

Services to reduce youth unemployment and lack of occupation Example Austria – NEET

Slide 1:

- In the **European Union** are **living approximately 58 million young people** aged between 15 and 24. A big part of them has been **hit very hard from the recession** or the economic crisis.
- One of the **immediate effects** of the crisis was a **substantial fall in labour demand**. **Youth unemployment is typically more sensitive** to the **business cycle** than **overall unemployment**. So the recent demand shock hit the youth extremely hard.
- This is **due to several reasons**:
 - For example due to the fact that young people are **highly concentrated in sensitive industries like construction**, and
 - Young people are **present among those holding part-time jobs** and **temporary contracts**.
 - Additionally, they have a **lack of job experience** and
 - often there is a **mismatch of skills they offer** and are **required by the employers**.

Slide 2:

- The impact of the crisis was dramatic.
- The unemployment rate for young people increased from about 16% in 2007 to 23,7 per cent in 2013 for EU 28. Even worse in a lot of countries where we had unemployment rates over 50%. In 2014 the situation was slightly better with an unemployment rate of 22 per cent.

Only Germany recorded a lower rate today than before the crisis.

Slide 3:

- One additional aspect was a **huge drop in the employment rate to the lowest values ever recorded** in the history of the European Union in **2013 to 32,2%**.

In 2014 we had a **slight increase to 32,5%**.

However, the **number of employed young people had fallen by 3 million since 2007**.

The graph shows once more the huge differences between EU member states.

- But how do these figures relate to the NEET concept?

Slide 4:

- The concept of employment rate and the unemployment rate are criticised for their limited relevance to young people, since many of the young are simply not in the labour force, that is: they are not available.
- NEET is a useful additional indicator for monitoring the social situation of young people. Therefore policymakers have started to focus the NEET group.
- NEET are defined as persons aged between 15 and 24 years, who are disengaged from work and education and are therefore at a higher risk of labour market and social exclusion.
- The numerator of the indicator refers to persons meeting two conditions:
 - They are not employed (i.e. unemployed or inactive)

- And they have not received any education or training in the four weeks preceding a corresponding survey.
- The denominator is the total population of the same age group.
- Therefore it records the share of population of all young people disengaged from labour market and education.
- This is exactly the explanation of the huge difference of the NEET and the unemployment rate, where the latter puts unemployment in relation to young people in the labour force.

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One of the problems of the indicator is that the NEET group is very heterogeneous.

Five main subgroups within the NEET population are identified by the literature:

- the **Conventionally Unemployed**, the largest subgroup, which can be further subdivided into long- term and short-term unemployed;
- the **Unavailable**, which include young carers, young people with family responsibilities and young people who are sick or disabled;
- the **Disengaged**: those young people who are not seeking jobs or education and are not constrained from doing so by other obligations or incapacities. The disengaged also include discouraged workers as well as other young people who are pursuing dangerous and asocial lifestyles;
- But **referring to NEET also includes two other subgroups**:
- the **Opportunity - Seekers**: young people who are not actively seeking work or training, but are holding out for

opportunities that they see as befitting their skills and status;

- the **Voluntary NEETs**: those young people who are travelling and those engaged in other activities (such as art, music and self-directed learning.)
- This variety of subgroups underline that some are vulnerable and extremely disadvantaged. Others are from a more privileged background and can choose to exit labour market and education system to hold out for opportunities (for example the “opportunity seekers”).
- This **heterogeneity** of course **needs to be considered** when designing policy responses for NEET.
- **A one-size fits all approach is clearly inappropriate.** Policies to tackle the NEET’s problems need a range of different initiatives targeting the various groups.

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- With the growing importance of NEET in the policy debate, it is also relevant to understand the size of the NEET population in the EU.
- Almost 7.5. million young persons aged between 15-24 are NEET. This corresponds to about 12,4% of all young people of this age group. (50% unemployed, 50% inactive ?)
- The NEET rate varies, like the employment and unemployment rates substantially between the member states.

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- The time trend shows a rather strong connection to the business cycle (I used GDP growth) with an increase in the NEET rate from 2007 onwards.
- This connection is driven of course by the increase in the youth unemployment rate.
The inactive NEET part is less sensitive to the business cycle.

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- There are two principal risk factors relating to vulnerable NEET status: **disadvantage** (associated with social factors like family, school and personal characteristics) and **disaffection** (Unzufriedenheit) (concerned with attitude of young people expressed by truancy or behaviour that leads to school exclusion).
- There is general agreement in the literature about the **range of social, economic and personal factors that increase the chances of an individual becoming NEET:**
 - Those reporting some kind of **disability** are 40% more likely to become NEET compared to others
 - Young people with **immigration background** are 70% more likely to become NEET compared to nationals
 - Those with a **low education level** are three times more likely to become NEET compared to those with tertiary education
 - Young people with a **low household income** are more likely to become NEET than those with average income.

- **Having parents who experienced unemployment** increases the probability of becoming NEET by 17%.
- **Having parents with a low level of education** doubles the probability of becoming NEETS.

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- After analysing the risk factors I want to emphasise on my last slides of the first block why policy has to address NEETs. That is **what means being NEET to the individual person** and what are the **consequences for society to be expected**.
- **Short periods out of education or employment** are some kind of **natural** in the transition from school to work.
- But **long term NEET status may have serious consequences**.
- Falling into the **NEET status** is foremost a **loss of young people's potential** and can have **long lasting consequences** on **future employment outcomes** and **earnings** as well as **negative consequences on physical and mental health**.
- NEET additionally cannot accumulate human and social capital.
- So **staying inactive for longer time** is also **conditional on skill levels** and can also create **psychological distress** (like feelings of loneliness, powerless, restlessness, depression.)
- But being NEET is **not only a personal problem**, but constitutes a **challenge for the society as a whole**:
- A study of Eurofund (2012) shows that **NEET status has severe consequences for the trust in institutions, participation and interest in politics and social/ civic participation**.

- Additionally, the **estimated loss due to labour market disengagement of young people** is substantial and was estimated to an **amount of 153 billion in 2011**. (This corresponds to 1,2% of the EU-GDP.)

Of course Europe **would not have been able to save 153 billion EUR by having integrated all NEET in the past**, but it shows that the **re-integration of 10% of the NEET population** into the **labour market would provide a saving of more than 15 billion** a year.

With this in mind we can move on to the policy approaches in Austria to tackle NEET.

Example Austria:

- In order to **understand the structure and the objective** of the **policy measures I have to start with a short overview** of the **educational system** in Austria.
- In contrast to many other countries, **Austria has a differentiated educational system**, meaning that after year four and again after year eight the system offers alternatives and that different schools offer different types of education paths.
- There are **nine years of compulsory education** in Austria, beginning at the age of six in general.
- **After primary school** – at the age of ten – **children move to lower secondary level** (level 1).
- **After having completed the lower secondary level** in year eight, pupils **still have one year to fulfil compulsory education**.

So they **move on** to the **upper secondary level** (level 2).

- At the **upper level of the academic secondary schools** students **get the general qualification for universities**.
- **Additionally, other school types with inherent vocational training can be chosen:**
 - **secondary technical and vocational colleges**
 - **Secondary technical and vocational schools**
- **After completion of compulsory schooling**, students may also **choose to enter the dual training system**, that is **apprenticeships** that involve **on-the-job training** (80% of time) plus compulsory attendance of **vocational school courses** (20% of time, 10 weeks per year).

- There are more than 200 recognised apprenticeship trades in many different fields.
- Roughly 40% of young people leaving compulsory school enter apprenticeship based training. In 2013 a total amount of 120,579 apprentices (66% male, 34%female) were in training.
- Most apprentices were trained in trades and craft sector (43%). 13,4% entered industry and 15% retail apprenticeship training.

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- In the beginning I showed unemployment and NEET statistics for Austria with a relatively low youth unemployment rate of 10,3% and a NEET rate of 7,7%.
- Reasons for the relatively low youth unemployment rate are:
 - a **comparatively low unemployment rate** in general during the crisis,
 - a **demographic decrease** in the number of 15-19 year olds in Austria (100.000 15-year-old in 2008, drop to 85.000 in 2016 then stable)
 - **and that vocational education and the dual training system** are easing the school.
A **career monitoring** conducted in 2011 shows the **importance of apprenticeship training**.
After completion of apprenticeship, 78% of young people still were economically active, 4% in training, roughly 8% unemployed and just 7% further from the labour market.
 - One additional reason for the low youth unemployment rate is of course “Youth labour market policy” with numerous programs.

- However, despite all the efforts Austria still has approximately 80.000 NEET.
- In order to reach all members of the NEET group, numerous programmes and initiatives have been introduced in the recent years
- The strong focus on young people in Austria's labour market policy is illustrated by the public funds made available: In 2014 a total amount of 760 million EUR was available for active youth labour market policy measures.
- Two **very important programs of labour market policy** for youth are the **training guarantee** and the **“Future for Youth” Programme**.
- Those programs are **very important and effective** in reducing unemployment. But are **already widely known** and also implemented in other countries. Therefore I just want to briefly go over these two programs.

Slide: Training Guarantee for young people

- Since 1998 there was an offer of **additional apprenticeship places**.
- In **2008 the program was expanded** and the **Training guarantee was introduced**.
- **This was necessary due to the fact that the demand for apprenticeships today exceeds supply.**
- **This was especially true in the last years.**

- Austria guarantees for young people up to the age of 18 who - despite all efforts - **cannot find any company apprenticeship possibility** a vocational qualification in a supra-company training facility (Überbetriebliche Lehrausbildung - ÜBA).
- Roughly 9.300 young people participated in supra company trainings in 2013. Austria was ready to extend this offer to about 15,000 places.

Slide: Future for youth action programme

- The future for youth action programme is a **wider-based training guarantee for 20-24 year olds aimed at opening career perspectives** for these young adults.
- Under this programme the Austrian Government guarantees **unemployed young job-seekers employment or targeted training or a subsidised job within 6 months**.
- In 2014 **92.380 persons** could **take up employment** after a **period of unemployment** and **55.000** could **benefit** from PES training measures.
- These figures underline the importance of such programmes.

Slide: Managing Transition from School to work

- However, more important in today's context are measures, which are explicitly intended to manage the transition from school to work.
- This transition involves many challenges for young people, especially for young people with particular support needs.
- If there are severe problems there is a threat of long-term unemployment and poverty especially for vulnerable groups.

- Therefore, young people are offered a wide range of measures designed to meet their different requirements and capabilities.
- These initiatives give young participants sufficient time to mature at their own pace and acquire the necessary skills as well as provide counselling and assistance services.
- I will present the following of them:
Youth Coaching as a gatekeeper and specific follow-up measures intended to re-integrate the young to the labour market and its follow-up measures Production-School, the job assistance program, the integrative training possibilities with training assistance.
- The **centrepiece of this training strategy is Youth Coaching.**

Slide: Youth Coaching

- The Youth coaching programme was **started in 2012** and **implemented nationwide in 2013.**
- In difficult periods of decision-making many young people need **professional advice and support**, in particular in relation to their **plans for the future** and the **related career choices.**
- The main aim of this program is to **develop realistic perspectives for their future.**
- Youth coaching is offered by **different supporting organisations** which **engage social workers and other youth specialists** for **different target groups** in and outside of schools:
 - One idea was to contact young people **towards the end of compulsory education.**
 - Youth coaching is also **offered at secondary school level.**

- Additionally, youth coaching **exists for young people not in education, employment or training.**

The main target groups are:

- Young people who will **not complete compulsory school** successfully
- Who need **support in finding apprenticeship or training possibilities**
- young people **in danger of being marginalized** or with **support needs**
- **Youth coaches offer help** for young people who are facing difficulties in continuing or choosing their education pathways or that **did already drop out of the education system.**
- (Topics addressed range from personal and family problems to substance abuse, debt, or school related issues.)

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- Youth coaching can be seen as a **free and uncomplicated advice and support service** in matters of education, career or personal problems.
- Youth coaching **takes place in three stages**
 - Stage 1 involves an **initial interview with the youth coach.** **Youth coaches are exploring** if there are **general problems which may be need to addressed.** The first phase often includes a conversation about individual possibilities, education and training pathways.

- **Some young people need a short advice and find their continuing education or vocational pathway relatively independently.**

If there are **more severe problems** or more support is needed **stage 2 and stage 3 begin.**

- **Stage 2** is a more **detailed counselling** with targeted vocational and education orientation. An analysis of strength and weaknesses and support in making decisions and organising additional support offers.
- Stage 3 offers **ongoing assistance** of up to one year with intensive support and case management with drawing up a personal development plan. In the end a report is made and handed over to the participants. The **youth coach also provides** direct contacts to PES and Productionschools etc. The **individually best solution is offered**

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- First results: **44 projects with 432 coaches.** About **35.500 young people were in youth coaching in 2014.** 45% women. 37,6% have another first language than German. **16% had already left the education system.** (NEET)
- Only about **3% drop outs of youth coaching.**
- **Total expenditure in 2014:** 24,5m. roughly 700 EUR per case.
- Youth coaching is a **very important measure** with regard to **early intervention with an important gatekeeping function** as well as activation and re-integration.

Slide: Production Schools

- A **follow up measure** are production schools.
- Production schools cannot be compared with classic schools and are **not part of the schooling system!**
- Production schools are a **low-threshold and standardised offer following compulsory school**, for young people who want to start a vocational training, but cannot due to the fact that they lack of basic competences.
- For example programmes such as **supra-company apprenticeship training may be overly ambitious** for some disadvantaged young people. They need **other types of support** to inspire enthusiasm and gradually re-accustom to learning and working.
- **Youth coaches recommend production schools for young persons** if they feel that there is **a lot of catching up to do** in basic competences like social and cultural skills or new media, etc.
- The **aim is preparing young persons** for additional education and training.
- Production schools are **primarily intended for young people aged 15-21 years**, who **want to receive vocational training** and whose **career aspirations are more or less clear**. But are also open to young people up to 24 years who experience difficulties finding employment due to special educational needs.
- Production Schools transfer knowledge in:

- **Behaviour at work** (diligence, punctuality, independence, ...)
- **Behaviour with other people** (manners, appearance, handling criticism and conflict, ...)
- **Choice of profession** (assessment of their own abilities)
- A young person can **remain up to 1 year in a production school**
- After having attended a production school a young person may
 - **Begin an apprenticeship or Integrated vocational training** in a company or supra company apprenticeship
 - **Move on to a higher educational level**
 - **Chose a qualification program** of the PES or other educational institutions

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- **A production school consists of four pillars:**
 - **Training modules:** main areas are activation/guided introduction, training, vocational orientation, specialisation for vocational training.
 - **Coaching:** The coach personally accompanies the young person during the production school attendance (review of progress, support during traineeships in companies)
 - **Knowledge workshops** (Training for the next training phase): The workshops **offer a "soft" form of an ordinary workday**. The daily structure shall **give the young (again) a daily routine**. And the **work with professional tools, equipment and materials** should help to gain professional experience (wood, metalworks, textiles, etc.).

- **Sports:** Sport and physical activity **have a high priority in the production school** and are offered in different levels of performance).
- Austria currently operates 30 production schools. Roughly 4.000 young persons made use of this programme in 2014.

Slide: Job Assistance Programme for Young People

- The job assistance service offers personal advice and personal support **for job-ready young persons** while **they are searching or applying for an apprenticeship, training possibility or a job.**
- The **target group** are young persons **between 15-24 years with impairments:**
 - Slow learner, learning impairments
 - Physical, sensory or intellectual disabilities
 - Social, emotional handicaps, mental impairments
 - Young persons in integrated vocational education/ projects
 - Young persons with youth coaching activities
- Supervision time is about 1 year
- **Services for young people:**
 - **Consulting/ advice/information** about career possibilities – vocational orientation (apprenticeship, training, education)
 - **Assistance in finding work** on the first labour market (e.g. apprenticeship, extended apprentice, partial qualification, semiskilled jobs)

- **Support and assistance** in application activities (e.g. letter of application, corporate contacts, job interviews, organisation of traineeships, etc.)
- **Conflict assistance** at the workplace
- **Crisis intervention** at endangered workplaces (e.g. private coaching for vocational school)
- **Services for enterprises**
 - **Consultance services for employers** – information about support and training options, **funding of labour costs, clarification about performance potential of the young person**
 - **Advice and support for the social integration** in the company, **awareness raising and sensitization of all Stakeholders and advice for a good cooperation at the work-place**
 - **Conflict assistance** at the workplace
- **6.482 persons** have **benefitted** from the offer in **2014**. Budget 14 Mio.

Slide: Integrated vocational training

- For young people with learning difficulties and/ or disabilities or impairments there is the **possibility of integrative vocational training**.
- There are **two options**:
 - **Extended apprenticeship**: The extension of the apprentice is **possible for persons who may need more time**, but in **principle are able to successfully complete**

their apprenticeship. **Extension of the apprentice up to two years is possible.**

- **Partial qualification apprenticeship:** For young persons **not capable to complete a full apprenticeship** an **adapted individual curriculum can be introduced.** The vocational training lasts between 1-3 years.
- Upon need there is the **possibility to switch between the regular form of apprenticeship** and the **integrated forms of vocational training.**
- In **the end of 2013 6.152 out of 120.580 apprentices were integrated vocational trainings.** 4670 were enrolled in apprenticeships with extended periods of training and 1482 in apprenticeships for acquiring partial skills.

Slide: Training Assistance Program

- The **Training Assistance Programme** supports the integrated vocational training.
- The training assistance program offers **different types of support to disadvantaged** and disabled young people **while they are trained in a company and attend vocational school.**
- Aim is to **facilitate a successful completion of training through preparation, accompaniment and support** for the **long-term integration into the labour market.**
- **Services for young people:**
 - **Coaching and advice** covering the entire training period
 - **Support** in the preparation for the **vocational school**
 - **Learning support** associated with the vocational school

- **Services for employers:**
 - Preparation of the apprenticeship-contract
 - Contact to the vocational school
 - **Finding common solutions in problematic situations**
- **13,342 persons have benefitted** from the offer in 2014 (including adults). Budget 23 Mio. EUR

Slide: Education and Formation up to the age of 18

- Internationally on average, compulsory education takes 8 to 9 years.
- At the upper end are four countries with 13 years of compulsory education (Belgium, Germany, Netherlands, and Turks and Caicos Islands)
- In Austria we currently have a debate about a compulsory education and formation up to the age of 18. The current government feels that an extension of the minimum duration of schooling or training of young people is necessary to respond to the increasing professional and social requirements.
- Starting with the school year 2016/2017 every young person must complete secondary education or training after compulsory schooling.
- This may be a secondary school or college or an apprenticeship. For disadvantaged young people the presented programs such as production schools and supra-company trainings are available.

- In particular, these young people who have not yet found sustainable access to secondary education, will be part of the "training to 18" and will be supported by appropriate offers.
- The existing programs will be further developed and coordination will be more intensive to secure a reasonable interlock.

Thank you for your attention

Additional Information about the programs is offered under following Links.

Additional Slides Differences between youth unemployment rate and the NEET rate:

- The NEET indicator and the youth unemployment are related concepts, but there are important differences.
- The unemployment rate is a measure of those who are out of work, but have looked for work and are able to start in the next two weeks.
- The NEET indicator captures all young people who are not in employment, education or training. Therefore it records the share of population of all young people disengaged from labour market and education.

Additional Slides Pros & Cons:

Pros:

- The advantages of the NEET indicator are that
 - NEET is an additional indicator to the unemployment rate.
 - Identifies those who are disengaged from labour market, education and training and who may be potentially mobilised to join the labour market.
 - It can be understood as the level of joblessness of young people.
- Another important advantage is that the NEET indicator shows difficulties of young people in the transition from education to working life and detects gaps in the youth safety net. That is,

the indicator shows that a certain part of young people is not reached by labour market and educational policies.

Cons:

- The problems are that it is a single indicator, which includes a very heterogeneous group of population with a variety of subgroups. This subgroup has very different characteristics and needs.

Additional Slides Structure of the youth population by education and labour market status:

- The next graph gives some insight into the structure of the youth population in terms of education, employment, unemployment and inactive.
- At a first glance the figure reveals that the group of unemployed and those of the inactive is more or less equal. This is true. Slightly more than one half of the NEET is registered as unemployed (about 51%) while the rest were registered inactive.

The group of the inactive is additionally interesting. I did not plot statistics here but just let me say that according to the surveys, 63% of the inactive state that they are available to start working within 2 weeks but are not looking for a job. Among those 20% are not looking for a job due to personal unavailability because of family responsibilities. BUT 39% of inactive NEETS do not seek a job as they believe that there is no work available. These are the discouraged young workers.