

# Track-IN

Public employment services  
tracking effectiveness  
in supporting rural NEETs

## Policy Brief on NEETs: With a Focus on Rural NEET aged 25-29

Elaborated by TRACK-IN WORKING PACKAGE 1 (WP1):  
Policies & PÉS NEETs' tracking effectiveness in rural areas





## **TRACK-IN Project “Public employment services tracking effectiveness in supporting rural NEETs” is funded by EEA Grants**

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Editorial Graphic Design by Mariano Soler-Porta  
Cover image by @sidubiswas6 en Freepik

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ISBN: 978-989-781-856-1

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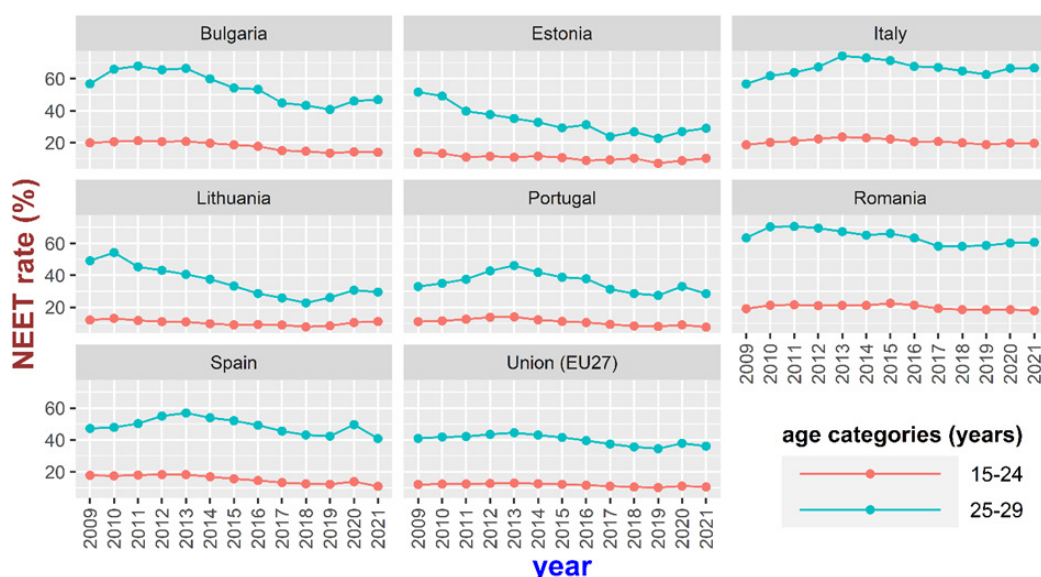
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## INTRODUCTORY REMARKS

The concept of NEET (not in employment, education, or training) was coined in the 1990s, and starting from the 2000s was adopted as a cornerstone for social policy within the EU, being also borrowed as such across Europe and all over the world (Smoter, 2022). Given high unemployment rates at young ages in Southern Europe in particular, the concept was appealing to decision-makers, politicians competing for voter sympathy, and the general population that saw reducing the number of NEETs as a legitimate goal. Existing data shows that even after two decades of targeting NEETs, their rates remain high, in fact almost unchanged or with small decreases in many EU member states. The rate of NEETs between 25 and 29 years old is almost 7% higher than that of NEETs between 15 and 24 years old at the European level (EU-27). Considering the NEETs rate between 25 and 29 years old (18.9% in 2020) and this rate in rural areas (20.6% in 2020), we have targeted two types of the population that might be at higher risk. Firstly, NEET rates increase in all countries when considering people in their late 20s, which is when almost all of them are likely to have finished their formal education. This 25-29 age group has become one of our targets. Secondly, we have taken into account the rural NEETs and eventual regional disparities and targeted policies, since such contextual dependency can lead to long-term captivity in a risky situation, as well as to distorted social development. (Figure 1)

Figure 1. NEETs' rate dynamic by age at EU level and in various EU countries



Data source: Eurostat (variable LFSI\_NEET\_A), based on Labour Force Surveys across Europe.

The high rate of NEETs aged 25-29 is due to: 1) the lack or limited number of specific measures for this age group in national policies; 2) the lack or limited number of measures dedicated to disadvantaged areas in national policies; 3) limited cooperation with local public or private (including non-governmental) actors; 4) poor coordination between actors involved in the implementation of public policies.

In this policy brief, we consider the usefulness of the concept, look for differences in its uses, and focus on the proposed actions referring to NEETs in order to inspect their portability and relevance for disadvantaged areas and regional approaches. Our assessment is based on a systematic analysis of the NEET regulations in seven EU countries (Bulgaria, Estonia, Italy, Lithuania, Portugal, Romania, and Spain), a secondary data analysis of NEETs' rates in two age categories and a scoping review of recent academic literature on NEETs across Europe.

## RESEARCH OVERVIEW

After the economic crisis of 2008 - 2010, the problem of precarious employment and high unemployment among young people was present in the public discourse, which led to the adoption of specific public policy measures to try to respond as adequately as possible. The launch of the Youth Guarantee Programme in 2013 represents one of the most important moments in the process of increasing employment and social inclusion for young people. The Youth Guarantee Programme is an innovative approach in the labour market policies for youth that include active measures from an integrated perspective on tackling young people's issues and inequalities. It includes a wide variety of measures from education and training to apprenticeship, internship, direct employment, subsidies, and entrepreneurship support. The advent of this programme also marked a paradigm shift in addressing youth employment issues at the national level by introducing new types of active labour market policy measures and helping the reform of these public policies for youth in each country. The implementation of the Youth Guarantee involved improvements and development of public policies at national level (43% of the public policies developed in the seven countries of the project starting in 2013 have been related to the Youth Guarantee Programme).



Despite all these public policy reforms, the NEET rate remains high and inequalities between disadvantaged and other regions are significant for young NEETs.

The existing academic literature stresses a certain ambiguity of the concept, which derives from the conventional age limits that may or may not overlap with schooling and individual pathways of development. Educational careers, family cycles, parenthood, or the burden of disabilities are in many cases age-related phenomena, and neither the broad 15-29 category nor the somewhat narrower 15-24 are not homogeneous enough to allow unique types of interventions. Therefore, one needs to consider narrower age groups and their specificities. This does not exhaust the complexity of the problem, given that some people may be quicker in their life choices; others may postpone them; and they may be erroneously labelled as NEET or not NEET solely based on age, employment, and educational status.

Being employed is also debatable as a concept. Cross-sectional views are useful, but NEET status is dynamic and is rather a process than a state. Current employment, irrespective of whether precarious or not, is not definitive proof that it represents the usual situation of the young adult that is under assessment. The current state can be preceded by a long period of not finding employment and not being in education, and can be followed by a similar long spell or by a stable job that brings material and intrinsic gratifications. The same argument can be applied to education.

## **PUBLIC POLICIES FOR NEET ACROSS EUROPE**

National public policies addressing the issue of NEETs, especially those between 25 and 29 years old, to a limited extent contain specific measures to tackle the specific needs of this age group and especially those from disadvantaged areas (rural, islands, mountains, sparsely populated areas, outermost regions, areas facing serious socio-economic challenges).

Heterogeneity is another point on which one questions the NEET concept. Various risk categories have been identified as being essential factors to trigger NEET. They include, but are not restricted to, disabilities, teen parenthood, bearing family responsibilities, such as being care-taker

for parents or other adults and children, being a single parent, being in need of reintegration into society, etc. In such cases, becoming NEET is a consequence of those particular types of status, and placing the young adult at risk under the protection of policy designed for NEETs is hazardous in that it can mask the genuine problems that the intended beneficiary actually faces.

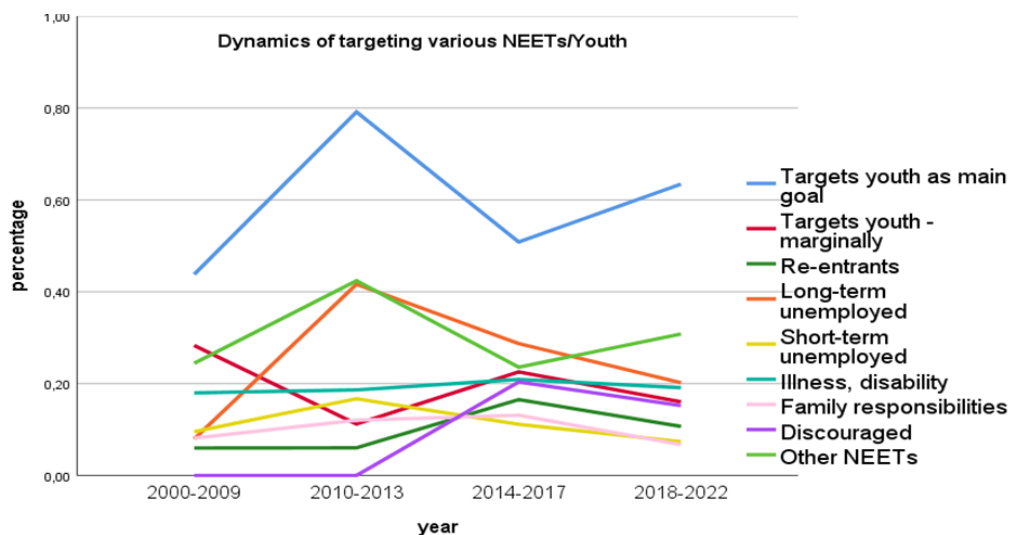
Beyond the ambiguities, there is proof that the label bears negative connotations, close to stigmatisation. This does not reduce its usefulness as a concept transferable to social policy, but raises questions about using it as such within actions putting policy into practice. Various covariates have been noticed, and they can be seen as either drivers to lead to being a NEET, as consequences, or as phenomena that are both factors and consequences of the NEET status. Economic and societal shocks, inequality, regional characteristics are listed as contextual factors. Negative mental health outcomes, alcohol consumption and substance abuse, poor health are among the covariates. Family stability, living with parents, richer cultural capital, and higher parental income are among the factors that can protect against becoming NEET. In contrast, early family formation, becoming parents at young ages, early-school-leaving, out of home care experience tend to increase the odds of being a NEET.

The national policies analysis shows that none of the NEET categories defined by EUROFOUND (2016) is systematically targeted and the most frequent groups are “other NEETs” (295 of the policy documents analysed), which is heterogeneous by definition (including Roma youth or other ethnic minority, drug/alcohol addicts, refugees, fresh graduates, young people that left the social protection system etc.), long-term unemployed (24% of the policy documents), respectively ill or disabled (19% of the policy documents). All other NEET groups are, overall, less frequently mentioned. The policy analysis of the documents from 2010 in seven EU countries shows that the target on youth, with no differentiation between types, is by far more common than focusing on specific groups. It was, in fact, only in the early-2010s that there was more concern about the long-term unemployed. After 2014, discouraged NEET drew some attention, while interest towards short-term unemployed has decreased over time.

The most used policy instruments at the national level are regulation and direct provision by public authorities. Financing services provided by NGOs

come close, while financial support is marginal within the overall policy mix. (Table 1) The residual approach is noticeable in the case of Romania, with the focus on financial transfers, especially subsidies for employers. In Bulgaria, it is the general lack of provision, while Lithuania stresses active measures, financial transfers and social services. The southern states are not as homogeneous as might be expected from a 'Mediterranean' cluster (Minas, Jacobson, Antoniou, & McMullan, 2014). Portugal's comprehensive NEET policy champions active measures, but also financial transfers. Spain includes more financial transfers; Italy is focused predominantly on social services, but in contrast to Romania, the state remains by far the main actor in the field.

Figure 2. Changes in mentioning specific groups of NEETs over time in the policy documents from the seven selected EU countries



Data source: Tr@ck-IN project policy analysis across 7 EU countries

The policy analysis shows a constant decrease in provisions referring to the role of NGOs, a decrease of interest in active measures, and stress on direct provision of social service by public agencies. The increase of direct provision of social services by public institutions could be a consequence of the measures adopted during the COVID-19 period. In some of these countries (Bulgaria, Lithuania, Romania), the public funds for NGOs that provide social services are very limited and not included in the employment policy. There is a decreasing trend of asking/planning to provide more regulations (normal, since the regulations were produced over time).

Table 1. A hit-map of policy instruments by country

	BG	EE	ES	IT	LT	PT	RO	
Information	6%	24%	18%	11%	5%	27%	26%	
Financial Support:	Unemployment insurance	8%	0%	0%	5%	0%	0%	4%
	Social assistance: monetary transfers	4%	0%	2%	5%	0%	0%	0%
	Subsidies for employers	8%	0%	5%	0%	0%	0%	13%
Regulation	10%	52%	41%	45%	0%	69%	26%	
Direct Provision by the state:	Social services	16%	28%	0%	9%	26%	12%	9%
	Active measures	3%	52%	0%	11%	5%	67%	13%
	Financial transfers	10%	12%	0%	32%	0%	20%	17%
Financing services provided BY NGOs:	Social services	3%	32%	0%	2%	0%	0%	0%
	Active measures	0%	36%	0%	3%	0%	27%	4%
	Financial transfers	0%	0%	0%	3%	5%	16%	9%

\*Cells indicate the percentage of documents in the respective country (in the column) that include the policy instrument in the row.

Data source: Tr@ck-IN project policy analysis across 7 EU countries

Considering the dynamics for each type of labour market policy, unemployment benefits have dwindled in more recent years; job-search programmes have increased their importance and start-up incentives have decreased. On the other hand, stability or unclear patterns can be observed in the changing mentioned frequency in the studied documents. Overall, human capital investments and active-occupation measures are the most common when considering the whole corpus of documents. Human capital investment through training for increasing the specific competencies for the labour market is the most important measure included in the public policies during the time periods analysed. Also measures for increasing transversal competencies (e.g. ITC skills, communication, green skills etc.) are present in around one third of the policy document analysed from 2014. Internship, traineeship and apprenticeship represent the measures promoted by the Youth Guarantee Programme.

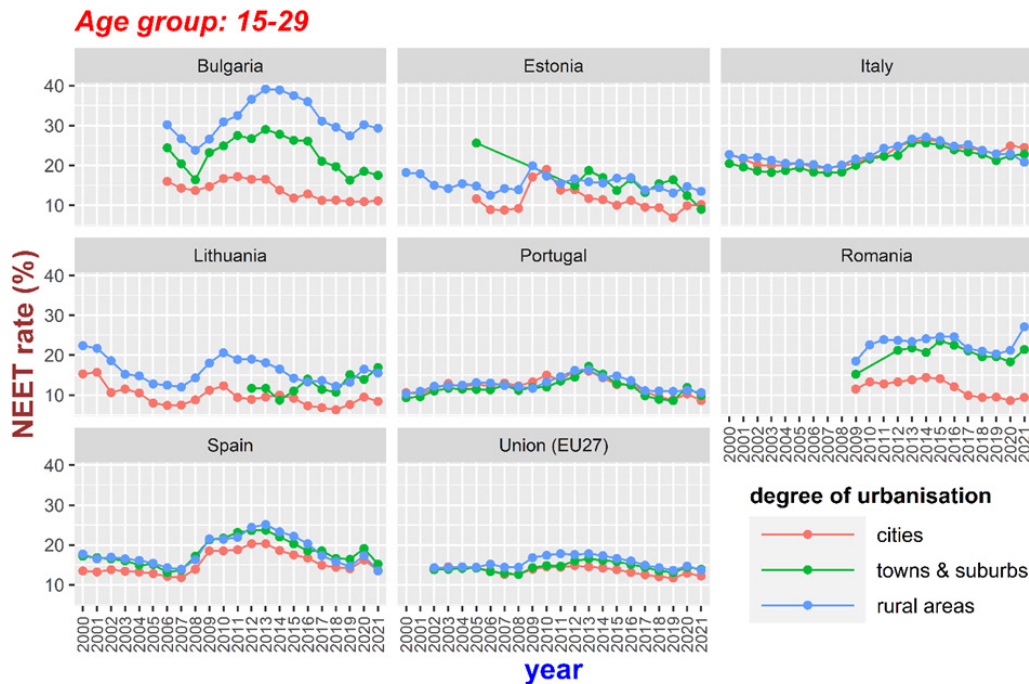
Active rather than passive labour market policies were prevalent in all countries, and among the active policies, the human capital ones were salient. Otherwise, the entire picture shows no consistent pattern, indicating that there is no consensus on 'the best practice'. However, the seven EU

countries use these policies as interchangeable parts of a toolbox from which one extracts what one needs.

## THE FOCUS ON RURAL AREAS

The rural-urban distinction is rarely addressed in the existing academic literature, despite the higher rates of NEETs in rural areas (Figure 3). This reflects the lack of differentiation that can be observed in Southern countries and at the level of the European Union. Baltic countries maintain some small distance between cities and rural areas, while Bulgaria and Romania are still marked by deep inequalities.

Figure 3. NEETs rate on the degree of urbanisation



Data source: Eurostat, [https://ec.europa.eu/eurostat/databrowser/view/EDAT\\_LFSE\\_29](https://ec.europa.eu/eurostat/databrowser/view/EDAT_LFSE_29).

The lack of differentiation justifies the low interest in addressing distinct rural needs, as also reflected in the lack of academic research devoted to rural areas. However, in countries with high inequality, one needs to consider distinct policies.

In the policy documents that we have analysed, rural areas are seen as specific target zones in Estonia, and in a third of Bulgarian documents, while rural-urban distinction is mentioned (without specifically targeting rural areas) in a third of Romanian documents; in a fifth of Bulgarian ones; in about one out of six Italian documents; and more rarely in the other countries. This indicates a certain rationality of existing regulations that follow the differences across European societies.

## POLICY IMPLICATIONS

**Focus on impact.** With the legislation still recent, but already implemented for at least a decade, there is an urge to boost the assessment of the outcomes. Given the heterogeneity of NEETs and the variety of interventions, designing proper impact studies is challenging methodologically, which adds to ambiguities related to the concept itself. However, given the importance of the NEET on current European public agenda, such assessments are needed to refine policy and better understand the efficacy of the intervention.

**Tailored actions.** The mentioned heterogeneity of the NEET concept is a requirement for tailored policies. Each NEETs' category has specific needs that require tailored measures to tackle them. Moreover, the other NEETs' category should be analysed more deeply to indicate what type of NEETs they are, their characteristics and their needs. Consequently, decentralised action is needed, based on intervention by flexible providers, such as NGOs, which can adapt their offer to narrower target groups, and specialise in addressing needs specific to particular NEET sub-groups.

**Incremental changes of policy.** In the absence of comprehensive impact studies, small steps are likely to be more efficient in completing existing regulations. Iterative launches of programmes, devoted to sub-groups, or to specific actions can be tested one by one. This strategy is also to be considered under the cost-benefit aspect of each action.

**Bringing age categories to the forefront.** The large differences between the 15-24 and 25-29 age groups require proper intervention, focused on lower ages in order to prevent increasing NEET rates among older groups, and on curative/reparatory actions for the 25-29 age category.

**Targeting rural or other vulnerable areas in countries with high inequalities between localities.** In many countries, the urban-rural distinction has proved to be inoperative, since the NEET rates were fairly similar, irrespective of the degree of urbanisation. However, in societies where inequality is striking, the focus on rural areas has become a mandatory component of the policy.

**Integrated measures tailored for NEET categories.** The NEET categories are not homogenous, other categories can appear and they have multiple needs that should be addressed. As the Reinforced Youth Guarantee proposes the focus should be more on integrated and personalised services with the aim to solve as many needs as possible. Consequently, the national level should have more flexibility at the Public Employment Service level to identify better the needs, develop one-stop shops for NEETs, mobile services and partnerships with NGOs or other organisations that can provide services for young people.

**Use better evidence in policy design.** The studies on NEETs, and especially on NEETs from disadvantaged areas, are few. To have more efficient policies with measures for tackling NEETs, there is a strong need for better evidence at the national level and best practices.

**Increase the NEETs' voice in policy design.** In order to have more efficient policies, the NEETs' voice should be more present in the policy design phase and also in the evaluation. There are youth organisations in the policy design, but the NEET voices are less present.

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The "Track-IN Public employment services tracking effectiveness in supporting rural NEETs" project is funded by Iceland, Liechtenstein and Norway through The EEA and Norway Grants Fund for Youth Employment