these policies offer alternatives to mainstream education. Those with greater support needs and complex personal issues often receive holistic counselling services and support by a broad range of specialists, facilitating the reintegration. By offering the opportunity to gain soft skills, such reintegration measures are
specifically addressed to young people with more complex needs and issues of self-esteem, confidence and personal development amongst others (Eurofound, 2012a).

Tracking/Catching up services

Before young dropouts can be included in programmes, they have to be identified and contacted. Countries such as Denmark, Finland, Luxembourg, the Netherlands, Norway and the UK have introduced tracking or “catch up” services to identify, support and monitor inactive youth. For example, in the Netherlands, the Regional Registration and Coordination Institutes monitor and keep records of young people who do not have basic qualifications and ensure that those who are inactive are contacted and supported in their efforts to find a training place or a job. In Luxemburg the Ministry of Education has collected a record of the status of every single early school leaver on a monthly basis since 2003. In other member states, regulations concerning access to personal data prevent the implementation of such approaches.

Second chance opportunities and alternative teaching formats

Once early-school leavers have been identified, many policies offer non-mainstream ways of acquiring formal qualifications, for example by providing second chance opportunities or creating a more motivating learning environment, which tends to be practically oriented and includes elements of non-formal learning. Second chance opportunities can take many forms: Sweden has put in place a formal and non-formal adult education opportunities scheme, ensuring that there are enough places for young school dropouts. In Belgium and Germany students can take a secondary-level exam without having completed the associated studies. Evening schools exist in Cyprus, Latvia and Romania, while distance learning opportunities are provided in Hungary. Finally, a mobile education system in Portugal aims to support early school leavers from the traveller community.

Furthermore, some of the main second chance opportunities in Cyprus, Portugal and Spain are vocationally oriented. In Spain, new ‘Initial Vocational Qualification Programmes’ (Programas de Cualificación Profesional Inicial, PCPI) are intended to be an option for young people aged 16 and over who left school early. They provide the opportunity to enrol in training courses to gain a professional skills diploma or a compulsory secondary education qualification, while allowing enrolment in a regular VET course later. During the economic downturn in Estonia, greater emphasis was put on the need to increase the qualification levels of young people who left their VET studies before completing the course. Consequently, new VET study places for former dropouts have been created and a media campaign to inform unemployed young people about the opportunity has been launched.

Another different form of second-chance opportunities is the validation of informal skills. Many young people have acquired useful skills and competences outside the classroom. Validating these non-formally acquired skills is seen as an opportunity to reintegrate early school leavers in Estonia, Latvia and Romania. For example, in Estonia, the ‘Accreditation of Prior and Experiential Learning’ programme offers a process where a person can take their study and work experience and convert it into study results (credits) when continuing or entering education. Moreover, since many dropouts have problems with mainstream schooling, teaching formats and alternative approaches to learning are provided in line with their specific situation and needs. The ‘Springboard’ pilot programme in Hungary aims to create a motivating learning environment and to fill any skills gaps that may hinder students’ performance when they re-enter vocational school.

Measures addressing more complex personal issues

Some young dropouts will need greater support than the sole provision of a second-chance opportunity. A ‘whole-child’, holistic approach to reintegration is suited for those young people with the most complex personal or social issues: it aims to identify and address the full range of barriers and issues the young person is facing. Reintegration measures under this category rely on an intense level of support offered by a range of professionals from education, social and health sectors. They also tend to start from the ‘basics’ such as helping young people rediscover an interest in learning and to learn how to live a structured life with boundaries.

Examples of such measures can be found in France (Établissements de réinsertion scolaire), Finland (Youth Workshops), Ireland (Youthreach), Lithuania (Youth schools), Luxembourg (L’École de la deuxième chance), Malta (REACH School Drop Outs Project), Poland (Voluntary Labour Corps), Romania (Second Chance programme), Slovenia (PLYA), and in the UK. These types of reintegration programmes are usually built around a concept of small learning communities with more individualised attention than the teachers in mainstream schools could grant to individual students.

Financial incentives

Financial incentives to encourage re-engagement of early school leavers were identified in Italy, Malta, Sweden and UK. In Sweden, for instance, from 2011 to 2013 unemployed young people aged 20-24 who did not have
an upper secondary level qualification received a higher than normal level of student aid to enable them to finish their formal qualifications. In the UK, the ‘Activity Allowance Pilot’ project was run in 8 areas between 2006 and 2011, offering an allowance of GBP 30 per week to NEETs (16-17 yrs old) in exchange for agreeing to and participating in a personalised plan to re-engage in learning.

**Strengths and weaknesses of policies aimed at reintegrating early school leavers**

Even where preventive measures are in place, there will always be some young people who drop out of education early. These early school leavers are at a disadvantage in the labour market due to their lack of formal qualifications. Initiatives to reintegrate young people into education or training have here been broadly grouped in two categories: those policies that provide young people with a second or alternative chance to acquire a qualification and those policies that address young people with greater need for support. Some countries also offer financial incentives to reintegrate early school leavers.

Similar to policies preventing early school leaving, policies to reintegrate young dropouts by providing alternative learning environments show some obvious advantages. They revitalize the interest of young people in education, for example by providing a more practically oriented curriculum with hands-on experience or by reducing class size. Equally, holistic programmes for those with greater needs profit from being able to offer personalized social and pedagogical support. Their strength is to offer targeted guidance for those with greater distance from the labour market and multiple disadvantages or barriers to social integration.

Nevertheless, policies to reintegrate ESL can have similar weaknesses as the preventive measures. It is important to decrease the stigma attached to attending such programmes and ensure that these alternative pathways to employment are valued and recognized by employers. Therefore close cooperation with employers and their representatives concerning programme design is desirable. Additionally, holistic programmes targeting the full range of issues faced by young dropouts can be costly and may lead to soft quantifiable outcomes rather than hard ones. Furthermore, the young participants may become accustomed to such measures and special treatment, which is why a strong focus should be put on encouraging self-responsibility and emphasizing long-term developments.

**Type of policy**

<table>
<thead>
<tr>
<th>Strengths of such policies</th>
<th>Weakness of such policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracking/Catching up services</td>
<td>Track ESL in order to especially support them when the risk of social exclusion increases.</td>
</tr>
<tr>
<td>Additional administrative capacity may not be available in the most disadvantaged areas.</td>
<td></td>
</tr>
<tr>
<td>Alternative learning environments/Alternative qualifications</td>
<td>Revitalise the interest of learners who have rejected formal education.</td>
</tr>
<tr>
<td>Qualifications obtained <em>may</em> not always be valued or recognised by employers.</td>
<td></td>
</tr>
<tr>
<td>Holistic programmes</td>
<td>Seek to address the root causes and the broad range of personal and educational challenges young people face.</td>
</tr>
<tr>
<td>Can help prevent social exclusion (and associated costs).</td>
<td></td>
</tr>
<tr>
<td>Long-term action and results.</td>
<td></td>
</tr>
<tr>
<td>Can be more costly, even though the costs are often thought to be outweighed by the potential costs of ‘non-action’.</td>
<td></td>
</tr>
<tr>
<td>Harder to measure the results/outcomes/impact.</td>
<td></td>
</tr>
<tr>
<td>Financial incentives</td>
<td>Can reengage early school leavers, when money is an issue.</td>
</tr>
<tr>
<td>Can be more costly.</td>
<td></td>
</tr>
</tbody>
</table>

Figure 5 – Strengths and weaknesses of policies aimed at reintegrating early school leavers
Supporting school-to-work transitions

It is a good thing when many young people complete their pathway through education with formal qualifications. Unfortunately, in today's labour markets even for those who have successfully completed their education, the transition between school and work is not always smooth or easy. A first job, which is such an important stepping stone in a young person's working life, may be very difficult to find. There are numerous factors that may make transitions difficult: sometimes young people have not yet decided on their career or they may lack work experience and/or display a low level of qualification (Eurofound, 2012a). Other times there can be a mismatch between their skills and those sought by employers. Although it is normal to take some transition time between education and one's first "post-education" job, if such a period is too stretched out and protracted it can have a long-term negative impact on an individual's future career. Some young people may then be in danger of getting lost in transition with the risk of having permanent scars regarding their future labour market outcomes.

Overview of the policy measures supporting school-to-work transitions

Member states have implemented a number of policies to keep this transition phase as short as possible and limit the danger of the 'scarring' effects of a protracted disengagement from the labour market. There are four major types of policies that intervene at this stage of the pathway to employment: the first category of policies identified under this heading incorporates those which aim at shortening the transition phase by improving public services available for young job seekers. They aim at simplifying service delivery, e.g. through the set-up of one-stop-shops for young job seekers, or guarantee a job/study placement or other activation measures within a shortened time period. The second category includes policies aimed at offering information and guidance to young people in order to make informed career choices. The third category includes policies that provide young people with work-experience opportunities and skill development to smooth the transition between education and the "first job". Finally, the fourth category includes policies that aim at fostering self-employment among young people by providing training or seed/start-up funding in order to support young people in their entrepreneurial dream.

Improving service delivery

An important measure to simplify the provision of services to youth is the establishment of one-stop-shop services, which address the diverse needs of young people in a single agency. Such centralised provision is for example implemented in the pilot ‘Navigator Centres’ (Sweden) which focus on the 'hardest to reach' young people. In Austria, ‘Project Future Youth’ (Aktion Zukunft Jugend) could also be categorised as a youth guarantee as it aims to decrease unemployment among 19-24-year-olds by providing every person of that age group who has registered with the PES with a qualification measure or employment within six months of registering.

Provision of information, guidance and counselling

Career counselling helps young people to better understand their expectations and options in the labour market and to match job-search efforts with available vacancies. It enables them to find out about study opportunities and it gives them better knowledge about the job-seeking process, as it can provide advice on how to behave in interviews or how to write CVs and motivational letters. Some of these guidance and counselling services are offered within the school environment. In Portugal, guidance provided within schools is intended to accompany the student along his/her school journey, providing support in the identification of interests and skills, intervening in case of difficulties, facilitating the development of the young person's personal identity and helping him/her to build a life project. However, the provision of information, advice and guidance does not necessarily have to be carried out by schools. In Luxembourg for example, there are several measures undertaken mainly by the public employment service and the ‘Local Action for Young People’ (Action Locale pour Jeunes). This aims to motivate all students to begin planning their professional development well before they leave school and to introduce them to possibilities as well as practicalities of their future professional lives.

Job-search assistance is the focus of measures in Bulgaria, the Czech Republic, Ireland, Latvia and Sweden, among others. This type of support can be offered in person or by electronic means. The Irish state training and employment agency (FÁS) provides guidance and resources for jobseekers, with access to job vacancies, online CV profiling for employers from all over Europe, and CV-to-job matching. The provision of information and advice can also take place via websites and web-based tools, which is an effective way of bringing together a wide variety of information and reaching out to large numbers of young people at low cost. An example is the Latvian education and career portal www.prakse.lv, which brings together young people, employers and education institutions.

Finally, other preparatory-type measures bring school pupils together with potential employers. In Estonia, Greece, Lithuania and Slovenia career days and employment fairs are considered particularly important to
provide pupils with information on the different opportunities in the labour market and thereby help them make a more informed decision regarding their future. In Austria, rather than holding events within schools, an alternative approach is to hold ‘job-practical days’ during which young people are given the opportunity to visit companies providing apprenticeship opportunities or vocational and higher schools.

**Work-experience opportunities and skills development**

Another type of measure that can help young people make decisions about their future career and develop useful skills for the labour market is the provision of work experience opportunities. These measures give students an insight into working life and enable them to learn by doing. Fundamentally, these measures provide young people with practical experience. In the Netherlands, ‘learn-work jobs’ are offered by recognised ‘learning companies’ where young people can gain experience while receiving a salary. The programme is administered via a website (www.stagemarkt.nl) where learning companies need to have a clear profile, so students can consciously choose the job that fits their needs. In this way vacancies are also filled more quickly.

Some countries aim to tackle the very core of the problem of school-to-work transitions by identifying and addressing other reasons why employers do not recruit young people who have recently completed their educational trajectories. This approach seems to be more common among Eastern European countries. For example, in Poland and Estonia the approach taken is to improve the provision of vocational training. In Romania, the ‘Transition from School to Active Life’ scheme aims to increase the employability of individuals while they are still in VET by supporting them to develop practical skills and work habits. Moreover, some measures focus on ensuring that the skills and competences young people develop, and the information and guidance they receive, actively help them towards employment in sectors where there is a demand for workers. For example in the Netherlands, the ‘XXL Jobs’ initiative offers young people jobs in sectors where the departure of older people will lead to a shortage of skills and knowledge. The aim is for older employees to transfer their skills to the young people and for the young people to receive strong guidance in their transition to the labour market.

**Entrepreneurship support**

Finally, some countries (e.g. Bulgaria, Cyprus, Greece, Italy, Romania, Slovenia, Spain and Slovakia) have introduced specific measures to promote youth entrepreneurship and self-employment. Young people willing to set up their own businesses are provided with special services in order to promote alternative routes into the labour market. For example, in Greece special ‘youth entrepreneurship support structures’ have been established to provide consultancy services to young people interested in entrepreneurship and in setting up their own business, where they can also avail themselves of counselling provided by a network of collaborating professionals. In Cyprus and Slovakia young people are offered grants to promote their integration in the labour market through entrepreneurship.

**Strengths and weaknesses of policies aimed at supporting school-to-work transitions**

There are a wide number of policies supporting the school-to-work transition of young people. Most policies either aim to keep the transition phase short by improving public services for young job seekers, providing information and guidance to young people in order to make informed career choices or smoothing the transition through the provision of work experience opportunities. The main strength of such measures is that they help to shorten the time spent outside the labour market and therewith reduce the risk of ‘scarring effects’ or ‘wage penalties’. Programmes that provide information, advice and guidance are good to enable young people to make informed career choices and often encourage them to plan their career from very early on. Specialised job-seeking assistance services can be especially useful for young people who don’t know how to tackle the next step of getting their ‘first job’. Equally, work-experience opportunities can be an important way to find out what career a young person wants to pursue.

All these policies risk being more appropriate for those who are ready to work. They could be described as aiming to reduce inefficiencies in terms of matching employees with employers. Those who might easily be overlooked in the process are those groups termed ‘hard-to-reach’. Moreover, the success of such initiatives may often depend on other public policies in place and on the macroeconomic situation. Specific criticism has also been raised by social partners pledging for even shorter waiting periods and faster processes – in the case of youth guarantees, for example. An important criticism of such measures may be that they tempt public employment services to provide quick fixes rather than long-term solutions. Rather than encouraging the transition to the ‘right place’, they might enforce the transition ‘somewhere’. Greater emphasis should be put on up-skilling and training rather than providing young people with any job, which might be of little advantage for their long-term development.
Type of policy

Strengths of such policies in Europe

Weakness of such policies in Europe

Improving service delivery and youth guarantees

‘Force’ PES to focus on young people.
Provide a one-stop-shop and bundle different agencies relevant to the needs of young people.
Encourage immediate action to address youth unemployment, before disengagement ‘sets in’.
Avoid long-term consequences or ‘scarring’ effects of youth unemployment.
Particularly effective for young people who are work-ready.

Money not always attached to youth guarantees, thus impact can be minimal (significant variation across countries).
Success of PES depends quite strongly on other public policies (e.g. availability of student places) and broader labour market situation in the country.
Social partners think that even the new shorter waiting periods are too long – PES should have an obligation to help a young jobseeker as soon as s/he is registered.
Less effective for hard-to-reach groups, who may require cooperation between social and health services.
Short-term solution: does not solve structural problems.

Information, advice and guidance

Enable young people to plan their careers from the outset and make informed career choices, therewith reducing later dropouts and dissatisfaction.
May go beyond career issues to look at personal and social barriers to participation.
Can bring together employers and young people.
Provisions can be too thinly spread (not available to all young people, especially during an economic downturn).
Only appropriate for those who are most work-ready.

Providing work experience and skills development

Smooth the transition between education and employment.
Enable young people to make more informed choices about their future career by providing them with hands-on experience.
Equipping young people with practical skills relevant to future employment.
Can often give only a short glimpse of the world of ‘real work’.
May lead to adverse effects with employers relying on cheap labour rather than hiring people for more permanent positions.
Promoting alternative routes to the labour market, also fostering youth entrepreneurship and self-employment
Provide young people with a ‘foothold’ on the labour market and with valuable work experience.
Can be relatively low cost.
Success depends quite strongly on other public policies (e.g. additional support/training offer) and/or the broader labour market situation in the country (e.g. whether employers are able to offer jobs/whether the business environment is favourable).

Figure 6 – Strengths and weaknesses of policies aimed at supporting school-to-work transitions

Fostering employability of young people
Closely linked to the previously presented measures, which smooth the transition from education to employment, are measures aiming to foster the employability of young people. Sometimes it is not lack of information or guidance that prevents one from making informed career decisions, but rather, the lack of qualities, attitudes, skills or competences important to the employer which prohibit young people from finding employment (Eurofound 2012b). Employers frequently state their problems in filling vacancies due to the lack of skilled workers because of skill mismatches. These skills can be either formal skills relevant to the attempted profession or more general basic and soft skills.

Overview of the policy measures fostering employability

For those cases in which young people have problems finding employment due to the absence of such skills, member states have developed a number of policies to help them develop these capabilities. Most policies identified aim to improve employability in specified training programs: this can be vocational training, work experience gained during internships or specific skills acquired through dedicated training courses. Emphasis is also placed on providing skills which are required in the current labour market and recognised by employers in a way which combines classroom-based education with ‘real life’ work experience, since a common critique of traditional forms of education is that they do not necessarily equip young people with the skills sought after in the labour markets.

Apprenticeships and vocational trainings

Apprenticeships and other dual education training schemes appear to be an efficient tool to foster employability as they successfully equip young people with relevant work experience and specialised skills in high demand by the labour market. This is especially valuable as lack of work experience and practical knowledge often hinders young people in finding their first employment after education. Indeed, apprenticeship schemes have proved to be an extremely successful measure to smooth the transition into work for young people. During the crisis, the so-called ‘apprenticeship countries’ (Austria and Germany) managed to keep their youth unemployment down (OECD, 2010) and several European member states have recently implemented or strengthened their apprenticeship programmes. In Germany, a successful apprenticeship system has been in place for decades and is continuously adjusted in order to respond to the latest labour market developments. In Italy, a new scheme of ‘Higher-level Apprenticeships’ was introduced in 2003. The scheme links apprenticeships to the educational system, enabling young people (aged 18-29) to gain higher-level qualifications (upper secondary and tertiary education) by combining training and paid employment. Moreover, the apprenticeship contract is a paid labour contract, and apprentices enjoy the protection afforded by normal contracts, such as pension contributions, holidays and social assistance.

Apart from representing an opportunity to take one’s first steps in the labour market and acquire relevant working experience, many initiatives promoting youth employability focus on the acquisition of those skills most sought after by employers. In Ireland, for example, the ‘Vocational Training Opportunities Scheme’ works with the long-term unemployed and aims to prepare them for employment or other learning opportunities leading to paid employment. As one of the target groups of this provision is the low-skilled youth aged over 21, the scheme helps participants improve their general level of education, gain certifications and develop their skills. They also prepare for employment, self-employment and further education and training through a range of education-led, vocationally-oriented and progression-focused second-chance learning opportunities. The courses are full-time and range from basic education and training to more advanced vocational training.

Training courses

Training courses can equally help young people improve their employability – even if they are provided for a shorter timeframe. Many of these training courses have a practical or vocational focus, or they prioritise the crosscutting skills valued by employers. In Malta for example, short courses and training programmes are offered as part of the ‘I CAN Employability Programme’.

In addition to proving relevant content, it is important for these training schemes to provide flexible solutions both in terms of practical aspects such as the timing and location of the training and the mode of delivery. For example, breaking a course down into smaller units or modules can present a more flexible opportunity for early school leavers, who may only need to fill in certain knowledge gaps rather than taking a full course. This approach is used in Germany, which introduced training modules in the vocational training context. Some countries offer financial support to individuals wishing to undertake training. In Italy, for example, some of the regions allocate individual funds called ‘endowments’ as an incentive to training. Beneficiaries can use these funds only if they undergo reintegration programmes, which are managed and designed by acknowledged institutions.

Internships
Internships are a good opportunity for young people to improve their employability. In fact, when properly designed and used, such placements can give young people the chance to develop practical skills and to become accustomed to the work environment, as well as to gain valuable experience in their chosen career. Several countries have recognised this and have developed recent initiatives focusing on internships. In Denmark, for example, it was recognised that the number of available places had fallen since the economic downturn and additional funding was allocated to maintain and create internship places. Some internship initiatives are specifically designed for those with tertiary education and promote employability via a partnership with private companies as well as NGOs. In Sweden, the ‘Young Potentials Programme (YPP)’ is a collaboration between some of Sweden’s largest companies and the Swedish Public Employment Service and offers 1,000 academics aged 25-29 internships lasting three to six months in companies such as IKEA or Telia Sonera, followed by one month of work experience in an NGO.

Despite internships having the great potential of providing valuable work experience, it is important to acknowledge that there are also risks associated with them. In France, for example, there is growing concern for the so-called ‘internship generation’ of young people who have completed several internships and cannot find their way into paid employment. The risk associated with internships is that employers can use them to replace a paid, possibly permanent position and thus reduce the number of paid opportunities available to other jobseekers on the labour market. This is of particular concern for young people who do not have the financial means to take on unpaid placements and are in need of paid work opportunities. Therefore, it is also important that any work experience or internship measures are well structured and monitored, to ensure that young people are able to achieve the intended learning outcomes. Despite these risks, well-organised internships enable young people to gain valuable experience in their chosen career.

Strengths and weaknesses of policies aimed at supporting employability of youth

Skill mismatches, a lack of ‘transversal’ competences or a lack of work experience can hinder the capability of youth to find adequate, stable employment. Measures to foster employability are designed to support young people to improve their employability, either by acquiring specific vocational skills through work-based learning, or by improving their general level of education and skills in preparation for employment.

Vocational training, work-based training programmes and internships have the benefit of equipping young people with a skillset that is relevant to employers and therefore address skill mismatch issues. Additionally, they provide young people with work experience, which decreases their labour market disadvantage in comparison to older workers. Especially successful vocational training programmes offer a combination of theoretical and practical learning. While some countries display a strong system of apprenticeships, which is often linked to the low level of youth unemployment, others still need to see a cultural shift towards such best practice models. It is especially important to make vocational training accessible to those with personal, social or learning difficulties.

A weakness of work-based learning programmes is that they can be more costly than school-based learning. They require the “buy in” of employers and employer organisations, which might be especially difficult given the costs attached to them. However, it is crucial that such policies are provided and supported by employers. Moreover, vocational training programmes are only suitable for those with a reasonable level of education and motivation and might be less suited to those with complex needs or with a longer distance from the pathway to employment.

Training in basic skills or programmes to reach formal qualifications can often offer an important element to increase young people’s chances in the labour market by increasing their self-confidence and providing them with a second chance on the pathway to employment. It should be emphasized, however, that longer training programmes are proven to have more positive effects on employment than shorter ones. Finally, although internships can provide valuable work experience, they pose a risk of creating an ‘internship generation’ participating in successive internships without using them as a stepping-stone for more permanent employment. They should therefore be regulated and monitored to assure positive learning outcomes.

<table>
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<tr>
<th>Type of policy</th>
<th>Strengths of such policies</th>
<th>Weakness of such policies</th>
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<tr>
<td>Work-based learning/vocational training</td>
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Ensure that young people are acquiring skills relevant to the labour market and reduce skills mismatch. Enable employers to assess the competences of young workers and for some learners may lead to employment with the employer after their training has been completed. May require a ‘culture change’ in countries where dual training is not currently embedded in the education/training system. Can be difficult to engage enough employers as such measures are costly to them. Training in basic skills, competences and qualifications required by employers. Provide a second chance to return to learning and move a step forward on the ‘pathway to employment’. Can also generate soft outcomes such as increased self-confidence. Benefits in terms of employment outcomes may not be evident in the short-term.

Internships
Enable young people to develop practical skills and become accustomed to a work environment. Can be used in place of paid, permanent positions. May reduce the number of ‘real’ jobs available. Only suitable for those who can afford to take unpaid or low paid internships.

Figure 7 – Strengths and weaknesses of policies aimed at policy measures fostering employability

Removing practical and logistical barriers
The final stage along the pathway to employment is to remove barriers for those in need of special support. Some people might require additional support due to disability or being exposed to multiple disadvantages. Others require additional support due to caring responsibilities, a simple lack of language skills or migrant background. Removing these barriers is therefore an important step in supporting these young people in their (re)integration into education and training, as well as employment. Additionally, as all young people face the shared barrier of lack of work experience, employer incentives to hire youth can help increase the demand for young people’s skills and knowledge.

Overview of policy measures addressing specific disadvantages
Policies intervening at this stage of the pathway to employment target these specific groups and are best described as removing practical and logistical barriers to employment. They can be as diverse as supporting young people financially to reach their employment location or offering specific training for young people with disabilities. Another way to remove barriers is to incentivise employers to employ young, and often less experienced, employees. This can be done in the form of lowered wages or other subsidised employment measures.

Addressing special support needs
Some young people have complex support needs and in addition to lacking work experience or qualifications, can face a range of other practical and logistical barriers to taking up employment or further education/training opportunities. Young people with disabilities may require specific initiatives not only in terms of additional support (for example alternative provision of training) but also to access their study or workplace. In Latvia, for example, the ‘e-learning initiative’ run by the state employment agency (NVA) offers training to the employed in general but more specifically to people with disabilities. In Malta, the ‘Pathway to Independent Living’ programme is provided for students with mild to moderate disabilities and learning difficulties. Its objective is to support students to acquire the skills required to gain and maintain employment. In Austria, the ‘IBA’ programme was introduced to offer young people facing particular learning and integration challenges the opportunity to complete accredited apprenticeship training over a longer period of time or to follow partially accredited curricula in a workplace setting. Among its target groups, the programme also includes pupils with disabilities and those needing particular socio-pedagogical assistance.

Some schemes aim to adapt the existing workplace or training environment, rather than offering alternative measures. In Austria, the ‘Managing Diversity’ project is intended to integrate disadvantaged young people from migrant backgrounds into measures run by the PES or into employment, by improving the accessibility for the young person (for instance, by providing information in several languages, taking into account family context, providing companies with support about diversity issues). A number of countries have recognised that language difficulties can present a barrier to employment or to further progression in education/training. Language support measures are introduced in Bulgaria, Cyprus, Greece, Italy, Malta, Portugal and Sweden as...
an important means to remove barriers to employment for migrants and minorities. In Bulgaria, for example, there is a national literacy programme aimed at the minority Roma community while in other countries (for instance, Cyprus, Italy, Malta, Portugal, Sweden), great focus is put on migrants.

In a small number of countries, measures have been implemented to take account of the difficulties faced by those with caring responsibilities to commit to a full-time job or training course. However, these measures often focus on people of all ages and not specifically on youth. Childcare support is offered in Cyprus, Hungary, Ireland, Poland, Portugal and the UK. These schemes range from general measures to more targeted ones focusing on people who are taking part in certain training courses or on groups who are identified as being more in need (for instance, single parents). In Malta for example, a subsidy of €1.50 per hour on childcare services is offered specifically to individuals participating in training offered by the PES. Targeted approaches are also taken in Poland, where childcare costs are refunded for single parents, and in the UK, where childcare is offered to young parents who are participating in education.

**Facilitating mobility and financial support**

Some jobseekers may not be able to access training or employment opportunities as travel may be too costly, or the venues simply too far away to travel on a daily basis. For this reason, some measures aim to reduce this geographical mismatch and facilitate greater mobility of young people by providing mobility grants or accommodation support. However, these measures tend to apply to jobseekers as a whole and are not focused specifically on young people. In Bulgaria for example, the ‘Close to work’ measure (2011-2013) covered the total travel costs of newly employed people for 12 months, when their place of residence was more than 80 km from their workplace.

This mobility support might be intended to pay for a specific cost (as in financial support to pay for transport or accommodation costs) or may be a grant or allowance intended to cover the cost of living while participating in a certain learning opportunity. These measures specifically tend to target young people. In Germany, for instance, young people with disabilities can access a training allowance (Ausbildungsgeld) if they have not previously taken part in vocational training or in a scheme preparing them for vocational training, or been employed in a workshop for the disabled. In France, young people who have completed their training are provided with financial support and may apply for a rent allowance. Measures providing direct financial support to employers were identified in the Netherlands, Luxembourg and Norway. They focus on facilitating the employment of young people with disabilities. In the Netherlands, for example, there are fiscal provisions in place supporting employers who have to make arrangements in order to employ disabled youth.

**Employer incentives and subsidies**

A key barrier to employment faced by many young people is lack of work experience. Thus, faced with high levels of youth unemployment, some countries have chosen to implement measures that can stimulate demand for young employees, apprentices or trainees, such as subsidised jobs or reductions in social security contributions for employers. The key rationale behind these measures is to increase the demand for young employees in order to give young people a foothold in the labour market. This enables them to acquire valuable experience to complement their educational achievements and skills and will help them in their future career.

Employer incentives can be positive as well as negative. For example, in France, rather than providing subsidies to employers, employers are required to pay a fee if they do not hire a certain quota of apprentices. In Hungary, instead, people entering the labour market get a ‘start card’ with two years’ validity (one year for tertiary education graduates) and employers hiring people with a start card pay a lower social security contribution. In Romania, for example, employers hiring a graduate with an open-end contract do not pay unemployment insurance contributions for that employee for 12 months. Additionally, if the graduate is disabled the waiver period is extended to 18 months. Some subsidised employment measures are targeted at specific groups. In Denmark for instance, there are several initiatives focused on higher education graduates. In Malta, the ‘Employment Aid Programme’ targets disadvantaged and disabled persons. Some of these initiatives are aimed only at hard-to-reach groups. In Sweden for example, the ‘New-start Job’ scheme aims to increase the opportunities available for those groups who are most detached from the labour market, including the long-term unemployed, young people and immigrants. Employers willing to hire people from the target groups are not required to pay social security contributions or payroll tax for new recruits below the age of 26 for a maximum of one year.

**Strengths and weaknesses of policies aimed at removing practical and logistical barriers**

This category of policy measures includes policies that compensate young people for their specific disadvantages. It comprises three types of policy measures: those designed to remove practical and logistical barriers for young people with special support needs, those that facilitate mobility and those designed to provide subsidies to employers hiring young people.
A clear strength of the first type of policies is that they compensate young people for specific disadvantages some of them face. Due to the fact that they have an element of tailored training and other support needs, they can reduce the risk of social exclusion. This is also relevant for our societies and economies given the costs attached to social exclusion. However, these tailored policies can often be costly and rely heavily – as do all non-standard approaches to education – on being recognised by potential employers. Mobility measures compensate young people financially if their jobs or training schemes require greater mobility. These measures are especially helpful for young people from a low-income background.

The strength of providing subsidies to employers is that they break down barriers that young people face when looking to enter the labour market and give them the chance to prove themselves in a real work environment. In this way they are able to acquire greater human capital and enhance their employability. Equally, it may have positive effects on employers by helping them change their attitudes towards employing young people, as they will be motivated by previous positive experiences. Employer incentives are also often seen to be a rather effective measure to integrate young people in the labour market. Nevertheless, there is some criticism attached to such measures. Firstly, employer incentives may be more effective in some member states than in others. It has been shown that in Spain, for example, employment subsidies have limited effects (Rocha, 2010). Secondly, such measures entail potential deadweight or substitution costs. Many of the subsidised jobs would have been filled anyway and the subsidy might not always be beneficial for those who otherwise would not have been hired. Moreover, such measures have come under criticism as providing the opportunity to exploit young people as cheap labour. Rather than being the stepping stone for a more stable employment situation, some employers might provide subsidised positions rather than creating ‘real jobs’. Therefore, great attention has to be paid to policy design in order to prevent such adverse effects.

**Type of policy**

**Strengths of such policies in Europe**

**Weakness of such policies in Europe**

| Policies addressing special support needs | Take account of the specific learning or logistic needs of the young person, e.g. disability, caring responsibilities etc. |
| Can be more costly. | May not be recognised or valued by all employers. |
| Facilitating mobility | Employment subsidies have limited effects. |
| Decreases geographical mismatches. | Such measures entail potential deadweight or substitution costs. |
| Especially valuable for young people from a low-income background. | Many of the subsidised jobs would have been filled anyway and the subsidy might not always be beneficial for those who otherwise would not have been hired. |
| Can be more costly. | Moreover, such measures have come under criticism as providing the opportunity to exploit young people as cheap labour. |
| Wage subsidies/Apprenticeship subsidies and incentives | Rather than being the stepping stone for a more stable employment situation, some employers might provide subsidised positions rather than creating ‘real jobs’. |

**Encourage employers to take on young people – and in doing so may help change employers’ attitudes towards hiring young people.**

**Enable participants to gain valuable work experience rather than being unemployed.**

**Risk of deadweight/displacement effects – a significant share of employers would have hired the young person anyway.**

**Wage subsidy schemes ‘exploited’ by some companies/chains.**

**Measures targeted at favouring the employability of discouraged workers**

**Encourage employers to hire youth that might not have been hired otherwise.**

**They provide valuable working opportunities for young people, contributing to boost their confidence and fight disengagement.**

**Risk of deadweight/displacement effects are possible.**
Lessons learned and characteristics of good practices

While governments have been very active in promoting policies for re-engaging young people into the labour market or education, the remaining issue is the extent to which these measures are effective, how well they perform in meeting their target and what the strengths and weaknesses of different approaches are. Evaluation of the effectiveness of policy measures is crucial and constitutes an essential input for the policy-making process. This is especially true in times of austerity when available resources are diminishing. The absence of formal evaluation or the lack of measurable targets in many of the analysed cases calls for better monitoring and evaluation of employment measures – going beyond data collection of the outputs and looking at the broader outcomes and impacts of the measures, in terms of effectiveness and value-for-money, in order to inform policy-making in this area in the future.

As they intervene at different stages of the pathway to employment, policy measures implemented by member states to re-engage young people into the labour market and education are extremely diverse in the range of aims, objectives and activities. Nevertheless, a number of lessons can be identified concerning good practices of policy design and implementation:

· Firstly, in the design and implementation of youth employment measures it is essential to take the beneficiaries’ labour market readiness into consideration. Whilst it is important for measures to be grounded strongly in the needs of the labour market, it is also necessary to bear in mind that young people vary in their level of readiness for the labour market and person-specific labour market barriers need to be addressed before young people can be guided onto a pathway to employment.

· This goes hand in hand with the need to set young people on a long-term, sustainable pathway. For example, while some measures for young people might achieve positive results in the short-term, these may not lead to positive outcomes in the longer-term. Consequently there is a growing consensus around the need to ensure sustainable labour market outcomes for beneficiaries, with the sustainability of outcomes being related not only to the speed of labour market integration but also, importantly, to the quality and stability of employment. Ensuring that young people are equipped with the necessary qualifications for successful labour market integration and/or that they hold vocational and transferable skills sought after by employers is instrumental to a pathway to good quality, sustainable employment.

· The involvement of a range of stakeholders in the design and delivery of youth employment measures, including education and training providers, employers, public employment services, social partners, third sector organisations, health and other authorities, is therefore essential. In particular, measures that focus on fostering their beneficiaries’ employability require a strong level of engagement with employers and their representatives. Engaging employers requires innovative yet persistent efforts on the part of the staff working on measures to promote the ‘business case’ of participation and to establish collaboration which benefits employers, providers and learners alike.

· Successful youth employment measures make use of a range of innovative ways to reach out to their target group(s), with outreach activities making up an important part of the efforts to engage disfranchised young people, while incentives, ‘branding’ and marketing campaigns can be useful in the context of more universal youth employment services.

· Youth employment measures should be client-centred, not provider-focused. This means catering for different pathways, for example, from mainstream learning routes to tailored, supported learning pathways. In this perspective, it is highly important for the staff delivering youth employability and ESL measures to have the right skills and profile to deliver youth services and to provide appropriate support to the beneficiaries. In fact, good quality guidance, which includes both career information and more comprehensive advice and support, is another key ingredient in measures supporting young people’s transition from ‘learning to earning’.

Measures thus need to be flexible in meeting the evolving needs of the labour market, including new skill requirements and demand for services during different stages of the economic cycle. Furthermore, the issues faced by young people can change over time, as the labour market policy context evolves. It is therefore important that there is the willingness and possibility to adapt measures in line with the changes in context.

The European Youth Guarantee

All the categories of policies presented in the previous section, which represent a pathway to employment for young people, are part of the European Youth Guarantee, a new policy framework for reintegrating youth in labour market or in education. The main novelty of the youth guarantee is to put NEETs at the centre of the policy action while promoting a holist approach of better-coordinated policies for youth.
In December 2012, faced with alarmingly high youth unemployment rates, the European Commission proposed the implementation of a Youth Guarantee across all member states (European Commission, 2012). Important drivers behind this proposal were not only the fact that young people were disproportionately affected by unemployment as a result of the 2008 crisis but also the considerably high costs linked to an increase in the proportion of young people not in employment, education or training (NEETs) (Eurofound, 2012; Eurofound, 2014). Putting NEETs at the centre of the policy action and preventing long-term disengagement while fostering labour market integration of young people was at the centre of this Commission proposal of the Youth Guarantee: a holistic approach to reintegrate youth promote youth employability.

Inspired by similar good practice examples from Austria, Finland and Sweden, the Youth Guarantee was set out as a new ‘umbrella policy’ of better and integrated policies for NEETs in Europe which embeds all the various types of initiatives presented in the previous section. On 22nd April 2013, the Council of the European Union issued a Recommendation on establishing a Youth Guarantee, followed by an endorsement at the June 2013 European Council, which specifies:

“The term ‘Youth Guarantee’ refers to a situation in which young people receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education” (Council of the European Union, 2013).

Subsequently EU member states committed to setting up a Youth Guarantee for young people up to the age of 25. To do so, member states designed ‘Youth Guarantee Implementation Plans (YGIP)’, which is the first step for those regions suffering from more than 25% youth unemployment gaining access to EU funding through the dedicated Youth Employment Initiative (YEI). The Youth Guarantee is designed to trigger both short-term interventions providing young people with suitable opportunities as well as mid- to long-term structural reforms aiming to improve improving young people’s school-to-work transitions, not least by modernising employment, social and education services for young people.

**Implementing the European Youth Guarantee at member state level**

Taking on board some of the good practice elements from countries like Austria, Finland and Sweden where the youth guarantee is implemented since the 90s, the Youth Guarantee not just aims to prevent long-term disengaged youth but also to streamline existing youth-centred policies in all EU member states. While not a new approach in some countries, the Youth Guarantee certainly was a novelty at EU level, especially due to the foreseen early intervention and activation with the four-month[1] intervention point ensuring that young people are not left stranded, the combination of immediate actions assisting young people and envisaged long-term reforms in education, training and public employment services as well as personalized and integrated support for young people.

Endorsed by the Council of the European Union Recommendation of April 2013 (Council of the European Union, 2013), the implementation of the Youth Guarantee started in 2014 with the presentation of the national Youth Guarantee Implementation Plans (YGIPs). Taking on board the elements described above, the European Youth Guarantee has now been in place for more than 3 years and has already produced some important results. The European Commission (European Commission, 2016) for example states the following achievements:

- Since January 2014 a total of 14 million young people have entered Youth Guarantee schemes (with the Youth Employment Initiative providing direct support to more than 1.4 million recipients)
- A total of 9 million young people took up a Youth Guarantee offer, the majority being employment offers
- Almost two thirds of young people took up an offer of employment, education, trainee or apprenticeship after participating in the Youth Guarantee.

Although the European Court of Auditors recently highlighted the limitations of the implementation of the Youth Guarantee, (European Court of Auditors, 2017), the above numbers again suggest that in comparison to other major policy reforms in Europe, the Youth Guarantee is certainly one of the most rapidly implemented ones.

Evidence collected during the first years of implementation by Eurofound (2015) as well as in the more recent staff working document from the European Commission (2016) has revealed the following main features and concrete actions taken by member states:

- **Member states adopted different strategies for the implementation**: Due to different institutional set-ups, labour market and structural framework conditions each Member State has adopted its own strategy for the implementation of the Youth Guarantee. Some Member State have chosen a more holistic approach using the Youth Guarantee to improve links between labour market, education and vocational education training (VET) measures, youth policies and social policies more generally, while others have chosen a narrower approach
predominantly focusing on employment policies. Social inclusion aims to ensure that all citizens have the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being considered normal in the society they live in. This concept encompasses, but is not restricted to, social integration and better access to the labour market, as well as equal access to services and benefits. Going beyond employment-focused approaches may offer member states more options for focusing on social inclusion and integration of those young people who are more distant from the labour market. However, Eurofound's review after one year of Youth Guarantee implementation revealed that in some countries a focus had been put on offering opportunities to job-ready youth during early implementation of the programme. Though a pragmatic approach given the high stock of unemployed youth at the time, in the long-run countries need to also focus on bringing disengaged and disadvantaged youth back on track.

- **Stakeholder cooperation:** The Youth Guarantee can be categorised as a public-private-people partnership (Finnish Ministry of Education and Culture, 2012) and accordingly member states have put in place new governance structures in order to overcome the fragmentation of responsibilities on youth policies and to enhance a partnership approach. Although there has been a lot of progress in this field, building and strengthening networks among actors remains an important challenge in some countries.

- **Reaching out to young people:** Participation to the Youth Guarantee typically starts with the registration at the Public Employment Services and an increasing number of countries have invested in online tools and websites specifically targeting young people in order to provide an entry point as well as a useful tool for attracting young people and compiling information on available measures, vacancies and jobseekers. Again, progress has been made here but some groups have been notoriously hard to reach, a continuous challenge for the authorities involved.

In order to implement the Youth Guarantee several concrete measures have been put in place by member states.

Besides concrete actions it is also crucial to consider the combined efforts which have taken place at Member State levels with the European Commission recognising that the Youth Guarantee has been an important driver not just for structural reforms but also for innovation in youth-centred policies. In this respect, the European Commission notes that “the Youth Guarantee acted as a powerful policy driver” and “was instrumental in supporting policy reform” (2016, p.18).[3]

**Persisting barriers for effective Youth Guarantee implementation**

The implementation of the Youth Guarantee is generally well on the way but more than 3 years after its birth a range of barriers for effective Youth Guarantee implementation continue to persist. As noted by Eurofound (2015), especially during the first year of implementation constraints mainly resulted from (a) establishing effective partnerships among labour market actors, educational providers and social partners; (b) limited funding as well as (c) limited absorption capacity of the labour market and the training system.

**Establishing effective partnerships** among labour market actors, educational providers and social partners is a key for ensuring the success of the Youth Guarantee. In the countries with long established Youth Guarantee Schemes major efforts have been made to include as broad a partnership as possible. In the Finnish case for example the driving force behind the Youth Guarantee is the cooperation model, which reduced the barriers between administrations to operate together to combat youth unemployment. Stakeholder cooperation in both design and delivery is considered essential for implementing effective policies to combat youth unemployment. The Irish Ballymun pilot project (European Commission, 2015c) for instance, frequently referred to as a good practice example of early Youth Guarantee implementation, owes part of its success to bringing together, in an effective way, a broad range of different stakeholders (i.e. public employment services, employers and trade union representatives, education and training providers, local government, local development and youth organisations) in delivering the Youth Guarantee. Many member states cooperate with a range of stakeholders to ensure effective delivery of the Youth Guarantee. However, building effective partnerships may take time to be established and during early implementation it was noted that in most countries social partners and youth organisations have only been involved to a very limited degree in Youth Guarantee design and delivery. Building effective partnership among all stakeholders, labour market actors, educational providers and youth organisations is key to a successful implementation of the Youth Guarantee.

In times of austerity and budget constraints many member states are struggling in order to find necessary resources to fully implement the Youth Guarantee programme. Funding of the Youth Guarantee is regulated through the Youth Employment Initiative (YEI) and in total €6.4 billion is dedicated to the Youth Guarantee Scheme between 2014-2020. While it is difficult to estimate how much setting up a Youth Guarantee Scheme actually costs in each Member State, the European Commission believes that the benefits are much higher than the costs associated with this policy provision. The European Commission also emphasises that not
all measures under the Youth Guarantee framework are expensive. However a Eurofound report estimates that an additional €50 billion would be necessary to ensure that all European NEETs receive an intervention (Eurofound, 2015). In this light, member states may need to top up YEI funding with national resources in addition to what they have already committed under the Youth Guarantee framework. This will be mostly important in order to finance necessary structural reforms in their Public Employment Services and education provisions.

Moreover, a sufficient absorption capacity in the education system and the labour market is essential. A necessary condition for successful Youth Guarantee implementation is that the education and training systems, as well as the labour market, are able to absorb young NEETs. For the time being, in many member states education and training systems are not adapted to offer an opportunity for every young person due to the size of the cohort of young unemployed and NEETs as well as the gap between the labour demand expressed by companies and the ability of the VET system to respond satisfactorily. Moreover, the absorption capacity of employers to provide jobs and training places (such as apprenticeships) for young people may be equally limited. In many European countries, a culture of apprenticeships and dual trajectories and even internships still needs to be fully developed, including Sweden, a country with a weak track record in these areas. Under the Youth Guarantee framework, the majority of member states focus on making dual VET pathways a reality, but implementing a well-functioning apprenticeship system also requires a mentality change for education providers and employers as well as strong partnerships among them.

Furthermore, providing young people with good quality, sustainable opportunities under the Guarantee framework is central to the success of this new policy approach and several stakeholders have repeatedly expressed their concerns about the quality dimension of offers. For now, in the majority of MS, the Guarantee resembles a ‘guarantee of opportunity’ (ensuring that all young people will receive an offer within the four months) rather than a “guarantee of outcome” (the re-entry of youth into the labour market). Moving the target from opportunity to outcome would be a valuable extension of the current Guarantee in the long run. Strengthening this quality dimension and providing sustainable training and/or employment opportunities for young people is a much more effective means of reintegrating youth within the labour market.

Other barriers mentioned by assessments of Youth Guarantee progress reveal (European Commission 2016) that besides the issue of providing good quality offers, barriers in reaching out to and successfully engaging non-registered NEETs, by definition a hard-to-reach target group, as well as low-skilled young people persist. While member states have made considerable efforts in identifying, reaching out to and engaging these two particular groups of beneficiaries, a lack of update suggests that those subject to the most vulnerable situations remain under-represented among Youth Guarantee beneficiaries.

Conclusions

Given the extent of youth unemployment, there is a renewed sense of urgency for a better understanding of the problem and for immediate interventions aimed at promoting youth employment and at preventing the disengagement of youth from our societies. In this context, with traditional indicators for labour market participation displaying limited relevance for youth, the concept of NEETs, young people Not in Employment, Education and Training, entered the policy arena. It is meant to better describe and analyse the vulnerability of young people.

While from a statistical point of view NEETs are very easy to capture, they represent a heterogeneous population which include vulnerable and non-vulnerable subgroups with different characteristics and needs. However, despite this heterogeneity, young people who are NEETs share some common and fundamental characteristics: they are all in a status in which they do not accumulate human capital through formal channels, they are more likely to cumulate several disadvantages and more likely to experience future poor employment outcomes. As the risk factors that increase the chances of becoming NEET are often a combination of personal, economic and social factors, NEET can be in many cases described as both an outcome and defining characteristic of the disadvantaged youth who are at a much greater risk of social exclusion.

Fostered by increasingly high youth unemployment rates and the economic and societal consequences associated with NEETs status, there is a renovated sense of urgency to develop and implement policies to bring young people (back) into employment, education or training across Europe. As a consequence, in recent years European Union member states have been more actively engaged in designing and implementing policy measures aimed at increasing the employability and promoting higher employment participation of young people.

Yet, the use of the concept of NEET for policymaking is not unproblematic, mainly due to its limitations grounded in its heterogeneity. On the one hand, the use of a concept like NEET attracts attention to young people’s problems and the multi-faceted nature of their disadvantage. It helps to call policymakers’ attention to all
patterns of vulnerability of young people, integrating particular sub-groups such as young mothers and those with disabilities under one framework rather than further marginalizing them by the use of the traditional label “inactive”. On the other hand, the heterogeneity of the NEET group has crucial implications for the policy response: as the concept includes different groups who might have different needs, but who are characterised by common vulnerabilities, governments and Social Partners are right to set overall targets to reduce the overall level of NEET, but they must set their interventions by disaggregating the NEET category. In order to effectively reintegrate NEETs, the different needs and characteristics of the various subgroups have to be taken into account as there will be no one-size-fits-all policy solution. Only a tailored approach for different subgroups has the potential to effectively and successfully reintegrate NEETs into labour market and education.

In this context, following a productivist approach, member states have correctly diversified their initiatives along the different characteristics of the NEETs sub-groups, paying attention especially to those vulnerable groups who are more likely to cumulate disadvantages and being excluded from the labour market. These policies often intervene at different points along a process that can be described as “pathway to employment”, which describes young people’s pathway through formal education and their transition into the labour market and employment. In particular, they aim to prevent early school leaving or reintegrate early school leavers, facilitate the transition from school to work, increase the employability of young people or remove practical and logistical barriers for those young people with more complex needs. As they intervene at different stages of the pathway to employment, the policy measures implemented by member states to re-engage young people into labour market and education are extremely diverse in the range of aims, objectives and activities.

All these different types of policies are part of the European Youth Guarantee which is a holistic policy approach that aims at providing to all young people an opportunity of work, education or training within four months since becoming unemployed or finishing education. The youth guarantee calls from better and coordinated policies for youth in order to optimize the match between the needs of the young job seekers and the intervention, which should be the provision of the opportunity that should be the one with the greater likelihood to succeed. However, the provision of this tailored and targeted approach is based on well-functioning public employment services and good partnership among labour market actors, educational providers and social partners. For this reason, given the challenges that some member states have to face in order to implement such a complex policy framework, in some countries it resembles a Copernican revolution in youth policies which will take time to fully deliver its promises.

Finally, while governments have been very active in promoting policies for re-engaging young people into labour market or education, questions remain about how effective these measures are, how good they perform in meeting their targets and what strengths and weaknesses of different approaches are. Evaluation of the effectiveness of policy measures is crucial and it constitutes an essential input for the policy making process. This is especially true in times of austerity when available resources are diminishing. The absences of formal evaluation or the lack of measurable targets in many of the analysed cases calls for better monitoring and evaluation of employment measures to inform policy-making in this area in the future.

However, now is the crucial time to act. Not only for the future of 14 million young people not in employment, education or training, but for the future of all of us.

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End notes

[1] This is the general reference point but Austria, Finland, Sweden, Denmark and the Netherlands decided to deliver an offer in a shorter time period and in the case of Hungary and two Belgian regions longer time limits may apply to specific groups of young people (European Commission, 2016).

[2] The European Commission divides member states into three groups regarding their reform activity as part of the Youth Guarantee effort: (1) those who underwent accelerated reform (BE, BG, FR, HR, HU, IT, LT, LV, PL, PT, SI), (2) those who reinforced the national policy framework (AT, DE, DK, EE, FI, IE, LU, MT, NL, SE, UK) and (3) those subject to more limited reform (CY, CZ, EL, ES, RO, SK).

[3] More than 130 labour market reforms targeting youth were adopted between 2013 and 2015 in the EU, again illustrating the policy focus on the youth employment issue.