Varieties of NEET: Characteristics, determinants and implications for policy

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Today:

➢ Introduction: A few words on the concept of Young People Not in Employment, Education or Training (NEET)

➢ Key trends and characteristics – quite different for NEETs compared to unemployment

➢ Some implications for policy
Introduction
Who are the NEET (SDG indicator 8.6.1)?

NEET comprises

1. Young people who are **unemployed** (but who are not also in education);

AND

2. Young people who are **outside the labour force** (but who are not also in education)
Global Youth (15-24) Labour Markets: a snapshot

Youth Status 2022

- In Education: 518.1M
- Employed: 424.8M
- NEET: 289.3M

Youth Labour Force Status 2022

- Unemployed: 69M
- Employed: 424.8M
- Out of the Labour Force: 738.3M
Global Youth (15-24) NEET rate and youth unemployment

**Unemployment rate** = 
Unemployed/Labour force = 14.0% 
(or 5.6% of young people)

**NEET Rate** = NEET/Pop 
= 23.5% (of young people)
And more specifically?

NEETs are very **heterogeneous**; How to categorise them? One approach (Eurofound):

**In Labour Force (‘Active’)**
- Unemployed (& not in education)

**Outside the Labour Force (‘Inactive’)**
- Discouraged
- Family responsibilities
- Young people with disabilities
- Other (residual category)
Key characteristics and trends
NEET rates vary widely, but are higher in lower (-middle) income countries

NEET rates 15-24, 2022

- < 5
- 5–10
- 10–15
- 15–20
- 20–25
- 25–30
- 30–35
- 35–40
- 40–45
- 45–50
- ≥ 50
Especially for young women

- Youth NEET rates vs. GDP per capita (PPP), women
- Youth NEET rates vs. GDP per capita (PPP), men
Indeed, NEET rates are (almost) invariably higher amongst women than men, especially in lower(-middle) income countries.
& the underlying factors are different for young men and young women

- Differences in **male NEET rates** generally driven by the (un)availability of job opportunities – NEET mainly unemployment or labour market related

- **Female NEET rates** also due to structural barriers to entering advanced education and/or the labour market – mainly inactivity
NEET rates typically higher – and the gender gap wider - in rural areas
NEET status is concentrated amongst the less educated

NEET Rates by education (aged 25-29), 2021, 151 countries
Youth NEET rates – and the impact & recovery following the COVID-19 pandemic - vary widely

NEET rates (15-24)

- World
- Lower-middle income countries
- High income countries
- Upper-middle income countries
- Low income countries
& NEET rates are persistent – especially amongst women

Males

Females

$y = 0.6549x + 5.0314$

$R^2 = 0.3132$

$y = 0.9997x + 9.6773$

$R^2 = 0.674$
There are a series of typical characteristics of policy relevance for NEET – typically rather different from the characteristics of youth unemployment:

- NEET rates are (nearly) everywhere higher amongst young women.
- NEET rates tend to fall as country income increases.
- NEET rates are higher – and the gender gap larger – in rural compared to urban areas.
- NEET rates tend to fall with rising individual educational attainment;
- There is strong evidence of persistence/scarring especially amongst young women.
- Post-Covid NEET rates in low income countries are on the increase.
Implications for Policy
Shift in policy focus from youth unemployment to NEET broadens the scope of interventions; implies also a shift in mindset

- Many more NEETs than young unemployed
- NEETs have quite different characteristics to the young unemployed
  - NEET rates higher for young women – and more generally, higher for more vulnerable groups of young people
- NEET rates can be reduced by increasing youth employment, but also by encouraging a return to education
- There needs to be greater policy focus on removing obstacles to entry to education and/or employment of vulnerable groups (especially young women)
- Outreach is also an important issue
  - Many ‘inactive’ NEETs would work if they could but who have given up looking due to the lack of adequate opportunities
Which suggests that:

- Facing the ‘NEET’ challenge requires a broad-based approach
  - Young NEETs often face multiple simultaneous barriers to employment, education and training;

- Array of interventions must have, as its cornerstone, macroeconomic and sectoral development policies
  - But also also include educational grants, job search support, childcare availability, and re-entry programmes, employment support, training – according to local circumstances
Moreover…

- Interventions need to be tailored to meet the specific characteristics and determinants of NEETs in specific contexts.
  - For example, attention needs to be paid to the various obstacles to educational and labour force participation that young women face in differing national contexts.

- European Youth Guarantee - example of a broad-based approach;
  - Establishing such a comprehensive framework is challenging both institutionally and financially;
  - Elements of the approach can be adopted;
  - The costs of not doing so are also substantial
To know more…


