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Approaches to youth unemployment and NEETs: International examples

APPROACHES TO YOUTH UNEMPLOYMENT AND NEETS: INTERNATIONAL EXAMPLES

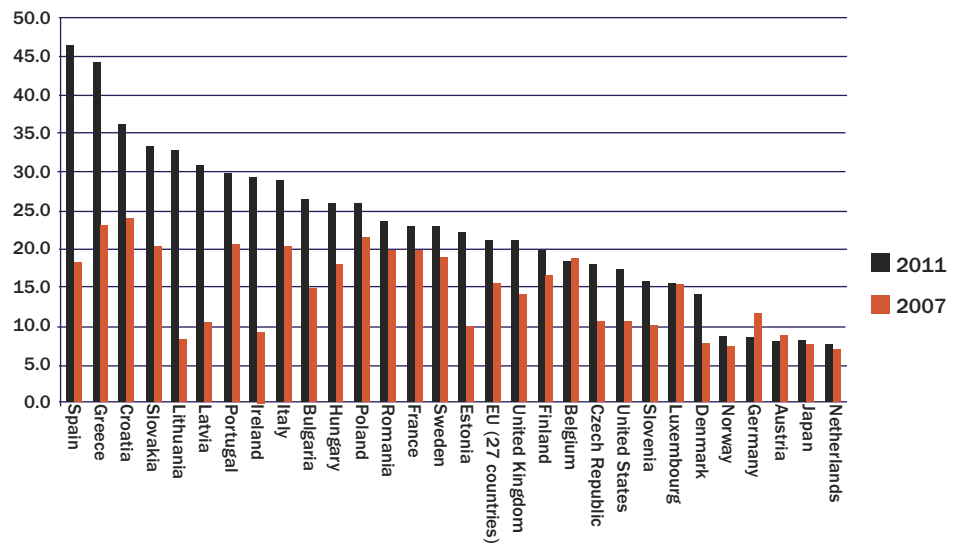
OVERVIEW¹

^a the percentage of unemployed young people in relation to every young person who is active in the labour market, so either working or looking for work

At 22.2 per cent, the UK youth unemployment rate is near the European Union (EU) average^a. However, looking at different measures suggest a more worrying picture. 12.4 per cent of all 15-24 year olds are unemployed in the UK, a figure just below Greece at 13 per cent, and significantly above the EU average of 9.1 per cent. The proportion of 18-24 year olds who are not in education training or employment in the UK is 18.4 per cent, also higher than the EU average of 16.4 per cent. The UK also has the largest absolute number of unemployed young people of all EU member states.

The northern European economies have proven more resilient, and Austria, the Netherlands and Germany have the lowest rates of youth unemployment, at less than nine per cent.

OECD Youth Unemployment Rate 2004-2011: % of youth labour market (15-24 year olds)²



Source: Eurostat 2012 in Lanning and Rudiger (2012)

Lanning and Rudiger (2012) argue that many of the European countries with relatively low rates of youth unemployment typically have strong ‘transition systems’ which support young people in the move from compulsory education, particularly high quality vocational education and training.

Where there are European examples of low rates of youth unemployment there is typically an emphasis on the importance of education systems that successfully interact with the world of work and the institutional support that young people require in order to make that transition. As a result policy makers across Europe increasingly stress the importance of high quality vocational education that:

- improves the quality and status of vocational education and training
- engages more employers to recruit, train and offer work experience to young people, and
- prevents the ‘scarring’ effect of long term unemployed.

INTERNATIONAL EXAMPLES FROM AUSTRIA, ENGLAND, GERMANY AND THE NETHERLANDS

Austria

Youth unemployment strategies include³:

- training guarantee for young people aged 15-18 (since 2008) and supra-company apprenticeship training ‘Future for Youth’ action programme for young people aged 19-24 (on-going)
- new emplacement foundation for youth (Just NEU)
- production schools which support young people to move into post-school training or join the employment market (on-going)
- youth coaching to support young people to decide on a personally suitable education or training pathway (starting in 2012, to be rolled out by 2014)
- apprentice coaching (laid down in VET law in 2011), and
- a special focus on youth with a migrant background.

Apprenticeship provision for approximately forty per cent of all young people the majority of whom are aged under 19. Apprenticeship is underpinned by legislation and employer organisations play ‘a leading role in piloting the system and promoting research and data collection’. Apprenticeships typically last for three years and combine on-the-job and off-the-job training, they are generally provided in artisan or service occupations. Completion rates are high but there is little progression to higher education. Recently government has provided payments to employers to raise demand for apprentices and to try to provide places for all who want them.⁴

England

Measures to tackle youth unemployment include⁵:

- raising the participation age to 17 in 2013 and 18 in 2015
- making £833 million available to fund 140,200 16-18 year old Apprenticeship starts in 2012-13
- funding for 19-24 year olds to complete, take or re-take their first full level 2 (equivalent to five GCSEs at grades A*-C) or first full level 3 (equivalent to two A-levels). Beyond this, learners will have to take out a loan, and
- over the next three years in England to provide additional support to help the most disengaged 16-17 year olds into education or training, paying organisations according to the results that they achieve.

Employers are well-represented on national and sector skill organisations but employer numbers offering apprenticeships are low by international standards.

The supply of applicants substantially exceeds employer demand. Apprenticeship requires completion of competency based qualifications, underpinning knowledge and key skills, employment experience and off-the-job training. Completion rates have improved and are now comparable to some other countries. Progression to higher qualification levels is poor. The administration of government funding for apprenticeship training lacks transparency and 'deters or at best marginalises many employers'. Apprentices must receive the national minimum wage for apprentices of £2.60 per hour. There is also the cost of the supervision, support and mentoring to support the apprentice. The National Apprenticeship covers in full, or in part, the training costs. Financial incentives available in most other countries to employers taking apprentices are not always available in England.⁶

Germany

The Federal Government and the Länder^b aim to⁷:

- improve education levels, in particular by aiming to reduce school drop-out rates to less than 10 %, and
- increase the share of 30-34 years old having completed tertiary or equivalent education to at least 42%.

As such, they have introduced a Skills Development Initiative^c to⁸:

- implement a career entry support programme to facilitate the transition from school and training to help reduce school and training dropout rates
- provide individual outreach support measures, geared towards young people from disadvantaged backgrounds and young migrants who are not served, or no longer served, by the existing range of services and educators (school/ vocational school etc), and
- support 36 municipalities to follow a strategy to test out new ways to reintegrate young people on the basis of existing services and facilities.

Apprenticeship is embedded into the dual-education system in Germany and is the route into work and further career development for nearly two-thirds of all young people. Information and guidance on choosing apprenticeship is well-established in schools and in careers advice centres. Since 1990, a proportion of apprenticeship places have been supported by federal and regional funding. Completion rates are good and additional courses provide pathways from apprenticeship to university. Employer commitment and involvement is high and almost all large firms offer apprenticeships.⁹

Netherlands

National policy targets aim to¹⁰:

- see that the proportion of young people aged 18 to 24 without basic qualifications should be no more than 8%, and
- attain a 45% rate of 30- to 34-year-olds graduating from higher education by 202. This number already exceeds the European target of at least 40.

Policies include:

- initiatives to prevent early school leaving include more teaching time in the first

^b the 16 federal subdivisions of Germany

^c Umsetzungsbericht zur Qualifizierungsinitiative

year, intensive supervision, career orientation and coaching. Structural funding of €150 million is available for this purpose¹¹

- three-year voluntary performance agreements will be concluded in 2012. Schools and vocational education institutions will receive a financial reward for every potential early school leaver who remains in education, and¹²
- improved ‘matching’ between young people and employers, including a mentoring initiative to improve young people’s chances of finding stable employment before they leave education¹³
- higher professional education institutions and universities have received approximately €80 million per annum in recent years to improve their completion rates and €2.15 million for educational guidance interviews.¹⁴

^d middelbaar beroepsonderwijs

^e beroepsopleidende leerweg

^f beroepsbegeleidende leerweg

The Dutch Upper Secondary Vocational Education is provided through vocational programmes known as MBO^d. MBO vocational programmes are offered at 4 different levels. Additionally, there is also a higher ‘MBO level 4’ known as ‘specialist training’. The system offers two separate learning pathways, school-based (with practical periods in employment) and the dual system. The school-based programmes (BOL^e) offer practical periods in employment, which makes up at least 20% of the study time and a maximum of 60%, and this route can be taken as a full-time or a part-time student. Meanwhile, the dual pathway (BBL^f) combines learning and working, and training takes place in a company during at least 60% of the study time. The same qualifications can be achieved via both pathways. Usually, the BBL route is more attractive for adults (young adults), whereas younger learners tend to opt for school-based programmes.¹⁵

Notes

- ¹ Lanning, T and Rudiger, (2012), Youth unemployment in Europe: lessons for the UK, available at: <http://www.researchonline.org.uk/sds/search/download.do;jsessionid=8EB0BC2ACB09A1B9DD9ED6AA24C78047?ref=B27130>
- ² OECD Youth Unemployment Rate 2004 -2011: % of youth labour market (15-24 year olds, available at: http://www.oecd-ilibrary.org/employment/youth-unemployment-rate_20752342-table2
- ³ European Commission, Europe 2020 in Austria: reporting table on national Europe 2020 targets and other key commitments, available at: http://ec.europa.eu/europe2020/pdf/nd/annex22012_austria_en.pdf
- ⁴ Stedman, H. (2010), The State of Apprenticeship in 2010, London School of Economics, available at: <http://cep.lse.ac.uk/pubs/download/special/cepssp22.pdf>
- ⁵ United Kingdom National Reform Plan 2012 available at: http://ec.europa.eu/europe2020/pdf/nd/nrp2012_uk_en.pdf
- ⁶ Apprenticeships.org.uk Q&A, available at: <http://www.apprenticeships.org.uk/Employers/Other-Questions.aspx#Group446>
- ⁷ Germany National Reform Programme 2011, available at: http://ec.europa.eu/europe2020/pdf/nrp/nrp_germany_en.pdf
- ⁸ Germany National Reform Programme 2011, available at: http://ec.europa.eu/europe2020/pdf/nrp/nrp_germany_en.pdf
- ⁹ Stedman, H. (2010), The State of Apprenticeship in 2010, London School of Economics, available at: <http://cep.lse.ac.uk/pubs/download/special/cepssp22.pdf>
- ¹⁰ Netherlands National Reform Programme 2012, available at: http://ec.europa.eu/europe2020/pdf/nd/nrp2012_netherlands_en.pdf
- ¹¹ Netherlands National Reform Programme 2012, available at: http://ec.europa.eu/europe2020/pdf/nd/nrp2012_netherlands_en.pdf
- ¹² Netherlands National Reform Programme 2012, available at: http://ec.europa.eu/europe2020/pdf/nd/nrp2012_netherlands_en.pdf
- ¹³ Lanning, T and Rudiger, (2012), Youth unemployment in Europe: lessons for the UK, available at: <http://www.researchonline.org.uk/sds/search/download.do;jsessionid=8EB0BC2ACB09A1B9DD9ED6AA24C78047?ref=B27130>
- ¹⁴ Netherlands National Reform Programme 2012, available at: http://ec.europa.eu/europe2020/pdf/nd/nrp2012_netherlands_en.pdf
- ¹⁵ Apprenticeship supply in the membership states of the European Union, (2012), available at: <http://ec.europa.eu/social/BlobServlet?docId=7717&langId=en>