

Transnational Report on the impact of employment policies on young NEETs: tackling youth disengagement through understanding the flexibilization-regional resilience nexus

Executive Summary

Introduction

The present report, scrutinises the impact of employment policies on young NEETs phenomenon through the understanding of the employment flexibilization-regional resilience nexus, in the MED EEA regions. Through a socio-spatial analysis, it focuses on unemployed and inactive young people (especially women and migrants-asylum seekers) between 25-29 years old, at risk of social exclusion. It includes a large scale primary qualitative research in Greece, Italy, Spain and Cyprus and a variety of statistical (secondary) data, derived from:

- ❑ Eurostat Labour Force Survey data analysed at a NUTS II level for all four countries;
- ❑ Eurofound, ILO and OECD reports and other reports of relevance; and
- ❑ OECD, World Bank and other databases of relevance

NEETs, resilience and work flexibilisation

NEETs

Within the context of the socio-economic changes that have been accelerated amidst the recent recession (2008-2012), the 'NEET' acronym has been widely used, to define and classify all those people that are 'Not in Employment, Education or Training'. Thus, a young NEET individual is someone who satisfies the two conditions described below:

- ❑ Someone who is not employed;
- ❑ Someone who received no formal or non-formal education or training in the four weeks preceding the survey

The term young NEETs includes mainly people from 15 to 29 years old, and it is represented as the rate of the total number of NEETs in an age group to the total population of the same group. The number of young NEETs is higher than that of youth in unemployment since NEETs include also the inactive population. Despite the fact that it is a unified classification representing youth under a vulnerable status, the NEET indicator is characterized by significant heterogeneity. Eurofound classifies NEETs into, at least, seven subgroups: re-entrants, short-term unemployed, long-term unemployed, unavailable due to illness or disability, carers, discouraged workers or other inactive. Moreover, several noteworthy factors could render young people vulnerable in terms of participation in education or the labour market. These factors are gender, ethnicity, socio-economic difficulties, low educational and economic level of the family, family instability, unemployed parents, age, rurality- urbanity and low level of skills.

Resilience and work flexibilisation

Resilience is defined as the ability of a system to respond to changes, to recover from the effects of crises, to avoid them and, when the previous are not feasible, to adapt in the long run. Also, social sciences, define resilience as the response to the pressures of different systems and the flexibility in adjustment of the social and economic structures to ensure long-term economic growth, employment and the aggregated wealth. Furthermore, the introduction of the geographical dimension to the examination of resilience forms

Implemented By



the term of regional resilience. In terms of island regions, resilience receives a different significance, since it suggests the existence of a set of strategic options and policy measures to enhance island resilience.

Regarding flexibilisation, the period since the mid-1970s signals the beginning of a transitional period associated with the destabilization of the role of formal wage labour and the multiplication of flexible, non-standard forms of employment. The key reason for the expansion of flexible forms of labour is the necessity of the employers to reduce the labour costs associated with the standard employment relationship. Companies use flexible contracts to achieve a range of flexibilities in the organization of production. Women are more vulnerable, compared to men, in terms of labour flexibility, which appears in their case in the form of piecework, teleworking and part-time employment. Also, migrants contribute significantly in the increase of the flexible or informal employment rate. In fact, the high mobility of migrant populations has always been supplying national labour markets with a large stock of labour, often exposed to poorly paid and intensive work.

In linking NEETs with regional resilience and flexibilisation, the available literature identifies NEETs as a part of the redundant labour population that serves the demands of capital. In the European South, where the national economies have followed the principles of economic neoliberalism, youth unemployment has increased, and waged labour has been transformed irrevocably amidst

the recent crisis. Interestingly, the factors that contribute to regional resilience are also connected to the expansion of labour flexibilisation. The core of the issue lies with the fact that what constitutes regional resilience feasible is quite often the flexible labour relations themselves.

A secondary data analysis across the southern MED EEA regions

Focusing on the NEET phenomenon at a regional level, the present report has brought under study the regions of North Aegean, South Aegean, Attica and Central Macedonia in Greece, Cyprus (the country consists of only one region), Murcia, Madrid, Catalonia, Balearic Islands and Andalucia in Spain and Basilicata, Sardinia, Sicily, Campania, Lombardy and Lazio in Italy. The period of analysis spans between 2008 and 2018. The statistical data are derived from EUROSTAT and the national statistical offices of the study countries. The report sheds light upon the 25-29 age group, since it represents the most vulnerable age group of young NEETs.

The secondary data analysis revealed that **Italy has the highest NEET proportion in every age group**. Also, NEET numbers seem to follow recently a downward trend, particularly in Spain (Figure 1). The transregional analysis revealed that the study regions with the highest NEET rate are Sicily, Campania and Sardegna, while the lowest rates are in Madrid, Catalonia, Balearic Islands and Cyprus. However, the most significant increase since 2008 was in Lazio, Lombardia and Cyprus.

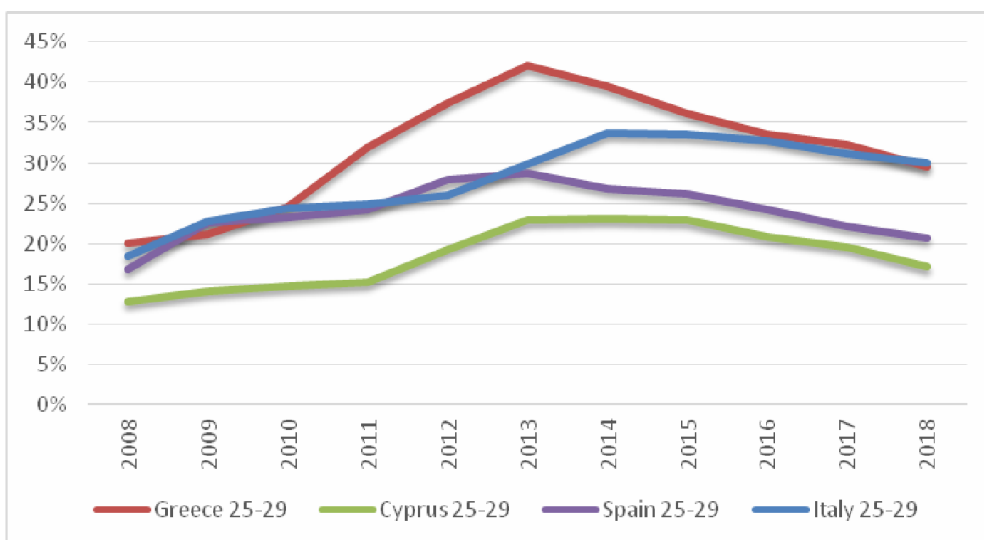


Figure 1: NEET rates, 25-29 age group, 2008-2018

Source: Compiled by the authors, based on data from LFS of Eurostat, ELSTAT, ITSTAT & INE

The analysis indicates that regions with higher proportions of NEETs are those that are less developed and unable to prevent the unfavourable conditions that have risen after the economic recession (Figure 2). The NEET phenomenon increased significantly during the economic crisis and reached its highest level in 2013, the year in which the recession reached its peak. However, for highly developed regions, such as the regions of the Italian North and the Spanish Northwest, the NEET phenomenon started with initial low rates then increased during the crisis and decreased significantly after the end of the recession. Although the level of the NEETs rate can be further improved, the NEET phenomenon in developed areas follows a trend towards the original low rates present before the economic recession.

Metropolitan areas demonstrate lower NEET rates compared to rural areas, even though they have high NEET numbers, in absolute numbers. On the other hand, **the NEET phenomenon appears to be a hallmark of remote places – islands** since, as mentioned before, rurality appears to be a significant factor in young people’s labour vulnerability (Figure 2). In other words, in regions where the first economic sector dominates the local aspects of the mode of production, such as the Italian Mezzogiorno, Andalucia, Extremadura, or in

remote regions of Eastern Macedonia and Thrace, Epirus the phenomenon appears to have a structural nature. The same applies to the Greek islandic regions, with highly developed tourism sector, yet lying in the geographical, administrative and economic periphery of the country.

In terms of gender, the greatest share among NEETs belongs to women in almost every region of MED EEA and throughout the study period except for a few temporary exceptions. In particular, **in Italy and Greece, women have been significantly more vulnerable compared to men.**

Regarding the percentages between unemployment and inactivity, **the NEET phenomenon in Greece, Spain and Cyprus is predominantly a matter of unemployment, while Italy does not follow the same pattern.** In Italy, inactivity is the major problem in youth employment status. During the recent recession, however, the share of unemployment increased among the total number of NEETs, compared to inactivity in all countries under study, even in Italy. The increase of the unemployment rate, during times of crisis, may be attributed to young people trying to make a living by actively seeking for a job, in contrast with more stable socio-economic periods in which young NEETs present higher inactivity share.

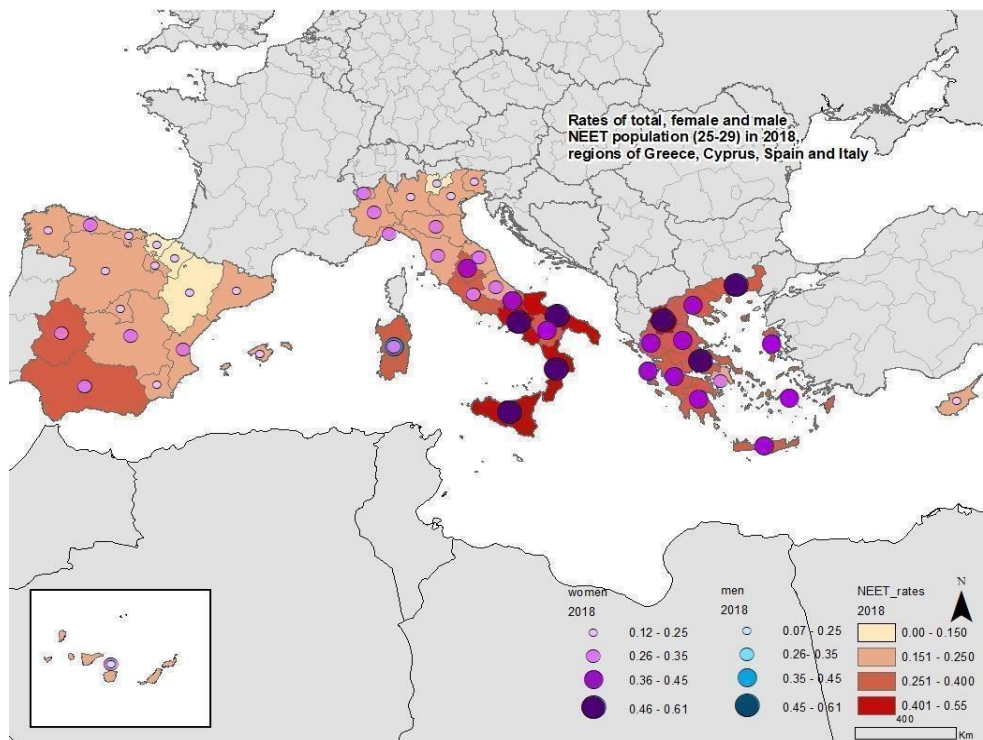


Figure 2: Rates of total, female and male NEET population. Regions of Greece, Cyprus, Spain and Italy, 2018

Source: Compiled by the authors, based on data from LFS of Eurostat, ELSTAT, ITSTAT & INE

Primary data analysis across the southern MED EEA regions

Building on the data analysis, the report develops an empirical understanding of the NEET condition via primary research. Issues related to personal agency, underclass, precariat and the role of race and gender are critically approached.

Regarding the impact of the socio-economic and family background on the NEET, there is a connection between low income and relatively low parental educational background. However, **most of the research participants have graduated from tertiary or secondary education.** What is also common among them is that their majority does not come from higher-income classes. Also, they are not marginalized, with the exception of migrants, whose social integration is at stake. Furthermore, most of the NEETs are mainly seeking for jobs (and not for educational/ training programs) despite the fact that some of them are discouraged by the labour market. Nonetheless, they are willing to work or at least be involved in an activity that supports themselves and their families, and they hope they would work on a permanent job in the future.

The research illustrates also the impact of the local labour market on NEETs, that differs between separate NEET groups (Figure 3). Natives believe that the limited capacity of the regional labour markets constitutes a fundamental obstacle to their employment. Building on that ascertainment, NEETs in Spain revealed that there is a greater possibility of informal work in small labour markets, compared to larger markets. In Italy and Cyprus, there are labour market distortions derived from favouritism and lack of transparency in hiring. However, the difference in labour opportunities

between regional and metropolitan areas is not clear in the case of migrants.

The research also reveals that **the NEET rate is primarily related to unemployment rather than inactivity** (Figure 3). NEETs with previous working experience, are involved in temporary and therefore precarious jobs. Beyond precariousness lies job scarcity, which sets the dilemma for NEETs to invest time and energy in entering the labour market or in acquiring more skills through education and training. However, the unfavourable working conditions and low paid work can discourage young people from the labour market, widening the inactivity share but not so much as to exceed the unemployment share.

We cannot classify native NEETs of the countries under study, as 'underclass', since this concept refers to people without education and skill specialization, to people connected with crime and deviant behaviours, and to families that face long term periods of poverty and dependency on the welfare state. On the other hand, **NEETs do comprise the new precariat**, although they do not constitute a homogeneous group of it. NEETs connected to precariat include teenagers and young people doing temporary jobs, migrants doing legal or illegal jobs, poor mothers worrying about their incomes and others. **NEETs could also be considered as the Industrial Reserve Army of labour as long as they are unemployed and partly or partially employed**, including underemployed - informal workers or workers under precarious and working conditions.

Finally, the impact of gender on employability is noteworthy. **Motherhood and childcare are fundamental issues of women's employability** in addition to the preservation of stereotypes in female and male professions.

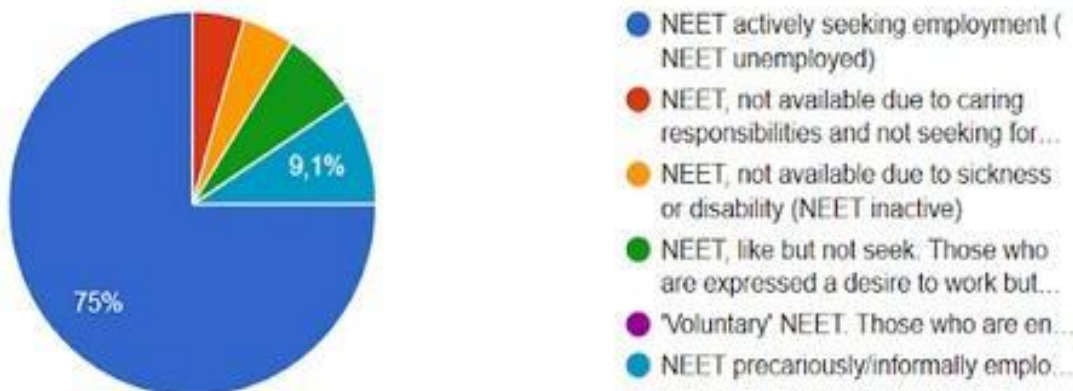


Figure 3: NEETs' current situation of the respondents of the sample
Source: Compiled by the authors, based on data from YouthShare research

Implemented By



Policies for NEETs in the MED EEA: an impact assessment

The significant increase of youth unemployment and inequalities due to the recent economic recession and the implemented austerity measures have led the European Union to the implementation of specific plans. The Europe 2020 strategy focuses mainly on NEETs having the Youth Guarantee initiative at its forefront. This policy commitment by the EU is the most significant effort assisting young people to re-enter the labour market or education or training. It suggests that member states should *"ensure that all young people under the age of 25 years 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"*

Summarizing the data and the conclusions from the EU reports for the implementation of the Youth Guarantee initiative and the literature review, in a SWOT analysis pattern, the report identifies that

YG has some **strengths**:

- ❑ It has offered a basic net of protection against youth unemployment during the economic recession that severely hit Southern Europe; and
- ❑ It has a satisfactory participation rate and coverage of NEETs, even though it is not well monitored so far.

However, YG's **weaknesses** lie with the fact that:

- ❑ It does not offer any assistance to inactive youth;
- ❑ It may lead to job precariousness due to the nature of the jobs offered (i.e. part-time, temporal jobs);
- ❑ It initially excluded youth in the age group of 25-29 years old (an age group with high vulnerability regarding the NEET phenomenon);
- ❑ It is not sufficiently funded; and
- ❑ It does not implement tailor-made policies by taking account of structural issues of the economy and society, but rather sets training and skills acquisition as the major problem of employability.

There are still **opportunities** for the Initiative for a renewed support to young NEETs:

- ❑ It can enhance the capabilities and opportunities for young people to enter or re-enter labour markets; and
- ❑ It can also enhance the existence of market monitoring tools to evaluate the labour market's needs

Finally, the Youth Guarantee, as a widely implemented policy is **threatened** by a plethora of external factors to the policy itself ranging from a new trough of the economic cycle or even the ongoing covid-19 pandemic. Possibly, however, the most important among those threats lie with the people related to the Youth Guarantee, either policy makers or beneficiaries. The political communication regarding Youth Guarantee has set the bar to a certain level, nurturing high or low expectations against inclusiveness, social prosperity and cohesion. In both cases, however, the potential disappointment threatens Youth Guarantee with social disengagement.

Compiled by:

The University of the Aegean, Greece

Corresponding author

Effie Emmanouil, University Hill, University of the Aegean, 81100, Lesvos, Greece, efiemm@aegean.gr; youthshareproject@gmail.com

and

https://www.researchgate.net/publication/340256178_Transnational_Report_on_the_impact_of_employment_policies_on_young_NEETs_tackling_youth_disengagement_through_understanding_the_flexibilization-regional_resilience_nexus

<https://bit.ly/2WIMCUj> (Research Gate)

Implemented By

