

# Policy brief

## 25+ NEETs

THE CZECH REPUBLIC

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**IN THE FRAMEWORK OF THE PROJECT 'LOST  
MILLENNIALS – TRANSNATIONAL RESEARCH  
NETWORK FOR THE EVALUATION OF INITIATIVES  
TARGETING 25+ NEETS'**

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## Project summary:

*The project 'Lost Millennials' focuses on a regularly neglected group of the generation of Millennials: young people aged 25-29 neither in employment or education and training (25+ NEETs). This generation started their working life shortly after the economic crisis of 2008, perceiving uncertainty and lack of security for work and well-being, they are more likely to be inactive or in precarious jobs. The main objective of the project is to contribute to the successful integration of 25+ NEETs to the labour market through increasing knowledge on the effects of employment initiatives on 25+ NEETs, building capacity of stakeholders to perform impact studies and thus improving the quality of labour market interventions. This objective will be achieved through the creation of the transnational research network which will share know-how and good practices, the evaluations of governmental and community-based initiatives targeting 25+ NEETs, as well as the engagement of stakeholders to increase the policy-relevance of project results.*

For more information, please visit our [website](#), contact us on [lm.leadpartner@hetfa.hu](mailto:lm.leadpartner@hetfa.hu) and follow our social media ([Facebook](#), [LinkedIn](#)).

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## Implemented by:



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## 1. Key Points

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The following brief makes policy recommendations in several areas relevant to people in age 25 to 29 years who are not in employment, education or training (hereinafter 25+ NEETs). These areas include:

- Parental leave in the Czech Republic and its specifics - recommendations to tackle the gender gap in the proportion of NEETs in the Czech population
- The future of NEETs in the Czech Republic - the necessity for forward-looking policy decisions
- The regional dimension of NEETs in the Czech Republic - the challenge of structurally disadvantaged regions
- Practical methods of supporting NEETs - designing initiatives
- Tools for supporting NEETs

## 2. Introduction

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The Lost Millennials project has been highlighting the situation of 25+ NEETs<sup>1</sup> in selected EU countries. This brief provides some valuable insights and policy recommendations to address the disadvantaged situation of 25+ NEETs in the labour market and in life in the Czech Republic.

The brief commences with discussing the issue of parental leave and its peculiarities in the Czech Republic. The following topic pertains to the future of NEETs in the Czech Republic. A call for policy planning for the future, rather than the present or the past, will also be discussed.

Another topic that needs attention is the regional dimension of the NEETs problem, particularly in structurally disadvantaged regions of the Czech Republic, where the situation is deteriorating. It will also be discussed whether it is suitable to focus support for the target group territorially and determine to what extent this can be implemented in New Cohesion Policy<sup>2</sup>, active labour market policy and social policy.

The ultimate overarching theme is a discussion about the distinct form of support that NEETs require, the optimal design of support initiatives, and the instruments that can be used to provide such support. This section is based primarily on the evaluations of NEET initiatives in the Czech context by Dvořák (2023) and the IREAS team (Dvořák, Kubíková, Fanta, Kouřilová, & Pělucha, In print).

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<sup>1</sup> NEETs is an acronym for 'not in employment, education or training', used to refer to the situation of many young persons, aged between 15 and 29, in Europe.

<sup>2</sup> EU Cohesion Policy aims to correct imbalances between countries and regions. It delivers on the Union's political priorities, especially the green and digital transition.

### 3. Analysis of the major policy challenges related to 25 + NEETs in the Czech Republic

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The 25+ NEETs group consists of young individuals who are vulnerable to socio-economic fluctuations in the labour market. Their characteristics have been described in previous reports of the Lost Millennials project (e.g., see Koller, Wolter, Tschank, & Vana, 2022, pp. 38-59). In short, it is a highly diverse group that comprises individuals who are either short- or long-term unemployed, individuals between jobs, or individuals who are disabled, sick or young parents.

Unemployment among 25+ NEETs in the Czech Republic (17,5 %) is around the EU average (18,6 %) (Koller, Wolter, Tschank, & Vana, 2022, pp 12-13, pp 15), while unemployment among younger subgroups of NEETs (aged 15-19 and 20-24 years) in the Czech Republic is among the lowest in the EU (2,7 % for group 15-19 years old and 10,5 for aged 20-24, while EU average is 6,3 % for the 15-19 years and 15,7 % for the 20-24 years). **Gender differences in the population shares** of different subgroups of NEETs in the Czech Republic are significant. While this difference is not significant for younger subgroups of NEETs, **it is the most significant among 25+ NEETs in the whole EU** (Fanta, Pěluha, Kouřilová, Kubíková, & Dvořák, In print, pp 2-3; Koller, Wolter, Tschank, & Vana, 2022, pp 57-59).

#### Support of People during Parental Leave

- What support can be provided to parents when returning to the labour market after parental leave? Additionally, it is essential to explore employment options during parental leave, including promoting part-time work and awareness-raising campaigns.<sup>3</sup>
- What measures could be implemented to prevent a decline in the situation of 25+ NEETs in the Czech Republic from getting worse?

According to current research (Koller, Wolter, Tschank, & Vana, 2022), the **notable gender gap in the Czech Republic is largely attributed to the particulars of parental leave**, which is typically taken by women and lasts for up to 4 years (usually 3 years). Parenthood is also a contributing factor to the NEETs indicators. The matter of NEETs appears to be concealed in the Czech Republic, and the **government does not have instruments** or strategies in place **to specifically address NEETs who are taking parental leave**. Within the context of the European Union, the proportion of individuals aged 25 to 29 who are NEETs demonstrated an improving trend following the financial crisis of 2008 and 2009, although it has worsened again since 2020. The Czech Republic also followed this trend.

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<sup>3</sup> This is due to the increased likelihood of individuals on parental leave becoming NEETs.

### 3.1 Support of 25+ NEETS in Structurally Disadvantaged Regions

- How to improve the situation of NEETs in structurally disadvantaged regions, where the issue is often much more complex than in the rest of the country?
- Should selective instruments to support 25+ NEETs be implemented, targeting only certain regions in the Czech Republic?

The Czech Republic has a specific regional composition, whereas mainly structurally disadvantaged regions<sup>4</sup> significantly contribute to the high percentage of NEETs among the overall population of the country. Dvořák (2023, pp. 55-59) demonstrates the number of jobseekers in different age groups registered with the Labour Office can indicate the percentage of NEETs in the population of the regions.

This indicator helps to identify the higher percentage of NEETs in structurally disadvantaged regions of the Czech Republic, notably in the Ústí nad Labem and Moravian-Silesian regions. This indicator enables to track the progress of the target group over time. It is worth mentioning that there has been a significant improvement between 2012 and 2021 in all regions, with a decrease in the number of young people registered with the Labour Offices.

However, it is crucial to look critically at this issue and consider whether the 25+ NEET rates in the structurally disadvantaged regions have actually fallen as a result of people getting jobs or dropping out of the system (people who are neither employed nor registered with the Labour Office). Moreover, the national NEET indicators show a decrease in their figures, which implies that this trend is national.

### 3.2 Institutional Framework

- What is the most suitable institutional framework for working with NEETs?
- What should the initiatives targeting NEETs contain?
- Other than targeted initiatives, what other tools can be used to work with NEETs?

A number of other issues arose from the in-depth interviews conducted with the implementers of youth support initiatives. The primary issue is the institutional responsibility for young people or which institution should manage their situation. Several institutions are involved in active employment policy and youth work, such as the Labour Office, the government and its education policy (Ministry of Education), family (Ministry of Labour and Social Affairs) or housing policies (Ministry of Regional Development), the regions and their own initiatives, municipalities, as well as NGOs and the private sector. As mentioned previously, 25+ NEETs represent a diverse group, thus requiring a multifaceted approach to addressing their situation. The Czech institutional framework needs to address the question

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<sup>4</sup> Structurally disadvantaged regions are associated with negative implications of structural changes, lower economic level, and higher rates of unemployment in comparison to the state's average unemployment rate.

of how to deal with such a heterogeneous group. Furthermore, what initiatives should target NEETs and are there other measures available that can improve their situation?

As part of the research, we initiated four in-depth interviews with NGOs practitioners, of which many anticipate the future predicament for young people to worsen. Based on the outputs from the interviews, young people need to be engaged and provided with quality support frameworks as they represent the future of the nation. This need is heightened by the current economic crisis and societal challenges such as the Green Deal and the war in Ukraine.

### 3.3 Lack of Motivation

Intrinsic motivation is conditional upon the job centre seeking and providing appropriate job opportunities. However, this frequently does not occur in the Czech Republic, and the Labour Office sometimes offers jobs that are low skill, like a production operator, that are completely unsuitable for individuals who have previously worked in a specific profession or who are even highly educated in a particular field.

## 4. Policy solutions and recommendations

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**How can parents be helped to reintegrate more quickly into the labour market after parental leave, and is it worth considering employment opportunities during parental leave (more emphasis on part-time work, awareness-raising campaign, etc.)?**

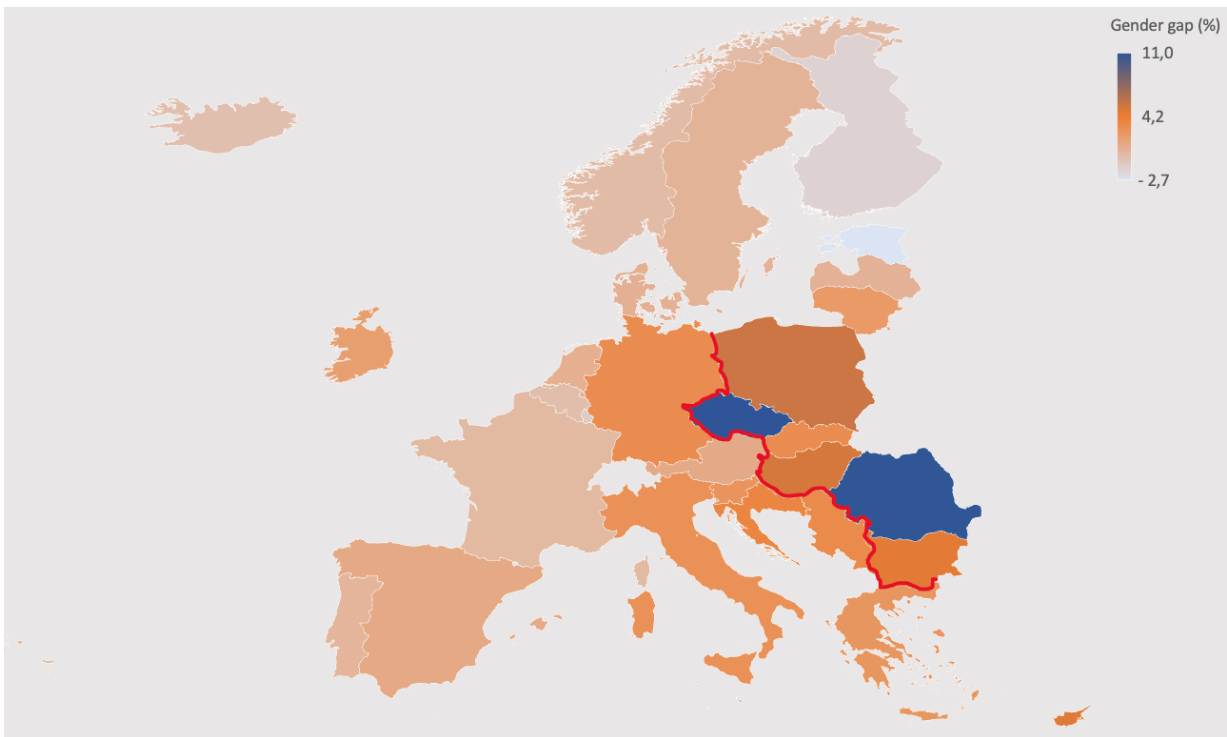
- **Long duration of parental leave:** Parental leave in the Czech Republic can last up to four years according to the social security system (see Chapter 3), which is longer than in many other Member States. This may cause considerable loss of work habits and difficulties in re-entering the labour market which is linked with higher probability of becoming NEETs (considering the structure of parents on parental leave, mainly 25+ NEETs), e.g. if employers do not hold their previous job positions. Nevertheless, this is not the sole case.
- **Lack of part-time work:** The main contributing factor is the traditional expectation in the Czech Republic that the person on parental leave stays at home with the child throughout the leave duration, coupled with the inadequate space provided for flexible working arrangements. This research suggests that the phenomenon of prolonged maternity leaves may be a possible consequence of the parenting policies during the communist era in the CEE<sup>5</sup> region.

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<sup>5</sup> Central and eastern European countries are defined as the following non-euro area EU Member States: Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania.

- Cultural aspects:** As depicted in Figure 1, with the Iron Curtain marked by a red line, it is apparent that to the east of it, there are larger gender gaps in the proportion of NEETs in the population in 2022. During the recruitment process, employers discriminate against young women by presuming that they will take maternity and parental leave. Although employers have a legal obligation to retain these women in their jobs for the entire duration of their parental leave, it is very common for their employment to be terminated permanently.

**Figure 1 Gender gap (% of population in given age group) of young people neither in employment nor in education and training (15-29 years old), 2022**



Source: own elaboration based on Eurostat data (2023) (Eurostat, 2023)

- The low proportion of flexible working contracts is attributed to the customs of the Czech Republic. However, this contract type is prevalent in Western countries. It enables people on maternity leave to utilise their potential, which helps to maintain their work habits, knowledge and skills while preventing psychological problems caused by separation from normal social life.

*We recommend further emphasis on the promotion of flexible/part-time working and motivating employers to offer these hours to people on parental leave starting from, for example, their sixth month of their leave.*



Solution to this issue is to provide courses for individuals on parental leave that resemble retraining programs. Such courses may help individuals to update their knowledge and skills and reintegrate into the labour market more effectively.

It is also important to encourage parents who have taken parental leave to take part in these courses. However, intrinsic motivation is quite strong in this situation if the parent has difficulties in re-entering the labour market. In cases where individuals have lost their jobs, support from the Labour Office would be beneficial.

### **How to ensure that the situation of young people in the Czech Republic does not deteriorate?**

- Political actions taken today must consider their impact on the future. Young people are an integral part of the future of the Czech Republic. Therefore, we present a crucial and general recommendation. It is vital to have a conceptual strategy for the future and not just the present. It should be noted that there are critical opinions against this direction. The government of the Czech Republic has been criticised for “resortism”, where many strategies are created by individual ministries, where conceptualism is lacking. This issue is increasingly being raised in the public discourse.
- The Czech Republic possesses considerable potential for growth in numerous domains, including modern technologies, but without a coherent conceptual framework and the advancement of all the necessary preconditions, such as the legal system and the capital market, the desired improvements are unlikely to materialise. Therefore, again we emphasize, that it is essential to consider the future rather than the present, with pure self-interest in mind. The Czech Republic has the potential to attain a prosperous and promising future.

### **How to improve the situation of NEETs in structurally disadvantaged regions, where the issue is often much more complicated than in the rest of the country?**

- Many policies address the situation of regions that are structurally disadvantaged, including the program of European Just Transition Fund, which was recently created. However, the fund focuses mainly on infrastructure, technology, and innovation, and the social aspects have been neglected.
- The representatives of these structurally disadvantaged regions have a crucial role in addressing the social situation. As evidenced in the Moravian-Silesian region, the strong leadership can significantly improve the situation in these regions. The issue of NEETs is a concern for the future agenda. According to the national government's perspective, it is justified to allocate funds beyond the normal allocation to address the social situation of communities in structurally

disadvantaged regions. A favourable socio-economic environment in those regions is crucial in improving their situation in the long run.

Allocating funds to young people will bring benefits to the regions and reduce brain drain<sup>6</sup>. The regional branches of the public employment services, in collaboration with regional councils and the voluntary sector, should develop a comprehensive policy to address the situation of NEETs in their regions, taking into account significant territorial overlap.

#### **Is it advisable to introduce selective instruments aimed only at certain regions?**

- Regional situations vary, requiring corresponding policies to address them. Targeting aid is a frequent practice in modern structural policies.

#### **What is the most appropriate institutional framework for working with NEETs?**

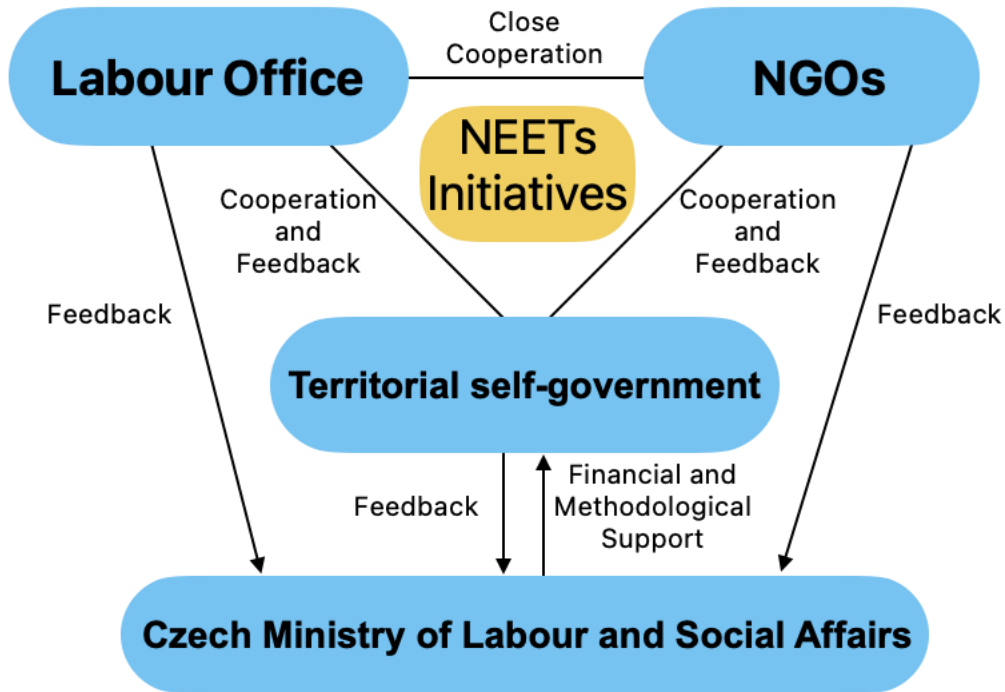
- Dvořák (2023) and the IREAS team (Dvořák, Kubíková, Fanta, Kouřilová, & Pělucha, In print), have evaluated the involvement of multiple institutions in NEETs policies. Figure 2 illustrates the desired state of institutional settings and their interactions.
- The national government, represented by the Czech Ministry of Labour and Social Affairs, should play a key role in the realization of initiatives supporting NEETs. The Ministry should act as an umbrella organization, funding initiatives and providing methodological support for their preparation and implementation. Regional representatives (territorial self-governments) implemented some approaches during the Programming Period 2014-2020: the European Social Fund (ESF), but they concluded that the Labour Office or NGOs, which have the necessary structures, should be responsible for this.

The evaluations demonstrate that Labour Offices and NGOs play a pivotal role in the carrying out of initiatives that aim to help NEETs. The Labour Offices work with people registered with them, whilst NGOs often work with unregistered individuals, including those with cumulative disabilities. Therefore, their close collaboration and the exchange of pertinent information is essential. Furthermore, the support of local public authorities is crucial, since they frequently possess the information or the financial resources needed to provide assistance.

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<sup>6</sup> Brain drain is when numerous highly-educated and skilled individuals depart from their home country (or region) to reside and work in another one that offers income and circumstances that are more advantageous.

Figure 2 Institutional framework of NEETs support initiatives in the Czech Republic



Source: own elaboration

**What should be the content of initiatives targeting NEETs?**

- In-depth interview respondents<sup>7</sup> answered our evaluation questions (Dvořák, 2023; Dvořák, Kubíková, Fanta, Kouřilová, & Pělucha, In print) indicating the paramount importance of carrying out initiatives within the framework of a comprehensive personal development programme. The programme should start with a comprehensive assessment of their situation and motivations, followed by training and personal development seminars, and culminate with probationary work, job search assistance and eventually actual employment.

25+ NEETs in the Czech Republic usually belong to underprivileged socio-economic backgrounds and experience financial challenges<sup>8</sup>. Therefore, it is suitable to integrate financial literacy and debt management workshops into these programmes. Furthermore, the specific programmes and content of the seminars will depend on the target audience, but this response aims to highlight the fundamental role of a comprehensive support programme.

<sup>7</sup> Interview respondents were representatives of four NGOs. Selection of these NGOs was based on recommendation by the Ministry of Labour and Social Affairs.

<sup>8</sup> Based on interviews conducted.

### What other tools, besides targeted initiatives, can be used to work with NEETs?

- Besides active employment policies, there are other approaches that can help enhance the situation of NEETs. These are characteristics of the state's institutional framework. These include, for instance:
  - flexible work arrangements,
  - family policies, which could assist young individuals in commencing and preserving their family life.
  - housing policy should ensure adequate accommodation for young people, which is a prevalent issue, especially in Prague (the capital city),
  - education policy must enable individuals to continue the educational pathway of their choice, even in the face of financial or other obstacles. Ensuring adequate education is a requirement to prevent NEETs.

In addition, to support youth further, we suggest to enhance and simplify an institutional framework for entrepreneurship. According to well-known socio-economic-psychological theory<sup>9</sup>, young people possess an entrepreneurial and innovative spirit. Nonetheless, young people frequently struggle with navigating national business systems and may feel compelled to start new ventures. However, it is crucial that the environment facilitates their innovative ideas. This is attributed to an outdated legal framework for business and employment, as well as an outdated capital market structure, among other issues. It is appropriate to modify the business environment and direct it towards the future, particularly towards young people.

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<sup>9</sup> For example, Gabrielová & Buchko (2021) or Sujansky & Ferri-Reed (2009)

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