



# NEETS: GLOBAL CHALLENGE, LOCAL SOLUTIONS

WAPES PES Forum on NEETs

**Karen Maguire, Head of Division**

Local Employment and Economic Development Programme  
Centre for Entrepreneurship, SMEs, Regions and Cities (CFE)

16 November 2023, Antalya, Türkiye

 @OECD\_local  [www.linkedin.com/company/oecd-local](https://www.linkedin.com/company/oecd-local)  [www.oecd.org/cfe](https://www.oecd.org/cfe)



# About the OECD LEED Programme

The LEED Programme takes a local lens to the labour market.

LEED's mission is to build vibrant communities with more and better quality jobs for all. Since 1982, the Programme has been supporting national and local governments through tailored reviews and capacity building activities, as well as research and good practice reports on innovative approaches to local development. LEED is part of the OECD's Centre for Entrepreneurship, SMEs, Regions and Cities.



Employment and Skills



Social economy



Culture and creative industries



Entrepreneurship



Capacity building & the OECD Local Development Forum

[www.oecd.org/cfe/leed](http://www.oecd.org/cfe/leed) | Follow us on Twitter @OECD\_local



# Today's presentation

1. Data trends
2. Policy
  - Local service integration
  - Intensive counselling and youth guarantees
  - Social entrepreneurship
  - Rural entrepreneurship
  - Recruitment incentives
  - Return to education
3. Future perspectives
  - Future of work
  - Youth aspirations
  - Mental health

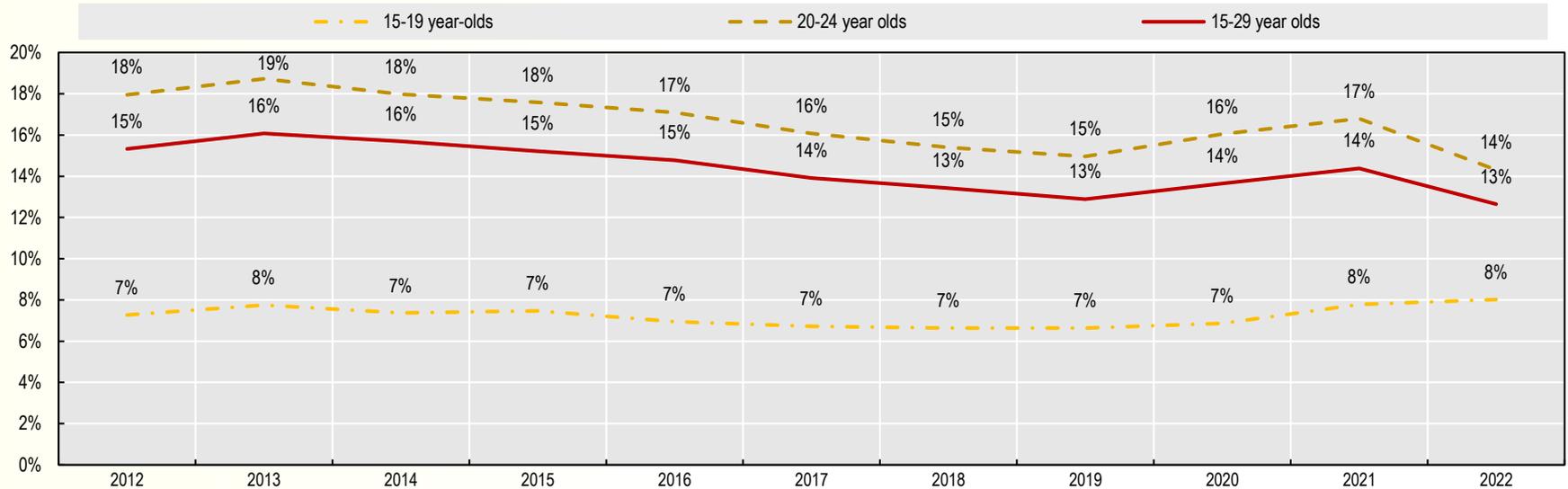


# Data trends



# The share of young people in OECD countries not in employment, education or training (NEET) has decreased modestly over the past ten years

Youth not in employment, education or training (NEET) 15-19-year-olds, 20-24-year-olds and 15-29-year-olds, % in same age group, 2012 – 2022

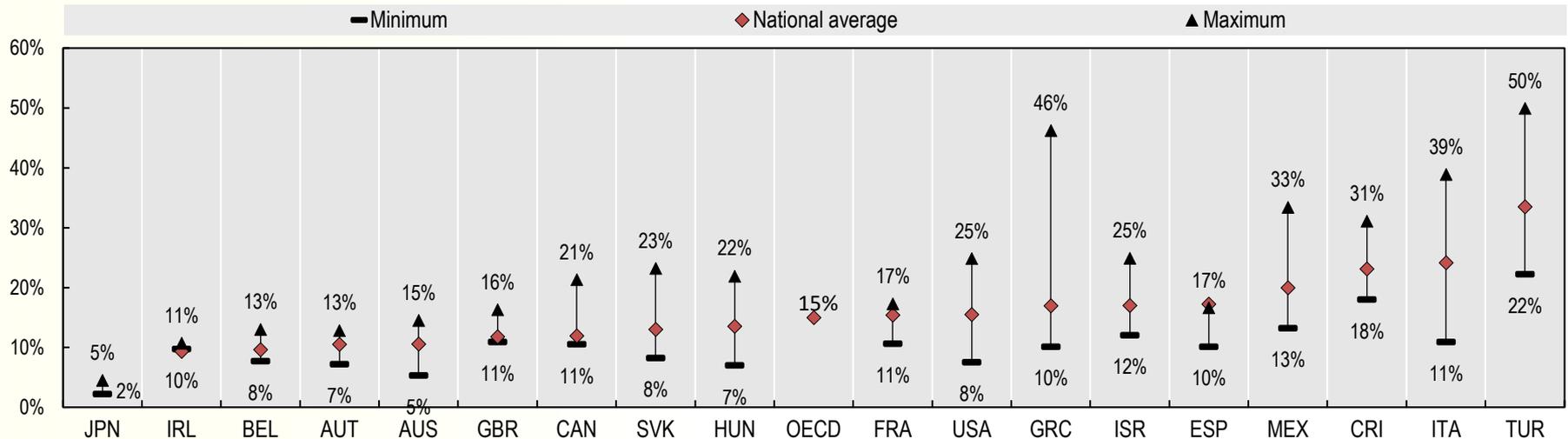


Source: OECD (2023), Youth not in employment, education or training (NEET) (indicator). doi: 10.1787/72d1033a-en.



# NEET youth persist across OECD labour markets, though some regions face a greater challenge

NEET rate, 18-24 years, selected OECD countries, minimum and maximum regional (TL2) value and national average, 2022



Note: Note: (1) 2019 regional data for France and Italy, 2021 regional data for Austria, Belgium, Slovak Republic and the US (2) Ceuta (Spain), Melilla (Spain), the Northwest Territories (Canada), Nunavut (Canada) and the French overseas territories removed.

Source: OECD Regional Education Statistics, <https://stats.oecd.org/index.aspx?queryid=90228#>.

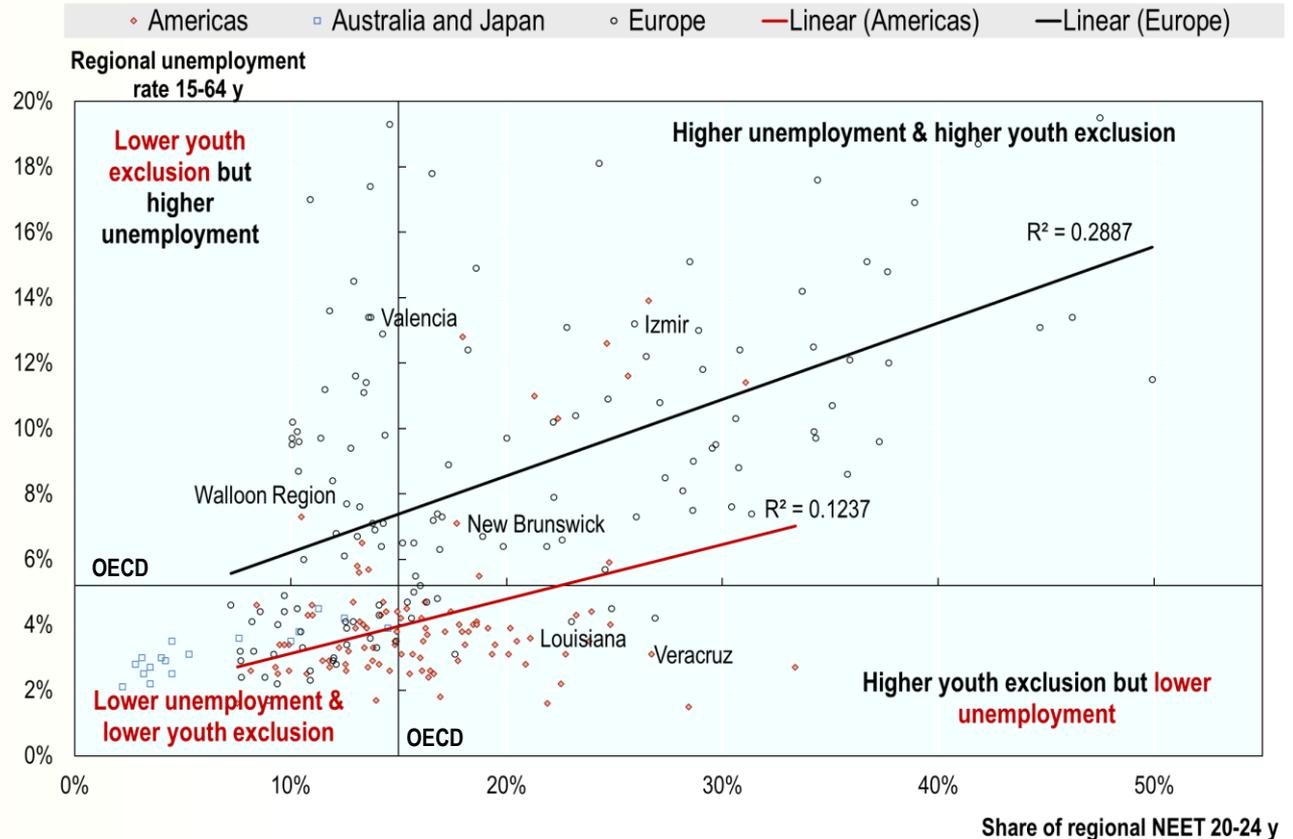


# Unemployment is associated with NEET in OECD regions

**Regional unemployment (15-64) and NEET (20-24), selected OECD regions, 2022.**

**Correlation co-efficient (r), all regions: 0.55**

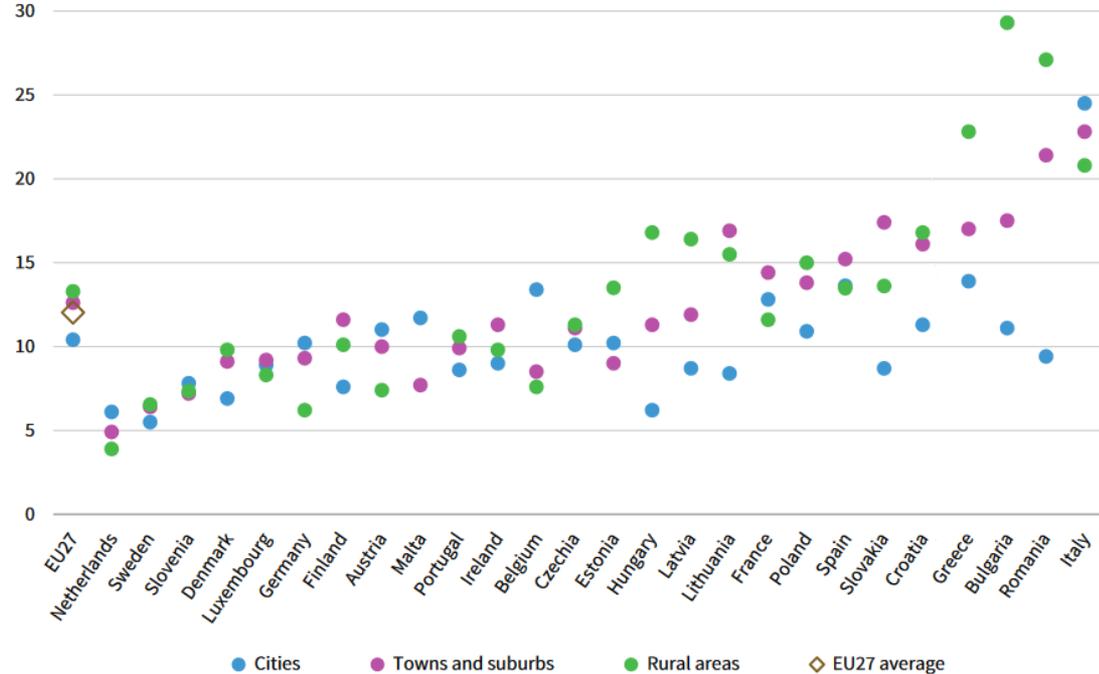
Note: Note: (1) 2019 regional data for France and Italy, 2021 regional data for Austria, Belgium, Slovak Republic and the US (2) Ceuta (Spain), Melilla (Spain), the Northwest Territories (Canada), Nunavut (Canada) and the French overseas territories removed. (3) Certain regions removed due to absence of data:  
Source: OECD Regional Education Statistics, OECD Labour Statistics.





# Youth tend to struggle most in rural areas, towns and suburbs

**NEET rate (15-29),  
selected EU Member  
States and degree of  
urbanisation, 2021  
(%)**

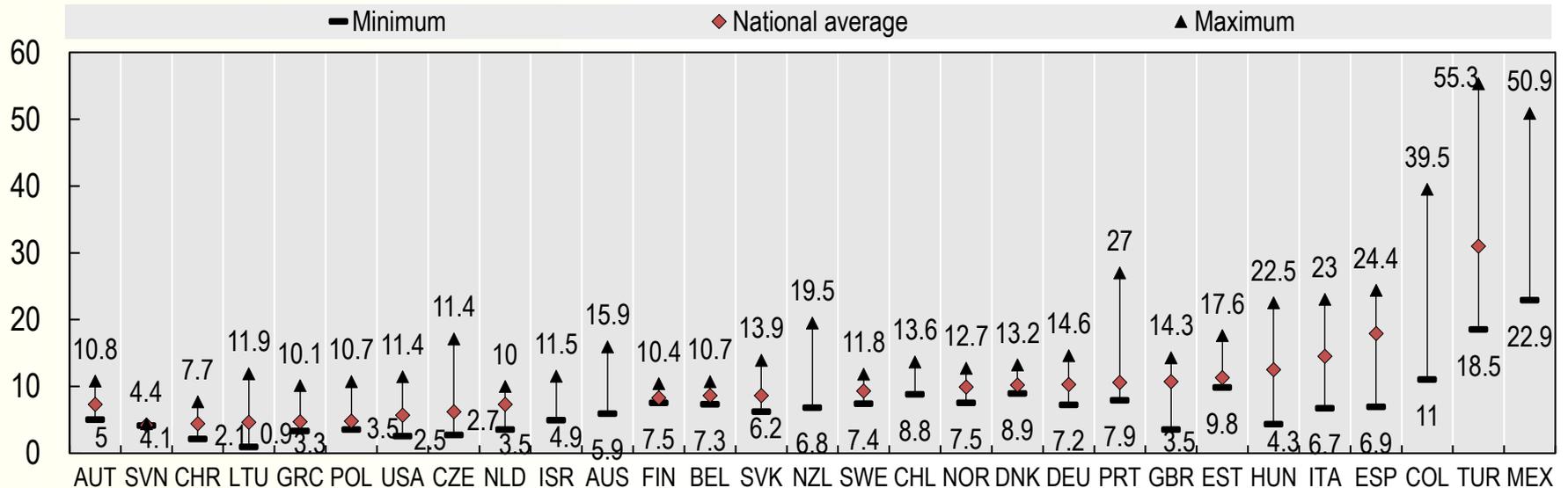


Source: Eurofound. Sourced from EU LFS.



# Early departure from education and training in some regions affects major portions of the younger generation

Rate of early leavers from education and training by region, percentage of the total population aged 18 to 24, selected OECD countries, 2018



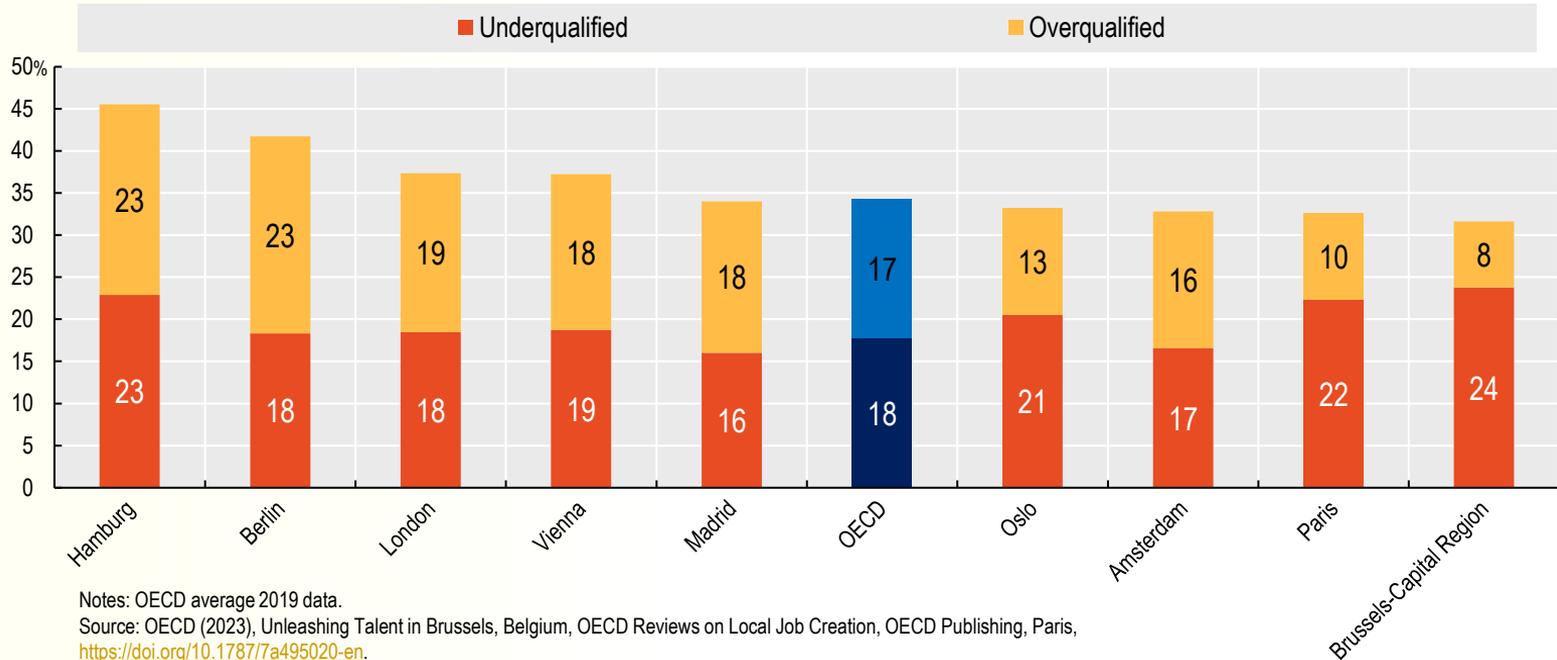
Note: Note: (1) Early leavers refers to persons aged 18 to 24 who have finished no more than a lower secondary education and are not involved in further education or training. The early leavers rate is expressed as a percentage of the total population aged 18 to 24. (2) Data not available for all regions of all countries, refer to OECD.stat for more information (2) 2017 data for Australia (3) Ceuta (Spain), Melilla (Spain) removed.

Source: OECD Regional Education Statistics, <https://stats.oecd.org/index.aspx?queryid=90228#>.



# Skills mismatch can drive young peoples' exclusion from the labour market

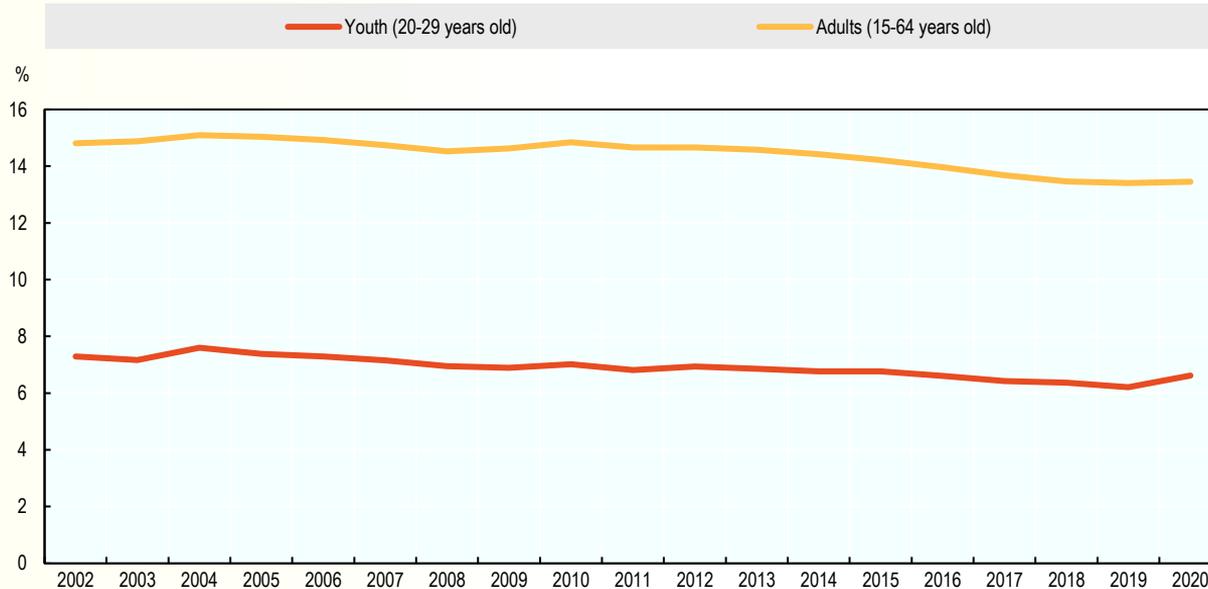
Percentage of workers across OECD metropolitan areas that do not match their educational attainment, 2020





# On average, few young people start an enterprise compared to the general population

## Self-employment as a percentage of employment, EU, 2002-2020

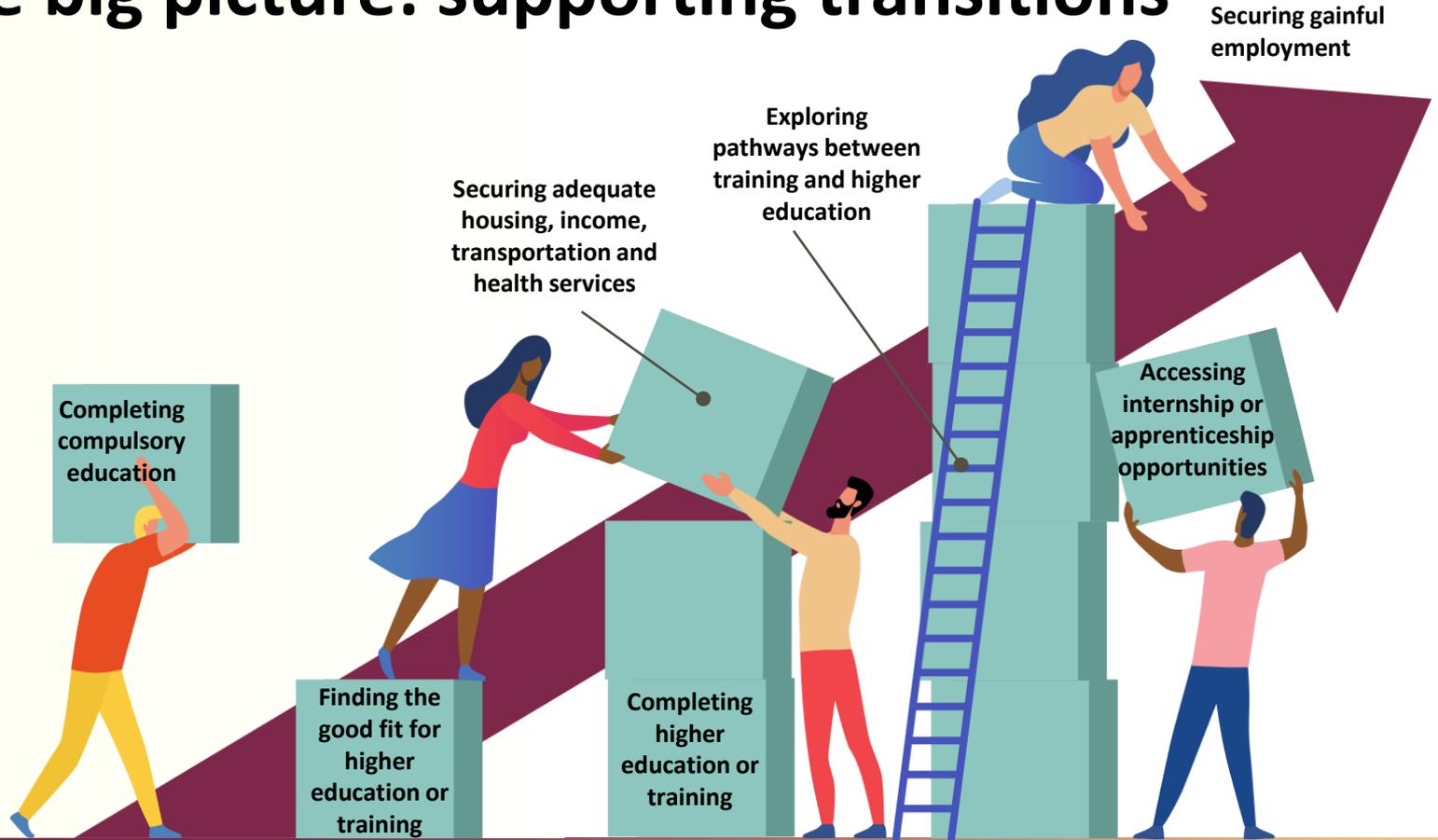


Source: OECD/European Commission (2021), *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris, <https://doi.org/10.1787/71b7a9bb-en>. Data sourced from: Eurostat (2021), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs/data/database>.



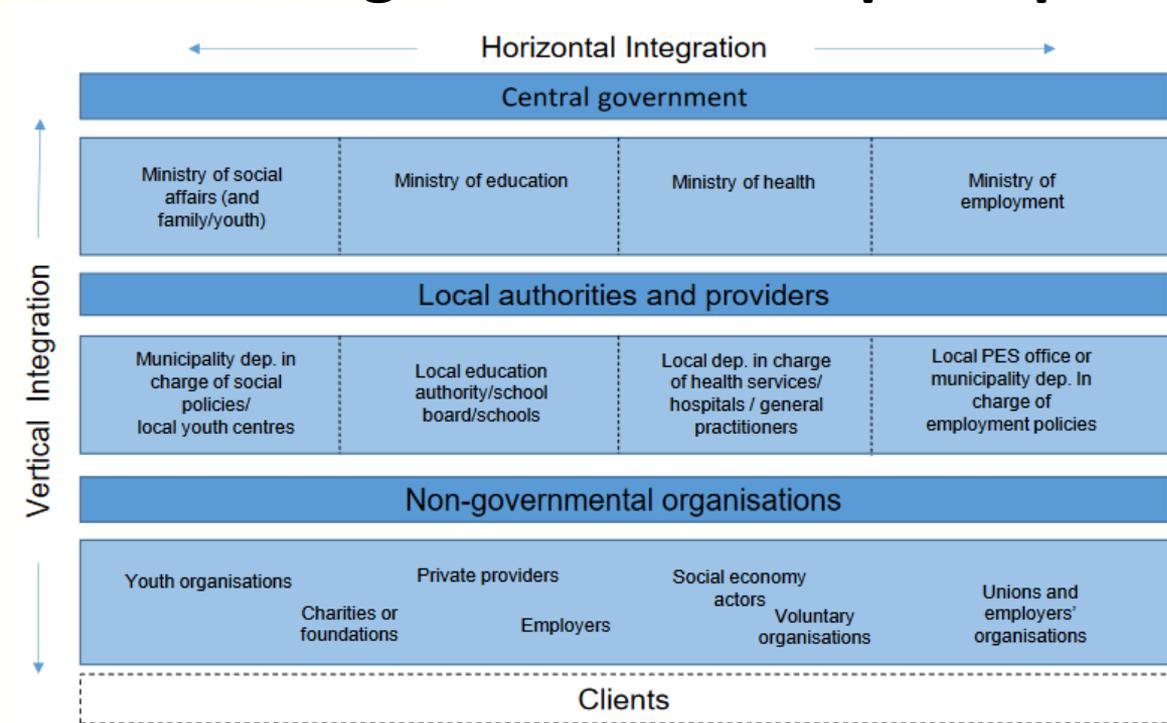
### III. Policy perspectives

# The big picture: supporting transitions





# Local service integration: one-stop-shops for youth



**Across countries, local governments are often responsible for social policies.**

Source: OECD (2023), "Integrating local services for individuals in vulnerable situations", OECD Local Economic and Employment Development (LEED) Papers, No. 2023/08, OECD Publishing, Paris, <https://doi.org/10.1787/1596644b-en>. Original sourced from OECD (2015[5]), Integrating Social Services for Vulnerable Groups: Bridging Sectors for Better Service Delivery, OECD Publishing, Paris.



# Local service integration: one-stop-shops for youth



*The Ohjaamo* centre in Helsinki, Finland



- The Finnish *Ohjaamo* youth one-stop-shops centres are a form of local service integration
- Public employment services (PES) and municipalities drive the partnership
- Local autonomy to forge partnerships with the health system, housing administration, NGOs



# Intensive local counselling and youth guarantees

- The EU has defined the reinforced Youth Guarantee as **an offer of education, training, apprenticeship or employment within a period of four months** of becoming unemployed or leaving education for all of those under 30
- **Early and intensive counselling is at the core of youth guarantees**



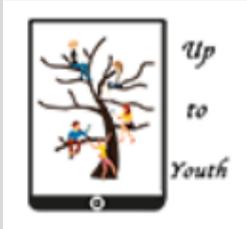
- The *Contrat d'engagement jeune (CEJ)*, previously the *Garantie Jeunes*, in France involves **regular individual counselling, weekly activities and financial support**
- **Place-based** through implementation in *Missions locales* and *Pôle Emploi\**
- Impact evaluation

*\*Reform planned for 2024 set to change governance significantly.*



# Youth-led social enterprises

- Social entrepreneurship is a solution for young people interested in social impact
- Social enterprise legislation can be hard to navigate for young people
- **Policy can support**
  - **Skills to launch, run and scale**
  - **Funding**
  - **Clarifying legislation**



- “Up to youth” is a **social entrepreneurship training programme** funded by the EU
- **Consortium** among organisations in Greece, Portugal, Slovenia, Türkiye and the United Kingdom and the **Governorship of Istanbul, Türkiye**



# Supporting youth entrepreneurship in a rural context



- For young people, especially in job-scarce remote areas, starting a business can be a way to gainful employment



- *Emprende rural* is a **rural entrepreneurship training programme** of Colombia's National Training Service (SENA)
- Focus on target groups: (1) youth and (2) vulnerable populations



# Employment in the social economy can encourage a path to formal work for young people





# Recruitment incentives

- Recruitment incentives for youth **involve a wage subsidy for a limited period** to facilitate recruitment of young people, often without the long-term unemployment criteria of other subsidies
- **Evaluation** and **targeting to youth** are key



- Chile's public employment service runs an employment incentive for vulnerable young people, the *Subsidio al Empleo Joven*
- **Strong results in impact evaluation** on employment outcomes



# Investing in young people to return to education or training

- For young people with a challenging past in the school system, **returning to education or training as young adults** is an opportunity to secure employment in an occupation of interest
- PES, regions and cities **can invest in young people to re-enter education or training** through tuition and cost reimbursements, stipends and administrative ease



- **The Brussels-Capital Region, Belgium reimburses tuition and transportation when unemployed job seekers who receive benefits enter training or education for a host of programmes**
- **Some tracks are available for an allowance for the duration of training**

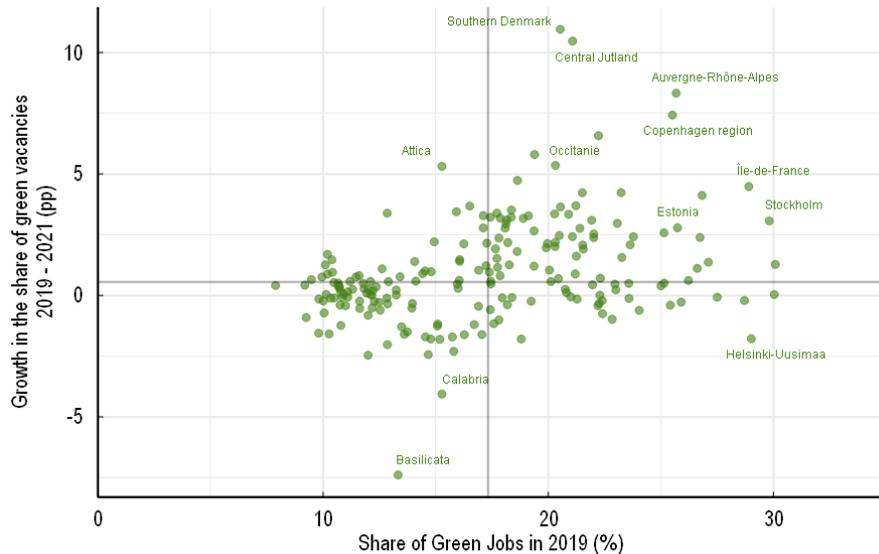


### III. Future perspectives

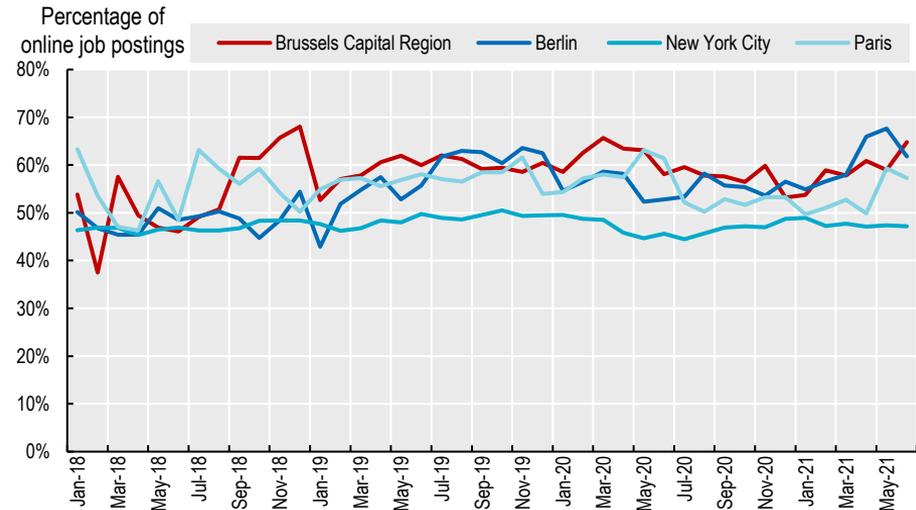


# Digital and green skills offer a strong return on investment for young people

Growth in the share of green vacancies as a function of the share of green jobs, 2019-2021, selected OECD regions



Share of online job vacancies requiring at least generic ICT skills, 2018-2021, selected OECD cities



Source: OECD (2023), Job Creation and Local Economic Development 2023: Bridging the Great Green Divide, OECD Publishing, Paris, <https://doi.org/10.1787/21db61c1-en>; OECD (2023), Unleashing Talent in Brussels, Belgium, OECD Reviews on Local Job Creation, OECD Publishing, Paris, <https://doi.org/10.1787/7a495020-en>. Data from OECD calculations based on Lightcast data.



# A greater share of remote regions and those furthest from urban hubs are ageing, boosting the need for rural talent

## Share of shrinking regions (%), 2021

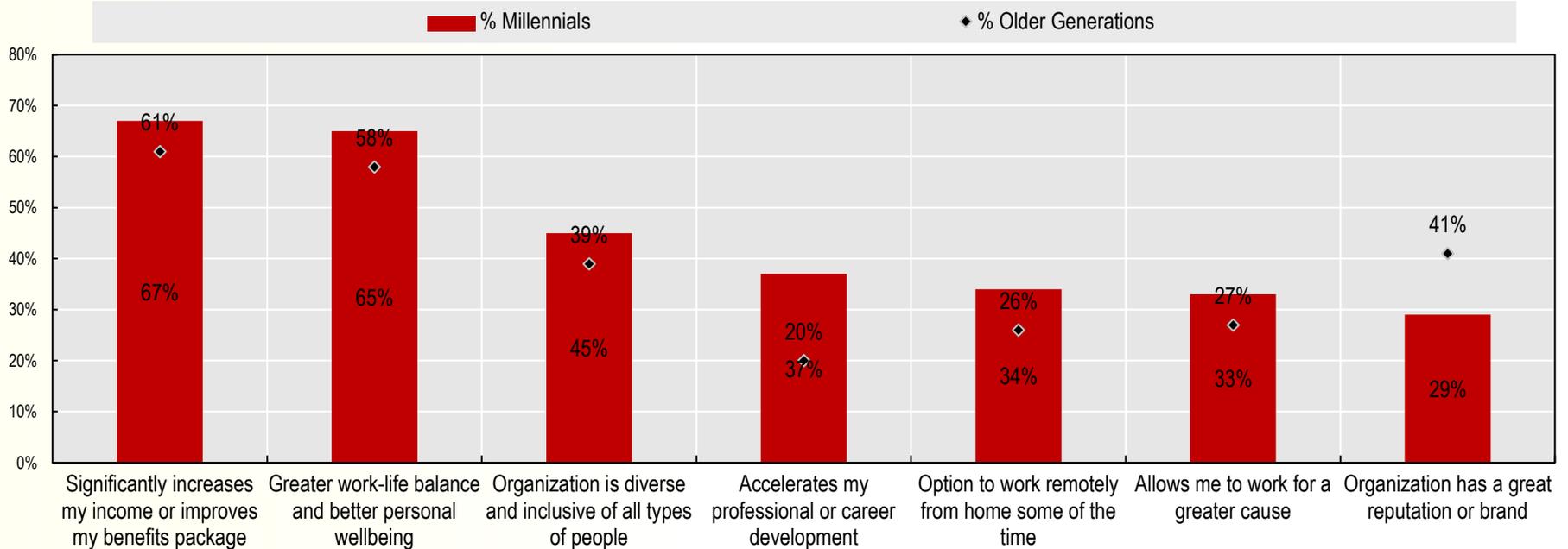


Source: OECD (2023), OECD Regional Outlook 2023: The Longstanding Geography of Inequalities, OECD Publishing, Paris, <https://doi.org/10.1787/92cd40a0-en>.



# Young people place greater attention on careers, income and work-life balance: PES may need to raise attention around the quality of work

Survey results, US millennials, % very important when considering whether to take a job with a different organisation, 2021



Source: Gallup, WF October 2021, <https://www.gallup.com/workplace/404693/generation-disconnected-data-gen-workplace.aspx>.



# Jobs in health care, teaching and business management are among those that interest disadvantaged young people the most in the OECD

## Percentage of students expecting to work in one of the ten most cited jobs at age 30

Top 10 occupations cited by disadvantaged students

2000		2018	
Occupation	%	Occupation	%
1 Teachers	8.7	Doctors	9.4
2 Doctors	6.6	Teachers	8.2
3 Lawyers	4.9	Business managers	5.2
4 Business managers	4.6	Police officers	3.9
5 Sportspeople	2.7	Lawyers	3.5
6 ICT professionals	2.6	Engineers	3.3
7 Nursing and midwives	2.4	Nursing and midwives	3.3
8 Engineers	2.3	Sportspeople	3.0
9 Hairdressers	2.3	Motor vehicle mechanics	2.5
10 Motor vehicle mechanics	2.1	Designers	2.3
<b>Total</b>	<b>39.3</b>		<b>44.7</b>

Source: OECD (2020), *Dream Jobs?*, PISA 2000 and 2018 databases, <https://www.oecd.org/education/dream-jobs-teenagers-career-aspirations-and-the-future-of-work.htm>.



# Youth mental health

- **Suicide was the fourth leading cause of death among 15–29 -year-olds globally in 2019** (WHO, 2023)
- Mental health can **be a driving factor behind exclusion**



- Centres provide **comprehensive support** for young people aged 18 to 25 and their families, including mental health, substance abuse, physical health as well as social and vocational assistance



# OECD-wide list of relevant reports

- OECD (2023), "Integrating local services for individuals in vulnerable situations", OECD Local Economic and Employment Development (LEED) Papers, No. 2023/08, OECD Publishing, Paris, <https://doi.org/10.1787/1596644b-en>.
- OECD (2022), "Unlocking the potential of youth-led social enterprises", OECD Local Economic and Employment Development (LEED) Papers, No. 2022/11, OECD Publishing, Paris, <https://doi.org/10.1787/d5bddad8-en>.
- OECD "investing in youth" series, see for example:
  - OECD (2021), Investing in Youth: Slovenia, Investing in Youth, OECD Publishing, Paris, <https://doi.org/10.1787/c3df2833-en>.
- OECD (2020), Dream Jobs? *Teenagers' Career Aspirations and the Future of Work*, OECD Publishing, Paris, <https://www.oecd.org/berlin/publikationen/Dream-Jobs.pdf>.
- OECD Career readiness project page, <https://www.oecd.org/education/career-readiness/>



## See also

- OECD (2023), *Job Creation and Local Economic Development 2023: Bridging the Great Green Divide*, OECD Publishing, Paris, <https://doi.org/10.1787/21db61c1-en>.
- OECD (2023), *Unleashing Talent in Brussels, Belgium*, OECD Reviews on Local Job Creation, OECD Publishing, Paris, <https://doi.org/10.1787/7a495020-en>.
- OECD (2022), "From informal to formal jobs: The contribution of cooperatives in Colombia", OECD Local Economic and Employment Development (LEED) Papers, No. 2022/07, OECD Publishing, Paris, <https://doi.org/10.1787/28214bf5-en>.
- OECD/European Commission (2021), *The Missing Entrepreneurs 2021: Policies for Inclusive Entrepreneurship and Self-Employment*, OECD Publishing, Paris, <https://doi.org/10.1787/71b7a9bb-en>.

# Thank you!

 [Karen.Maguire@oecd.org](mailto:Karen.Maguire@oecd.org)

Twitter: [@OECD\\_local](https://twitter.com/OECD_local)

LinkedIn: [www.linkedin.com/company/oecd-local](https://www.linkedin.com/company/oecd-local)

Website: [www.oecd.org/cfe](https://www.oecd.org/cfe)

