

FACTORS INFLUENCING EMPLOYABILITY OF NEETS 25+ IN SELECTED EUROPEAN COUNTRIES

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Abstract

People not in employment, education or training (NEETs), especially those between 18 and 30 years of age belong to the most endangered group on the labour market due to the lack of work and social experience. This paper presents results of an international research focused on a specific and very little examined group of NEETs between 25 and 30 years. Firstly, it brings a comparison of the NEETs25+ situation in 13 European countries (Austria, Bulgaria, Czech Republic, Finland, Greece, Hungary, Iceland, Malta, Norway, Poland, Romania, Slovakia and Spain) based on the statistical data analysis and qualitative data from individual countries. Secondly, a discussion on factors influencing the situation of NEETs is presented. The paper concludes with a division of the researched countries into three groups based on main identified factors influencing the NEETs rate. Findings presented in this paper were made within an international research project 'Lost Millennials - Transnational Research Network for the Evaluation of Initiatives Targeting 25+ NEETs' supported by the EEA and Norway Grants Fund for Youth Employment.

Keywords: NEETS, international research, employment.

1 INTRODUCTION

Various groups of people can be defined across the society. Based on the activity on the labour market several target groups can be defined. This contribution focuses on a specific target group called NEETs 25+. The term NEET is an abbreviation referring to a group of people on the labour market who are not in employment, education nor training. Although the term NEET is not understood the same way by all authors, it generally addresses a group of young people, usually between 18 and 30 years old who are not active on the labour market. While the age group between 18 and 25 years is well researched and described, the target group of NEETs between 25 and 30 is often neglected. This paper focuses on the target group of NEETs of 25 years and older, sometimes referred to as "lost millennials". This target group can be considered as one of the most endangered on the labour market, yet very little researched.

The situation of young people in the labour market and their current role in society is addressed among others by Sparreboom & Shahnaz [1], Rizwan Ahmad [2], Marelli, Choudhry, & Signorelli [3], and the European Training Foundation [4].

This paper brings our findings from an international research project "Lost Millennials - Transnational Research Network for the Evaluation of Initiatives Targeting 25+ NEETs" supported by the EEA and Norway Grants Fund for Youth Employment. Specifically, this paper presents findings of what factors influencing employability of NEETs 25+ can be derived from the statistics and how the statistics can be (in)accurate.

2 METHODOLOGY

This paper is primarily based on the results of the Lost Millennials project, which mapped the situation of NEETs in selected European countries, namely Austria, Bulgaria, Czech Republic, Finland, Greece, Hungary, Iceland, Malta, Norway, Poland, Romania, Slovakia, and Spain. Desk research data, especially statistics, was analyzed and interpreted. Analysis consists of comparison of statistical data from the selected countries. Specifically, the data from Eurostat are used and interpreted according to selected criteria. Results of the qualitative research carried out within the Lost Millennials project is then used to explain identified differences between clusters of countries.

3 RESULTS

The results of our research are presented in this section in several parts. Firstly, a brief information about the research project is provided. The second part is based on desk research and specifies the NEETs definition and characteristics based on actual state of knowledge. The third part brings partial findings of the Lost Millennials project based on a comparison of this target group situation in selected European countries included in the research.

3.1 Lost Millennials Project

The Lost Millennials project - Transnational Research Network for the Evaluation of Initiatives Targeting 25+ NEETs is a research project funded by Iceland, Liechtenstein and Norway through the EEA and Norway Grants Fund for Youth Employment. The project focuses on commonly neglected group of the so-called generation of millennials, i.e., young people aged between 25 – 29. The primary target group of the Lost Millennials project is researchers, experts in the field of evaluations, youth employment, or labour market inclusion, as well as professionals in governmental and civil society organizations, responsible for the implementation of evaluation of employment initiatives targeting 25+ NEETs or youth in general [5].

The project is implemented by 13 organizations from 13 European countries. The consortium consists of various types of organizations and institutions including universities, research organizations, independent consulting companies, non-profit organizations and regional agencies.

The project's main activities include:

- Building a Community of Knowledge and Practice through know-how exchange and capacity building within and beyond the consortium.
- Creating and Exploring the Common Ground aims to research on development of the rate of 25+ NEETs over time, their distribution among diverse groups in beneficiary countries and across Europe, and the policies which address the problem.
- Mapping of Initiatives and Evaluation Practices focuses on gathering information about both governmental and community-based initiatives targeting 25+ NEETs in the 13 countries included in the consortium together with identification of evaluation practices of those initiatives in different countries.
- Performing Evaluation of Initiatives is another project activity aimed at independent evaluation of selected initiatives or projects targeting 25+ NEETs and thus bringing an independent assessment of their impact.
- Engaging Policy-makers and Practitioners is dedicated to engaging policy-makers and practitioners in order to: 1. Increase the potential of project impact and the use of impact studies among policy-makers. 2. Enhance transnational cooperation on labor market issues of 25+ NEETs.

The Lost Millennials project is implemented from November 2021 till January 2024.

3.2 NEETs

According to Mascherini [6], the term NEET emerged in studies from the UK in the 1980s. It was only in 2010 that a definition of the NEETs and the methodology for an indicator to measure and monitor trends in the NEET population of the EU was adopted by the European Commission Employment Committee (EMCO) to reduce the number of NEETs. Although most interpretations link NEETs to discouragement, unemployment, or exclusion of young people, these characteristics cannot be applied across the board to all NEETs. The NEET group is internally very heterogeneous and differs strongly in its features, reasons for its emergence, degree of vulnerability, and capacity to re-enter the labour market. Basically, the only characteristics which is common is the unemployment. NEETs cover very heterogeneous groups with various characteristics ranging from socially excluded individuals to those who voluntarily decided to stay unemployed.

The broad definition of NEETs implicate that it encompasses a wide group of people with different level of education. Based on Eurostat data and own research Koller, Wolter, Tschank and Vana [7] show that the lower the level of the highest education is the higher is the unemployment rate of the NEETs. Although the situation is different in different countries and labour markets, this statement is generally valid.

Next to the education level, other barriers the NEETs are facing on the labour market can include lack of work experience, health problems, or caring responsibilities [8]. Giret, Guégnard & Joseph [9] point out that transition from school to work is the most critical moment in young people's life, and add other factors

which may influence the possibility to become NEETs. These factors include (except the above mentioned) gender, family background, education of parents, the immigrant experience, and the local context.

Young people aged between 25 and 30 years are often referred to as millennials. This generation is characterized by different work and life values with a constant trend towards leisure values [10]. Mascherini [11] describes 5 types of NEETs according to their vulnerability in the labour market. 'Conventionally unemployed' (both long and short time) represent the largest group. 'Unavailable' NEETs do not actively participate in the labour market due to the family or health reasons. 'Disengaged' people do not have any obstacles to participate in the labour market but typically are demotivated and lead undirected lifestyle. 'Opportunity seekers' are looking for a job or education but are waiting for a good opportunity. The last group called 'voluntary NEETs' are engaged in activities as music, art or self-education.

The situation of young people between 18 and 30 years was very much affected by two global events. The first one was the global economic crisis starting in 2008 with consequent recession, the second one was the recent covid-19 pandemic situation starting in early 2020. Both events had significant impact on the labour market worsening the transfer of young people from school to work.

3.3 Situation of 25+ NEETs in Selected European Countries

The following section brings an overview and a partial analysis of 25+ NEETs situation in selected European countries included in the research within the Lost Millennials project. Namely the research is conducted in Austria, Bulgaria, Czech Republic, Finland, Greece, Hungary, Iceland, Malta, Norway, Poland, Romania, Slovakia, and Spain.

3.3.1 Total Rates of 25+ NEETs

The situation of 25+NEETs based on total rates in the examined countries as they are reported in Eurostat statistics are shown in Table 1 below. Koller, Wolter, Tschank and Vana [7] identified 3 categories of countries based on 25+ NEETs rate.

Table 1. 25+ NEETs rates in selected European countries.

Country	25+ NEETs rate	Classification
Iceland	8.5	Low
Malta	9.7	Low
Norway	9.7	Low
Austria	11.9	Medium
Finland	11.9	Medium
Czech Republic	17.5	Medium
Poland	19.4	Medium
Hungary	19.6	Medium
Romania	20.2	High
Slovakia	22.0	High
Spain	23.7	High
Bulgaria	24.1	High
Greece	28.9	High
EU average	18.6	Medium

Source: Koller, Wolter, Tschank and Vana [7] based on Eurostat data from 2020.

The above-mentioned authors created a classification of the selected countries based on 25+ NEETs into three categories. Countries with 25+ NEETs rate below 10% are considered having low rate of 25+ NEETs, countries with the rate of between 10 and 20% are classified as medium while countries above 20% are marked as countries with high 25+ NEETs rate.

It is evident from the numbers in the table that the situation is generally more favourable in countries of northern Europe, Austria, which can be considered traditional western European economy, and Malta, which is specific due to its size. Contrary, the worst 25+ NEETs rates are reported in southern European countries, namely in Greece, Bulgaria and Spain. Post-socialist countries of central and eastern Europe are classified as medium rate countries. This situation indicates that the 25+ NEETs are dependent on general functioning of the labour market in individual countries.

3.3.2 NEETs inactive and unwilling to Work

The picture, however, gets a little bit different once we add more detailed classification of 25+ NEETs. Next to the total numbers of 25+ NEETs, Eurostat [12] reports also numbers of NEETs who are inactive and those unwilling to work. These people are officially not in employment, education nor training, but neither are seeking jobs. 25+ NEETs rates in the selected countries, both total, inactive and those who are unwilling to work, are shown in Table 2.

Table 1. 25+ NEETs rates in selected European countries in 2020.

Country	25+ NEETs rate total	25+ NEETs inactive	25+ NEETs rates unwilling to work
Iceland	8.5	4.3	2.2
Malta	9.7	5.4	3.7
Norway	9.7	6.4	3.5
Austria	11.9	7.8	2.9
Finland	11.9	7.8	5.5
Czech Republic	17.5	14.8	13.1
Poland	19.4	15.8	9.4
Hungary	19.6	14.8	10.7
Romania	20.2	14.3	12.8
Slovakia	22.0	15.4	13.6
Spain	23.7	9.6	4.6
Bulgaria	24.1	19.5	15.6
Greece	28.9	9.8	5.5
EU average	18.6	11.8	6.5

Source: Eurostat 2022.

Based on the overall rate of 25+ NEETs and the rate of inactive 25+ NEETs, three groups of countries can be traced. The first group consists of countries with low overall rates of 25+ NEETs, which include Iceland, Malta, Norway, Austria, and Finland. These countries have low rates of 25+ NEETs and relatively low rates of inactivity. The second group is Spain and Greece, which have high overall rates of 25+ NEETs but only relatively low rates of inactivity, indicating an increased number of 25+ NEETs, most of whom are willing to work. The last group is the post-socialist countries (Czech Republic, Slovakia, Poland, Hungary, Romania, and Bulgaria), which have higher overall rates of 25+ NEETs but also high inactivity rates. A very likely reason for this is the different social system and traditions in the case of maternity and parenthood, where women spend significantly longer on parental leave than in other countries. Comparing the gender gap between countries shows this, with post-socialist countries having a gender gap for the 25+ NEETs that is several times higher than in other countries.

3.3.3 Two Factors Influencing the 25+ NEETs Rates

A comparison of selected European countries shows that the proportion of 25+ NEETs and their situation depend primarily on two factors. The first is the overall economic situation in the country and, in particular, the state of the labour market. The better the state of the labour market, the lower the number of 25+ NEETs in a given country. The second important factor is the social system and traditions in relation to parenthood. Here it appears that in countries with traditionally longer parental leave, the number of NEETs in this age group of 25–29 years is increasing significantly. However, these people are primarily involved in childcare and are not typical NEETs.

This finding is not only supported by the statistical numbers but also is evident from the conducted qualitative research. In case of the Czech Republic where the rates of inactive and unwilling to work 25+ NEETs are the highest, the qualitative research unveiled very generous maternity leave which can last up to 48 months with financial and other support from the government. This is significantly longer period than for example in Greece where it lasts 3.5 months.

4 CONCLUSIONS

People not in employment, education nor training is a very wide and heterogenous category which is observed by both the researchers and statistics. The latter can, however, give not so precise numbers as is shown in this contribution. It appears that besides the general state of the labour market in the country, a significant factor influencing the 25+ NEETs statistics is also a traditional understanding of parenthood and length of maternity/parental leave. Especially the post socialistic countries in eastern and central Europe provide longer support to the parents, which is reflected in higher rates of 25+ NEETs. There are, however, other factors influencing the NEETs rates, too, which need to be examined.

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