

AVRUPA 2020 STRATEJİSİNİN SONUNA GELİRKEN: NEİY*

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Öz

Bu makale 15-24 yaş aralığında, ne eğitimde ne istihdamda ne de yetiştirmede (NEİY) yer alan gençler ile ilgili literatür taraması yapmakta ve Avrupa Birliği (AB) bünyesinde bu konuya ilişkin güncel durumu makro düzeyde incelemektedir. Genç işsizliğinin AB'nin önceliklerinden biri olması sebebiyle beşeri sermayeye yapılacak yatırım, gençlerin istihdam edilebilirliği ve sosyal içermeleri açısından önem arz etmektedir. Günümüzde AB'nin amaçlarının yaşlanan nüfus ve yüksek genç işsizliği oranlarına ilişkin sorunları çözmek ve dünya çapında rekabet edebilirliğe ek olarak akıllı, sürdürülebilir ve kapsayıcı büyümeyi elde etmek olması nedeniyle, genç nüfusun önemine vurgu yapılmaktadır. Bu makale, Avrupa 2020 Stratejisinin NEİY sorununa çözüm bulmakta başarılı olup olmadığı sorusuna cevap aramaktadır. Bu konuyu ele alırken, öncelikle NEİY sınıflandırması ve olası nedenleri incelenmektedir. Sonrasında, 2019 yılının güncel verileri ışığında AB'nin Avrupa 2020 Stratejisindeki hedeflerinde ne aşamada olduğu irdelenmekte ve bu çalışmada sadece istihdam ve eğitim verileriyle başarılı sonuçlar elde edilemeyeceği gösterilmektedir. Daha sonra, istihdam ve eğitim alanlarının dışında kalmanın ekonomik ve sosyal alanlarda yarattığı risklere odaklanılmaktadır. Son olarak, AB'nin söz konusu alanlarda yürütmekte olduğu politikalara yönelik eleştiriler ve bundan sonraki stratejilerin oluşturulması sürecinde dikkate alınması gereken öneriler sunulmaktadır.

Anahtar Kelimeler: *Avrupa 2020 Stratejisi, NEİY, Genç İşsizliği, Emek Piyasası, Sosyal İçerme*

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APPROACHING THE END ‘EUROPE 2020’: NEET

Abstract

This paper provides a literature review on the group aged between 15-24, who are not in employment, education or training (NEET) and it examines the current situation in the European Union (EU) at macro level. Since young unemployment is one of the major concerns of the EU, investing in human capital is essential both for employability and social inclusion of the youth. Since the recent objectives of the EU aim to tackle ageing population and high rates of young unemployment; and to obtain smart, sustainable and inclusive growth in addition to worldwide competitiveness, they emphasise on the crucial role of the young population. This paper tries to answer the question whether the ‘Europe 2020’ is successful in terms of coping with the problem of NEET. While analysing this issue, firstly it examines the categorisation and the potential reasons for being NEET. Then, in the light of the current data of the second quarter of 2019, it figures out the state of play considering the targets of ‘Europe 2020’. It demonstrates that the success cannot be achieved by the data regarding merely employment and education. Moreover, it focuses on the risks emerged both on the economic and social areas due to remaining outside the education and labour market. Lastly, criticism towards the current policies of the EU and recommendations for the following strategy document is presented.

Key Words: *Europe 2020, NEET, Young Unemployment, Labour Market, Social Inclusion*

Introduction

This paper will focus on the growing youth problem, which is being not in employment, education or training (NEET) within the framework of the European Union (EU). As the deadline for achievement of the targets stated in the current strategy paper 'Europe 2020' is approaching, it would be beneficial to analyse the recent situation accordingly. The EU aims to cope with the problems related to ageing population and high rates of young unemployment; and it desires to obtain smart, sustainable and inclusive growth in addition to increasing its abilities for worldwide economic competitiveness. Therefore, as it can be seen from the present initiatives, the EU tries to promote young employability by setting targets related with both education and employment in addition to tackling poverty and social exclusion. Within this context, this paper will first present the content of NEET concept including the reasons and the categorisation to figure out the diversity of the group. Secondly, the latest data available and relevant targets of the EU will be introduced to understand the outcomes of the last strategy including its relation with NEET. Hence, an analysis will be provided regarding the success of the EU in the aforementioned areas during the last decade. Thirdly, policy recommendations will be provided in relation with the potential results of being NEET. In other words, as being outside of the education and the labour market have various negative effects on individual, family, society and the economy as a whole, policies shall be established in order to reduce the number of that group and the period of being NEET.

Within this framework, the aim of this research paper is to answer the question whether the EU's current strategy paper 'Europe 2020' is successful in terms of setting goals and coping with the problem of NEET. This paper tries to find out the response for the aforementioned question by analysing secondary sources, such as international reports, articles and legal documents, comparing different studies and issuing tables for the quantitative data received from the current publications and database. Finally, following the key findings received by the analysis, recommendations for further developments will be presented.

Importance of the Term 'NEET'

According to OECD (2019),

'This indicator presents the share of young people who are not in employment, education or training (NEET), as a percentage of the total number of young people in the corresponding age group, by gender. Young people in education include those attending part-time or full-time education, but exclude those in non-formal education and in educational activities of very short duration. Employment is defined according to the OECD/ILO Guidelines and covers all those who have been in paid work for at least one hour in the reference week of the survey or were temporarily absent from such work. Therefore NEET youth can be either unemployed or inactive and not involved in education or training.'

Regarding the significance of the term 'NEET', it should be underlined that the situation of the young people in the labour market has traditionally been examined with employment and/or unemployment rates. However, as the reason of not being in the labour market can also be education, it is crucial to analyse the shares of NEET so as to develop appropriate policies (Eurofound, 2012b). According to ETF (2015), the acronym NEET means young individuals who are not currently enrolled in education or training and not working. Hence, it refers to youth, who do not have access to learning facilities and job opportunities. The reasons for the appearance of the concept are listed as the increase in the complexity of school-work transitions, part-time and mixed work types and changing structure of the labour market. Moreover, as Eurofound (2018) announces, the significance of the indicator is related with developing youth-oriented policies on education, employment and social inclusion since 2010. For calculation, it is essential to note that the reference age range was 15-24 at the beginning but it is currently broadened to 15-29. Since the mainly used survey data refers to age category 15-24 for the EU, this paper will be mainly based on the accessible figures along with trying to provide comparative data, where available.

Table 1: Youth Unemployment and NEET Framework

Labour Force Status	Time Use	Employment Status	Work Status	Formality	
In Labour Force	Full-time worker	Wage employed	Employed	Formal	Informal
		Self-employed			
		Unpaid / Family Worker			
	Part-time worker	Voluntary part-time employed			
		Involuntary Underemployed			
Job seeker	Unemployed	NEET			
Out of Labour Force	Inactivity/ Housework				Discouraged
					Inactive
	In education / Training	Student	Student		

Source: World Bank, 2014

In the Table 1, the placement of NEET can be seen within the context of work status. As it can be understood from the table, NEET can be either in the labour force or out of the labour force, in addition to being neither employed nor student. Since they can be unemployed, discouraged or inactive, it can be argued that they have different characteristics.

According to the categorisation of Eurofound (2012c), there are seven groups determined according to different characteristics of NEETs. Firstly, re-entrants, who have already been recruited or enrolled in education or training and they expect to quit the group in a short time period. It can be stated that they are the luckiest ones since they are about to leave the group by having access to education or employment. Secondly, short-term unemployed ones are the persons who are unemployed, looking for job or have been unemployed for less than a year; thus, it can be stated that they are moderately vulnerable. Thirdly, long-term unemployed ones are unemployed, looking for job and have been unemployed for more than a year; so they are at high risk of disengagement from public life and encounter with social exclusion. Fourth group is not seeking work due to illness or disability; including the persons who are in need of more social support since they are not able to perform paid work. Fifth group refers to persons who have family responsibilities, thus

they are not employed because of caregiving and other family-related duties. This group is a mix of vulnerable and non-vulnerable persons and it is formed mostly by women. Sixthly, discouraged group has stopped seeking work since they think that there are no job opportunities. They mostly face the risk of social exclusion and lifelong disengagement from employment at high level. Lastly, other NEET group is comprised of a very diverse group addressing the most vulnerable or the most privileged ones and those who are following alternative ways. Although they are all detached from education and labour, the differences among those groups demonstrate that there are diverse reasons for being NEET and the features of the groups differ from each other.

With regard to the importance of NEETs, it can be stated that young persons are actually the active force of the labour market. As it is pointed out in Eurofound (2012a), youth in NEET is waste of potential work force in addition to being burden for the society and the economy. In this context, firstly individuals lose their income, secondly firms lose work force and profits and finally the state loses tax revenues. In other words, they are the unutilised units of production that lead to have negative influences on economic growth. Thus, it can be claimed that determination of the NEETs and making effort for their re-integration into the labour market or education are essential not only for their personal benefits such as employability and social inclusion, but also for the society and the economy as a whole. As there is a dramatic rise in the percentage of the young people in NEET, the growing importance of this group needs to be recognized.

As Balan (2017) states, since the young unemployment rate is twice higher than the entire unemployment rate, youth employment has a crucial role in achieving the reference employment objective of the Europe 2020 Strategy. To be more specific, it can be denoted that the figures are 15,2% against 6,8% in 2018 (Eurostat). Moreover, as it is stated in Eurofound (2012b), since young people work mostly in precarious situation, they are the first to encounter the problem of losing their jobs due to their temporary contracts that are not renewed or the preference of employers in favour of experienced workers. Furthermore, as young population is more sensitive to economic recession, the role of their re-engagement into the labour market needs to be

highlighted since their inactivity has various negative outcomes. That is to say, the probability to face with risks of poverty, underemployment, self-exclusion, social exclusion, etc. increases when they are inactive (Balan, 2017). Therefore, inactivity of young people need to be considered as a sensitive issue both for economic and social terms since they are more susceptible to isolation and exposed to financial deficiencies compared to other groups.

Table 2: Employment and Unemployment rates for different age groups

		2009	2018
Young people aged 15-24 neither in employment nor in education and training (NEET)	Total	12,4	10,4
	Female	12,9	10,8
	Male	12	10
Employment rate age group 15-24	Total	37,2	35,4
Unemployment rate age group 15-24	Total	20,3	15,2
	Female	19	14,5
	Male	21,4	15,7
Unemployment rate age group 25-29	Total	11,4	9,2
Unemployment rate age group 25-54	Total	7,9	6,3
Unemployment rate	Total	9	6,8

Source: Eurostat, 2019

In the Table 2, it can be seen that the EU has taken necessary measures. After the economic recession period, the figures have shifted in a positive manner and it can be added that gender differences are not that visible in the EU average. However, it can be still stated that the share of youth unemployment is quite high and the percentage of youth employment is low compared to total employment rate that can be seen in the Table 3.

Relation Between the Current Strategy of the EU and the NEETs

It is important to look at the program of the EU to understand the objectives and the challenges accordingly. Europe 2020, which is the current Strategy Paper of the EU, has five main headline targets and this paper will take the data on the employment, education and risk of poverty and social

exclusion into consideration within the context of social policy. Firstly, regarding employment, it can be stated that the rate of population aged 20-64 is expected to rise to 75% including also women, elderly and migrant workers. Secondly, with regard to education, it can be noted that the share of drop out is expected to decrease to 10% and the percentage of the population aged 30-34 is expected to complete tertiary education increase to 40%. Thirdly, it can be declared that a decrease of 20 million people is expected among the population that is under the risk of poverty and social exclusion. The critical point is that Member States are expected to transfer those targets into their national goals in order to achieve the overall success by 2020. As their welfare systems, labour market conditions and economic situations, etc. differ from each other, each Member State is expected to define its own targets and act accordingly (Communication, 2010). As the Member States are expected to reach the EU target, the EU estimates that each Member State will act accordingly.

Table 3: Initial and latest data for Europe 2020 targets

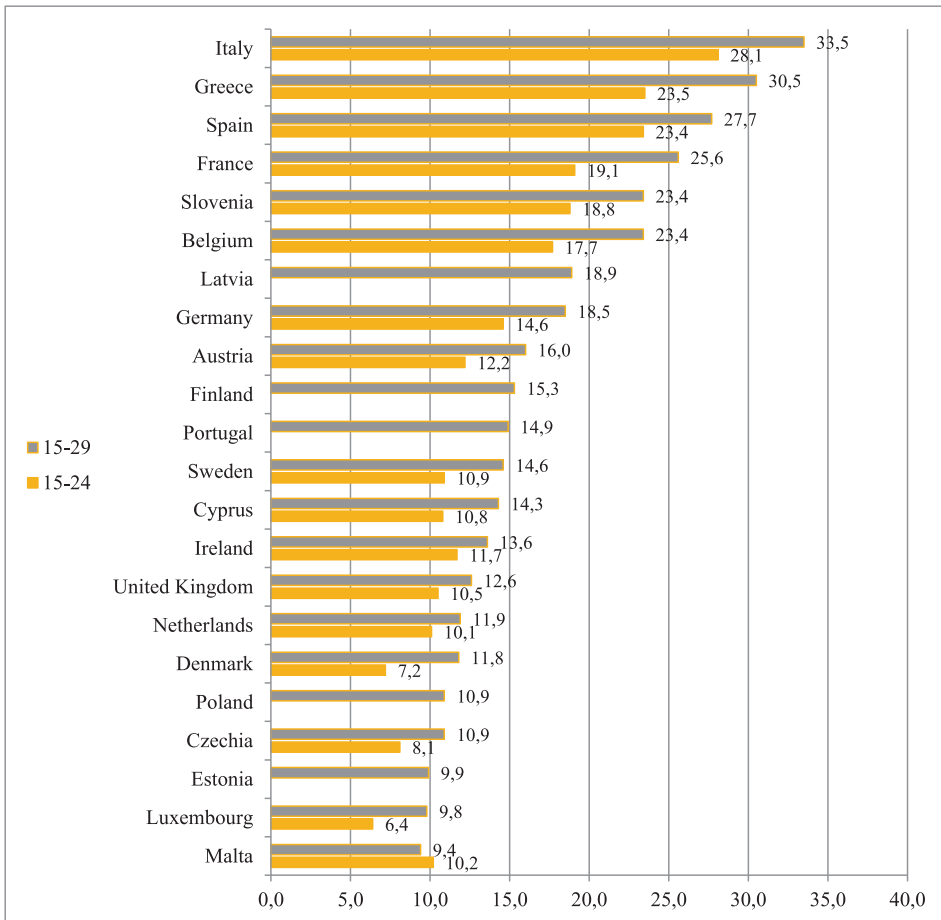
			2008	2018	Target 2020
Employment	Employment rate age group 20–64	Total	70,2	73,2	75
		Female	62,7	67,4	
		Male	77,8	79	
Education	Early leavers from education and training (% of population aged 18–24)	Total	14,7	10,6	<10
		Female	12,7	8,9	
		Male	16,7	12,2	
	Tertiary educational attainment (% of population aged 30–34)	Total	31,1	40,7	>40
		Female	34,3	45,8	
		Male	28	35,7	
Poverty	People at risk of poverty or social exclusion (Million people)	Total	116	113 ¹	-20

Source: Eurostat, 2019

As it can be seen in the Table 3, according to the data available in the second quarter of the 2019, the target regarding employment is only achieved for male, thus there is still necessity for work on total and women employment. For

education, it can be seen that on the one hand females need to be supported regarding drop outs, and on the other hand attainment of males in tertiary education needs to be promoted. Regarding poverty, it can be noted that insufficient development is observable but a detailed analysis regarding the age groups would also be beneficial as NEETs are one of the groups that are more likely to face with the risk of poverty or social exclusion.

Table 4: NEET Rates² in the EU Counties



Source: Eurostat, 2018

² No reliable data is available for Bulgaria, Croatia, Hungary, Lithuania, Romania and Slovakia for neither ages between 15-24 nor 15-29.

Since no data is available in some countries (Estonia, Finland, Latvia, Poland and Portugal) for the NEETs between ages 15-24, the Table 4 is established according to the data of NEETs between ages 15-29. In this context, the shares of NEETs are clearly remarkable in Italy (33,5%) and Greece (30,5%); however, the percentages are fewer in Malta (9,4%) and Luxemburg (9,8%) compared to the other EU countries for the year 2018. Moreover, as it is revealed in the Table 2, even though the average data for the EU 28 indicates 10,4% for ages 15-24, it can be pointed out that the differences among the countries' data are quite visible. Consequently, all the Member States need to take their own measures in order to tackle NEET issue at the national level and to be able to achieve the common target of the Union.

Furthermore, considering the subject Strategy Paper, it can be also added that seven flagship initiatives have been classified within the context of smart, sustainable and inclusive growth and they are interrelated. However, this paper will present three relevant ones that can be directly linked with NEET problem addressing the relation between education, employment and poverty. Firstly, 'Youth on the move' aims to improve the education systems to enhance the transition from school to work. Secondly, 'An agenda for new skills and jobs' is related with modernization of job markets and development of people's skills to ensure the match between labour supply and demand and to promote labour mobility. Thirdly, 'European platform against poverty' intends to establish social and territorial cohesion so that people facing poverty and social exclusion can take active role in the society (Communication, 2010). Thus, it can be seen that the EU desires to support young people by attributing importance to the quality of education systems, demands of the business world and social inclusion. Therefore, qualifications of the youth are tried to be developed in order to facilitate the transition from school to work with the skills desired in the labour market to cope both with economic and social disadvantages. Within this framework, the example of 'Youth Guarantee' can be presented as one of the most popular programmes in the EU considering the policies targeting the youth. As Eurofound (2016) states, Youth Guarantee, a 2013 initiative of the EU, aims to enhance the opportunities provided to young people regarding education and employment in addition to social dimension. All EU Member States have committed to the execution of this

initiative aiming to ensure the right of every young person to access a job, an apprenticeship, additional training or combined work and training after a maximum of four months' unemployment, and it can be noted that the countries that experience considerable budgetary difficulties and higher degrees of NEETs or of youth unemployment are allowed to implement the aforementioned initiative gradually (Council of the European Union, 2013). Hence, it can be figured out that the EU is in favour of investing in young people by considering long term costs and benefits. However, although NEETs are mentioned within the initiatives targeting the youth, it can be argued that they deserve special attention so as to be more successful while fighting against this sensitive issue.

Recommendations Linked With the Results of Being NEETs

Within this part, this paper aims to provide some recommendations in order to be more specific regarding the NEET groups, understand better their characteristics, developing more successful policies and ensuring their presence in the upcoming EU strategies.

First and foremost, as Eurofound (2016) notes, although more than half of NEETs are unemployed and most of them are willing to work, it is claimed that only half of the NEETs are registered to public employment services. Since the information on NEETs is available neither in education system nor in the social security system, it is argued that the registration of the NEETs is the most critical issue since development of appropriate polices can only be possible with correct data and proper categorisation of the group including 'missing' ones.

Secondly, as Eurofound (2016) states, NEETs shall not be considered as homogenous group which consists of young individuals who are neither in education nor employment. Thus, diversity in their characteristics leads to variety in their desires. In addition, as Eurofound (2017) suggests, in-depth assessment shall be performed and individualised pathways need to be prepared in line with personal needs and different career aspirations. In other words, since one target or one objective may not fit to all types of NEETs, it is argued that different policies need to be developed to be able to meet

their diverse needs including development of skills to enhance employability, improvement of education level to ease the transition from school to work, provision of internship or apprenticeship opportunities to enable gain of experience, etc.

Thirdly, as Eurofound (2016) expresses, in Nordic, Western and Continental countries NEETs are mainly short-term unemployed, in some Southern and Mediterranean countries they are mostly long-term unemployed or discouraged workers and in Eastern European countries they are mostly women dealing with family responsibilities. Thus, it is claimed that Member States need to draw the pictures clearly for their countries and update their targets accordingly for the upcoming strategies as the general objectives drafted by the EU may not be suitable for each member state. Within this framework, gender and voluntary issues shall be also monitored by the Member States with the support of the local authorities since there are variations among the countries and general initiatives may lead to encounter problems to achieve the overall goals. For instance, in one country institutional childcare provisions may be enhanced in order to promote young women employment; however, in other country apprenticeship programmes may be upgraded in order to improve human capital and employability accordingly.

Within this framework, determination of the categorisation is also important for the calculation of the costs of the NEETs. As Eurofound (2012a) points out, the outcomes of being NEET are not only related with those individuals but also with society and economy. On the one hand, since most of the NEETs are in need to receive transfers, social assistance, health benefits, etc. the costs of the welfare state incline accordingly. On the other hand, since NEETs are not present in the formal labour market, they have no economic contribution to the society. Hence, as income level may alter depending on age, gender, education level, ethnicity, work experience, health status, etc. the costs of the NEETs shall be also calculated accordingly. For instance, every NEET will not be able to pay the same amount of tax even if they are re-engaged into the labour market, thus, the loss of the state does not refer to the same amount for each of them. Moreover, it can be also discussed that since there are variations in the welfare systems of the Member States, providing an overall calculation

may not demonstrate the real picture for the national level and the achievable targets accordingly.

Furthermore, as Eurofound (2017) figures out, young unemployed people are more likely to suffer from poor health, depression, stress, anxiety, and lack of well-being etc. Moreover, Eurofound (2016) denotes, although non-vulnerable NEETs are not lack of cultural, social and human capital, unlike vulnerable ones, there is still a risk of being marginalised. Hence, it is argued that although non-vulnerable group has access to economic facilities, they may still be disengaged and asocial. Therefore, they are at risk of drug abuse, committing crime or raising marginalized children, etc. That is to say, as being -voluntarily or involuntarily- socially excluded may lead to intergenerational mental problems, the importance of provision of psychological consultancy shall not be ignored while drafting policies.

Besides, with regard to the ways used to achieve the goal of Europe 2020 Strategy, it can be stated that open method of coordination has the role of peer pressure that restricts the success of the process (Delmas, 2015). Consequently, I argue that as the main concerns of the EU are related with economy, binding methods are provided mainly for economy-related fields. However, as the social policy is mostly coordinated by open method of coordination, there are no follow-up procedures or sanctions for the implementation phases, thus the achievements of the targets remain limited. That is to say, although Member States set targets depending on national situation in their local labour market and education structure, a close monitoring can be provided by the EU in order to strengthen the conditions both for national and EU level. As the Member States receive financial aid from the EU budget so as to make progress in the field of social policy, the EU may involve more into the processes to see the implications and not to seem too ambiguous with its objectives.

As a last suggestion, since the paper has tried to highlight that NEETs can be defined as disadvantaged groups that require special needs, the EU may consider to set a target explicitly addressing the NEET rates referring to a common range of ages while preparing a new strategy for the upcoming years so as to follow the missing youth, to establish suitable initiatives and to calculate the costs properly. For this reason, ensuring to receive reliable

data from all of the Member States will be a key point while monitoring the developments and designing a special target in a new strategy.

Conclusion

To sum up, this paper has pointed out the importance of the young people who do not take part in labour market or education. Even though they have all been recorded under the same umbrella of being neither in employment, nor in education or training, it has been demonstrated that they cannot be regarded as an homogenous group that have similar characteristics. Since the reasons and the objectives of the group members differ from each other, diverse policies need to be developed for each sub-group of NEETs. As young people have important role for the society in terms of both economic and social development, they require special needs to be engaged either in labour market or in education or training programmes. As this paper has figured out the disadvantages of youth in NEET cannot be limited by employment and education, a specific target needs to be set in order to be more successful in that area. Moreover, it focuses on the current stagey paper of the EU, 'Europe 2020' in order to analyse the current situation in the EU. Relevant headline targets and related flagship initiatives have been examined so as to comprehend the attitude of the EU towards young people. As youth unemployment poses a menace for individual, social and economic development and young unemployment has crucial significance in the unemployment shares, the EU attributes special importance to their engagement in education and employment. Nevertheless, considering the special needs of NEETs, this paper argues that the EU lacks of targets in the latest strategy paper. Approaching the end of the year 2019, thus the deadline for the objectives presented in the 'Europe 2020', it has been seen that the EU would have used other methodologies to reach aforementioned targets and to be considered as more successful. Recommendations regarding the current policies and implementations have been demonstrated that the problem of NEET needs to be monitored more closely and the following strategy paper shall be prepared in line with the lessons learnt from the current failures. Finally, it can be also underlined that economic policies and social polices shall not be considered as mutually exclusive; on the contrary, it is essential to accept that they are complementary.

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*For table preparation: Eurostat.

(Footnotes)

1 Eurostat data is available for 2017.